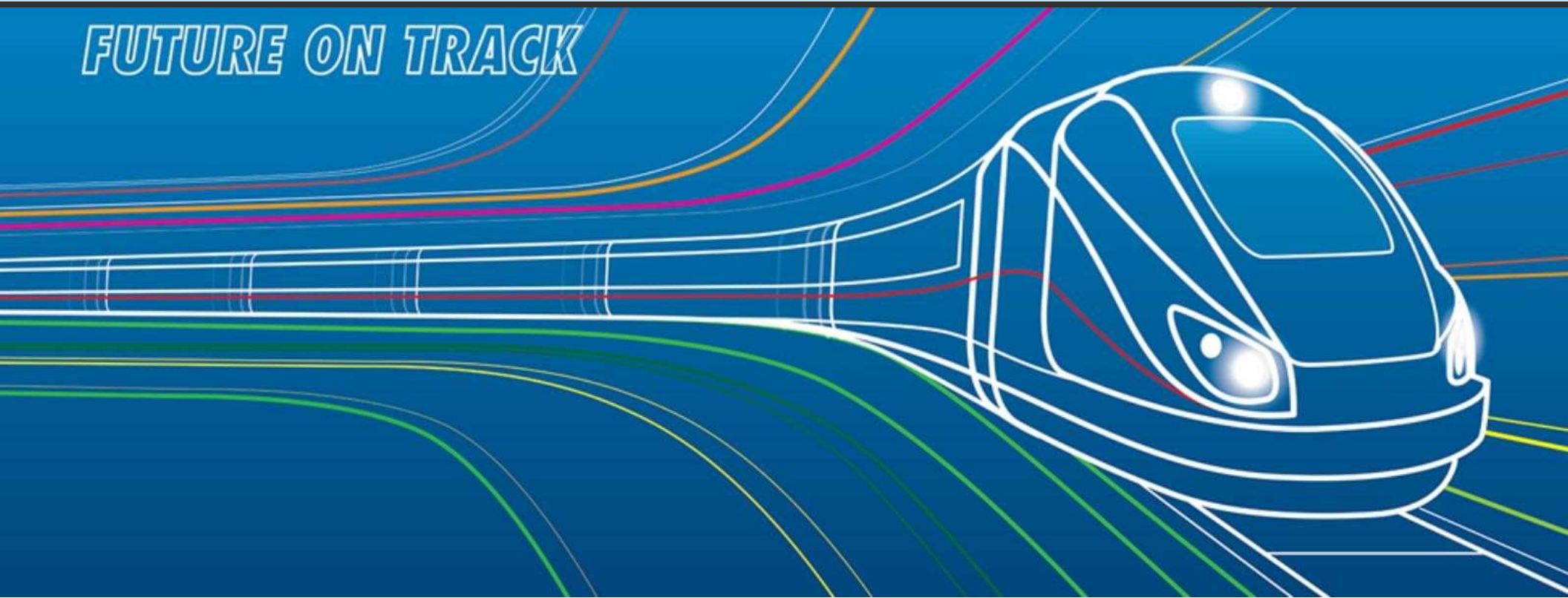


**FUTURE ON TRACK**



## **Indian Railway Finance Corporation Limited**

**Performance Highlights**

**For the year ended 31<sup>st</sup> March 2024**

22<sup>nd</sup> May 2024

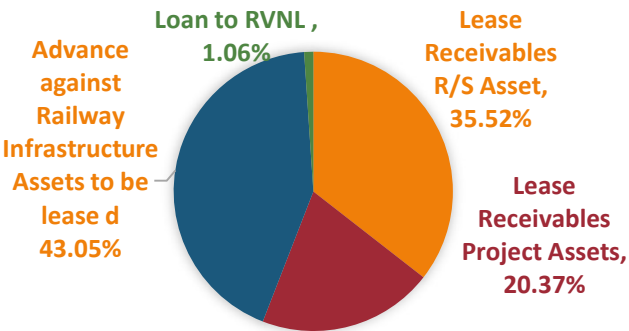
# Snapshot of the Company

## Company Overview

- IRFC is registered with RBI as a systemically important NBFC-ND-IFC, Majorly owned by the GoI acting through Ministry of Railways (MoR)
- It is the dedicated market borrowing arm for the Indian Railways
- Primary business:
  - ↳ financing the acquisition of rolling stock assets;
  - ↳ leasing of railway infrastructure assets and national projects of the Government of India and
  - ↳ lending to other entities under the MoR

## AUM Break-Up (FY 24)

Minimal credit risk : 98.94% of AUM is exposure to MoR



<div>AUM (FY 24)</div> <div>INR 4,64,641.28 Cr</div> <div></div>	<div>Net worth (FY 24)</div> <div>INR 49,178.57 Cr</div> <div></div>	<div>RoE / RoA (FY 24)</div> <div>13.66% / 1.31%</div> <div></div>	<div>GNPA</div> <div>NIL</div> <div></div>	<div>Tax Liability</div> <div>NIL</div> <div></div>
<div>Total Debt (FY 24)</div> <div>INR 4,12,032.10 Cr</div> <div></div>	<div>NIM (FY 24)</div> <div>1.38%</div> <div></div>	<div>Ratings</div> <div>CRISIL AAA   CRISIL A1+ ICRA AAA   ICRA A1+ CARE AAA   CARE A1+</div> <div></div>	<div>Net Gearing Ratio (FY 24)</div> <div>8.38x</div> <div></div>	<div>CRAR % (FY 24)</div> <div>616.15 %</div> <div></div>

All numbers are as on 31<sup>st</sup> March, 2024



# Key Strengths

1

**Strategic role in growth of Indian Railways**

**AUM ( FY 24)**

**INR 4.64 trillion**

- Dedicated market borrowing arm for the Indian Railways (IR)
- AUM as on 31<sup>st</sup> March 2024 stands at INR 4,64,641.28 crore

2

**Low risk, Cost -Plus business model**

**GNPA ( FY 24)**

**NIL**

- Strategic relationship with the MoR enables us to maintain a low risk profile
- Cost-Plus Standard Lease Agreements with MoR
- Consistent spreads on Rolling Stock (spread 40 bps) and Project Assets (spread 35 bps) over last five years

3

**Competitive Cost of Borrowings**

**Long term Ratings**

**AAA**

- Highest credit rating for an Indian Issuer from ICRA, CRISIL & CARE
- Diversified funding sources of various maturities & currencies
- Competitive cost of Borrowing to keep finance cost under check

4

**Strong Asset-Liability Management**

**Cumulative Gap over 5 yrs**

**NIL**

- IRFC borrows on a long-term basis to align with the long-term tenure of the assets financed
- MoR is required to provide for any shortfall in funding under the Standard Lease Agreement

5

**Consistent financial performance**

**Net Worth (FY 24)**

**INR 49,178.57 Cr**

- Profit for the FY 24 stands at Rs. 6,412.10 crore
- Revenue from operations grew by 12.32% on YoY basis for FY 2023-24.
- Low overheads, administrative costs and high operational efficiency
- Healthy return ratios – RoA at 1.31% and RoE at 13.66 % for the FY 2023-24

6

**Enjoys Regulatory Exemptions**

**Tax Liability**

**NIL**

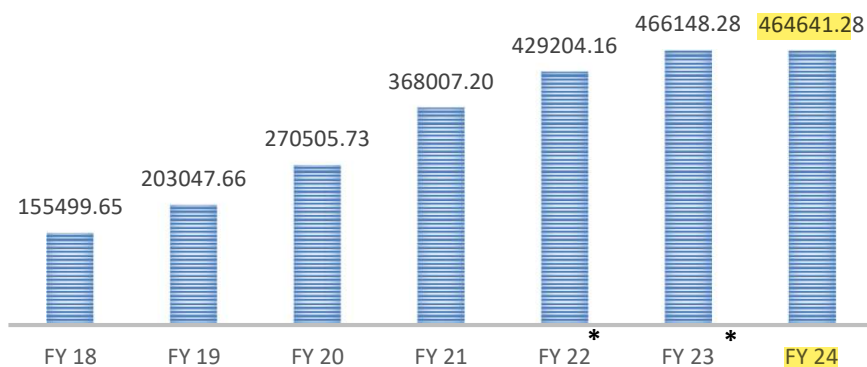
- Exempted from the RBI's asset classification norms, provisioning norms, exposure norms to the extent of direct exposure on MoR and is not required to pay 'minimum alternate tax' with effect from Fiscal 2020 under section 115BAA of Income Tax Act



# Strategic role in financing growth of Indian Railways

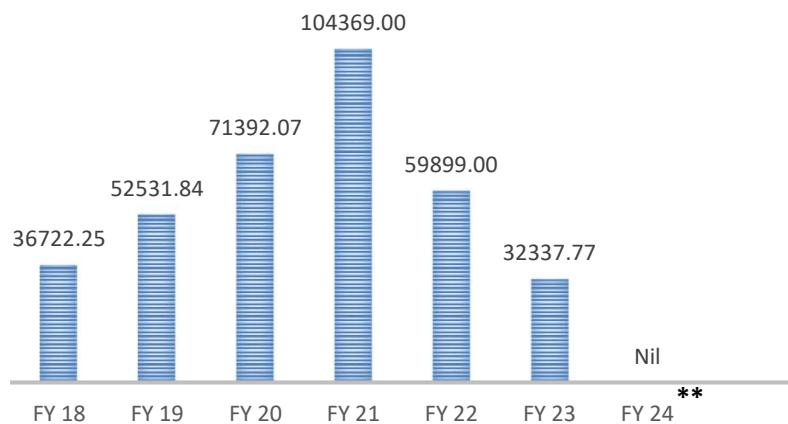
## Assets Under Management

(Figures in INR crore)



\*Restated

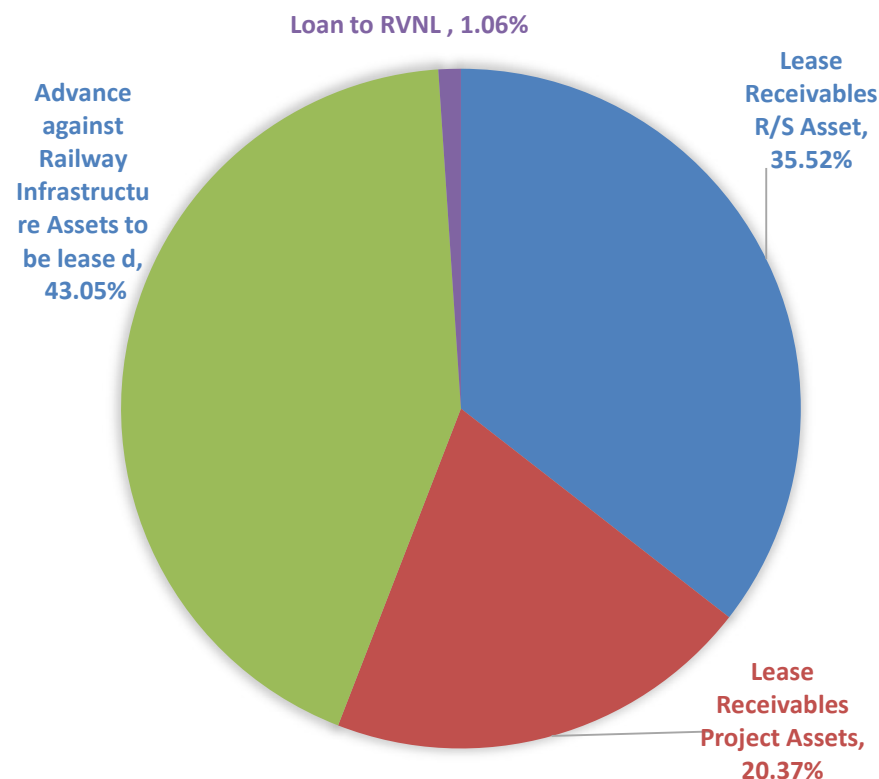
## Disbursements



\*\* No target assigned in Budget of FY 2023-24 and in Vote on Account for FY 2024-25. Final Budget for the FY 2024-25 yet to be placed in the Parliament.

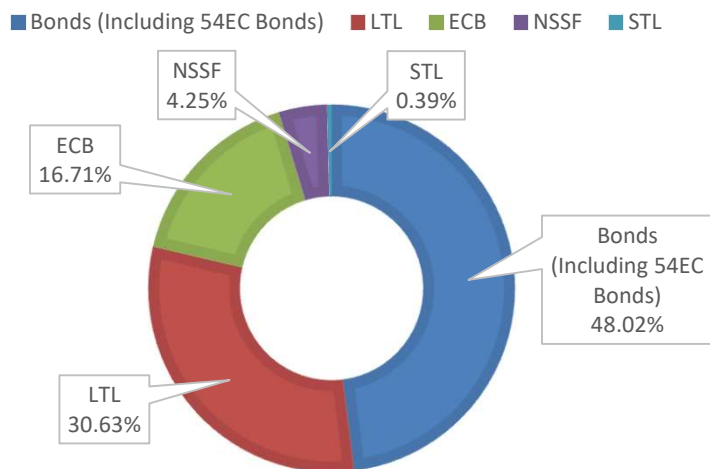
## AUM Break-Up (FY 24)

Minimal credit risk : 98.94% of AUM is exposure to MoR

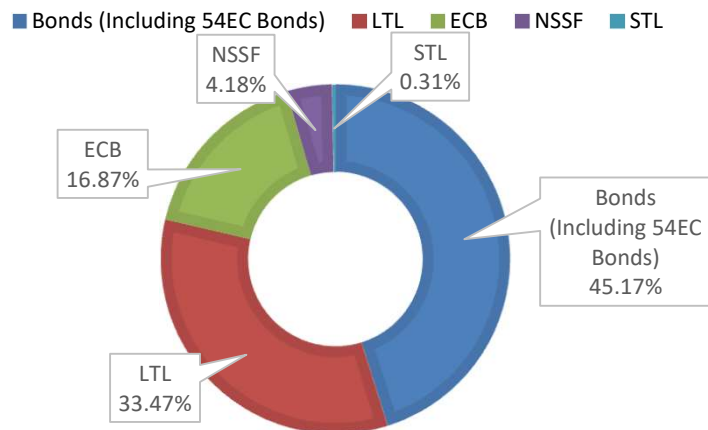


# Competitive cost of borrowings based on strong credit ratings in India and diversified sources of funding

**Borrowing Mix as on 31<sup>st</sup> March, 2024**



**Borrowing Mix as on 31<sup>st</sup> March, 2023**



## Particulars (31<sup>st</sup> March 2024)

Rating

Outlook

### Domestic:

#### Long term rating

CRISIL	CRISIL AAA	Stable
ICRA	ICRA AAA	Stable
CARE	CARE AAA	Stable

#### Short term rating

CRISIL	CRISIL A1+	–
ICRA	ICRA A1+	–
CARE	CARE A1+	–

### International \*

Moody's	Baa3	Stable
Standard and Poor's	BBB-	Stable
Fitch	BBB-	Stable
Japanese Credit Rating Agency	BBB+	Stable

*Diversified sources of funding, credit ratings and strategic relationship with the MoR, have enabled IRFC to keep costs of borrowing competitive*

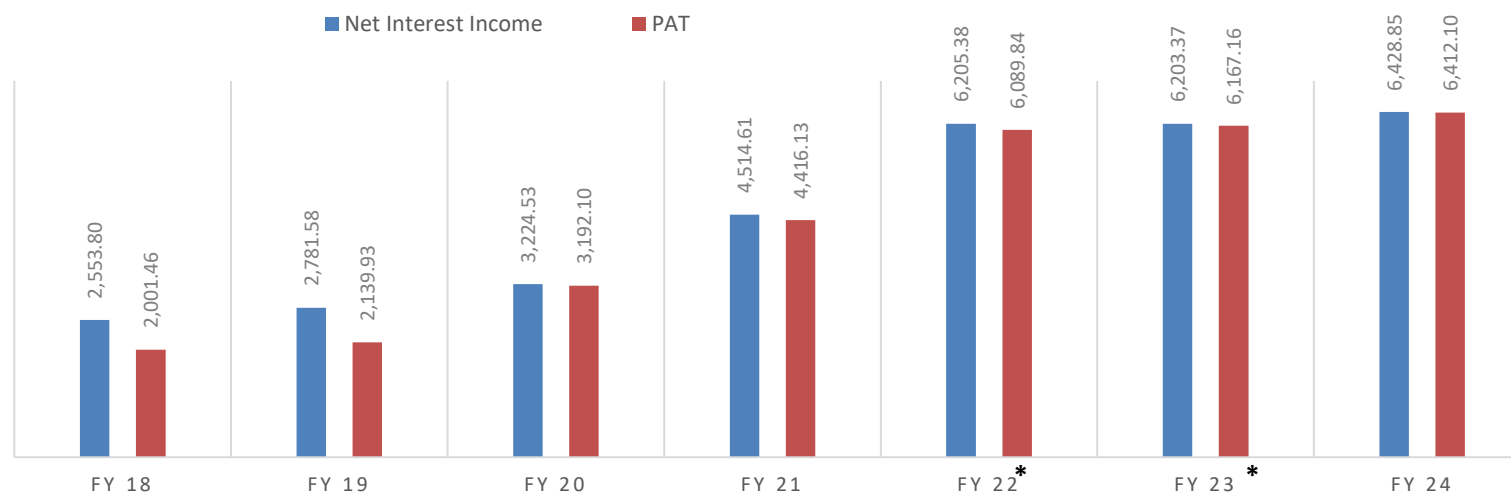
■ \*At par with India's sovereign ratings;



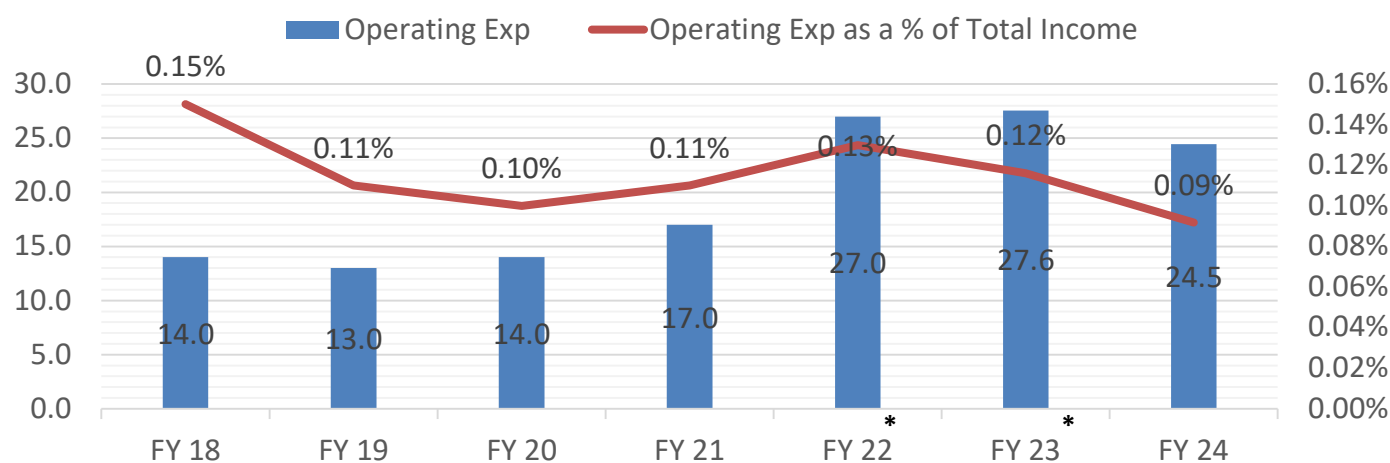


# Consistent Financial Performance

## Net Interest Income & PAT



## Negligible Operating Expenses

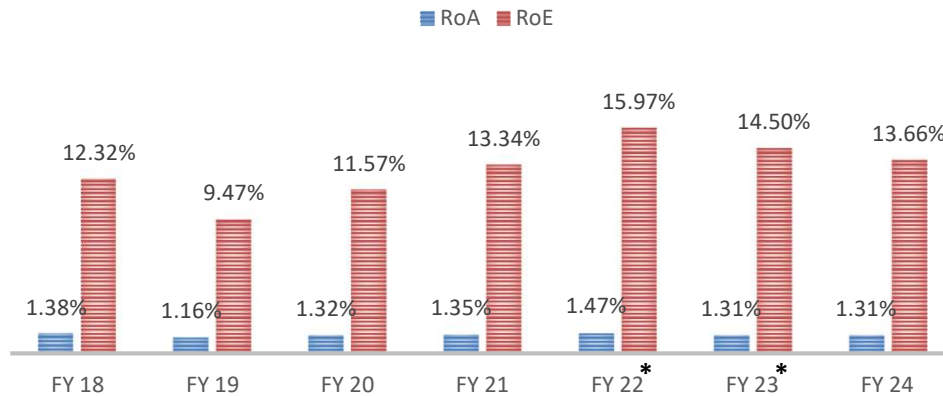


■ (\*) Restated & all figures are in INR Crore, unless specified otherwise

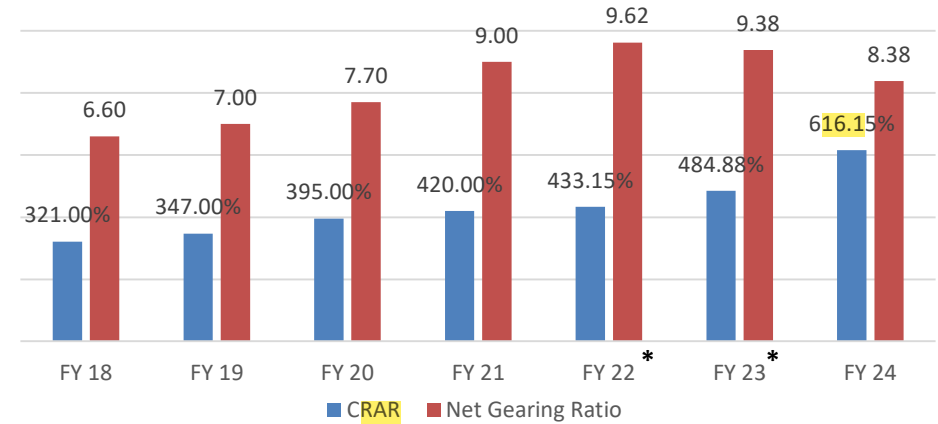


# Consistent Financial Performance

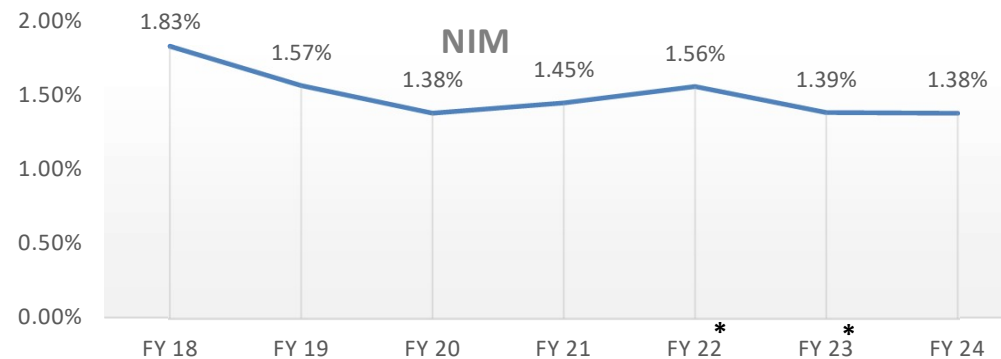
## Return Ratios



## CRAR and Net Gearing Ratio



## Net Interest Margin



■ (\*) Restated & all figures are in INR Crore, unless specified otherwise



## Key Ratios- FY 2023-24

Particulars	Year ended 31 <sup>st</sup> March 2024
Net Interest Margin	1.38%
Return on Equity	13.66%
Net Gearing Ratio	8.38 x
CRAR	616.15%
EPS	4.91
Dividend Paid	
▪ Final Dividend recommended by Board (Rs.)	0.70 per share
▪ Interim dividend paid	0.80 per share





## Snapshot of Key Financials

Particulars	Year ended 31 <sup>st</sup> March 2024	Growth in %	Year-Ended 31 <sup>st</sup> March 2023*
<b>Revenue from Operations</b>	26,644.58	12.32%	23,721.42
<b>Finance Cost</b>	20,101.47	15.21%	17,447.21
<b>Net Interest Income</b>	6,428.85	3.63%	6,203.37
<b>Profit Before Tax</b>	6,412.10	3.97%	6,167.20
<b>Profit After Tax</b>	6,412.10	3.97%	6,167.20
<b>Total Comprehensive Income</b>	6,452.49	4.55%	6,171.72

\*Restated

All figures are in INR Crore



## Way forward and Opportunities in Indian Railways

- ❖ As per charter company can fund any entity which has backward or forward linkage with Indian Railways, viz-
  - Leasing of Rolling stock other than MoR
  - Funding of Railway Infrastructure being developed through State JV
  - Upcoming Dedicated Freight lines
  - Semi/High Speed Railway Corridors & High-speed train
  - Multi-Modal Logistics Parks
  - Non-conventional sources of energy including Renewable Energy for railway network
- ❖ As per the above mandate, the company is exploring business opportunities in the above areas to expand its lending portfolio and also in discussion with Infrastructure Finance Companies in the Government Sector for co-lending opportunities.





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# Thank You



# Disclaimer

- \* The presentation is prepared based on audited financial statements of IRFC for the year ended 31<sup>st</sup> March 2024.
- \* There is a possibility of Ind As financial results and the additional disclosures to be updated, modified or amended because of adjustments which may be required to be made on account of introduction of new Standards or its interpretation, receipt of guidelines or circulars from regulatory bodies and/or Reserve Bank of India.
- \* This presentation may contain statements which reflects managements current views and estimates and may not be constructed as forward looking statements. The future involves uncertainties and risk that could cause actual results to differ materiality from the current views being expressed. Potential uncertainties and risk include factors such as general economic conditions, currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.
- \* We do not update forward looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.
- \* Figures are regrouped / reclassified to make them comparable.
- \* Analytical data are best estimates to facilitates understanding of business and not meant to reconcile reported figures.
- \* Answers will be given only to non price sensitive questions.
- \* This presentation is for information purpose only and do not constitute an offer or recommendation to buy or sell any securities of IRFC. Any action taken by you on the basis of information contained in presentation is your responsibility alone and IRFC or its directors or employees will not be liable in any manner for the consequences of such actions taken by you.



# Financials- P & L Statement

Statement of Profit and Loss		
(All amounts in INR Crore, unless stated otherwise)		
Particulars	Year Ended March 2024 (Audited)	Year Ended March 2023* (Audited)
<b>Revenue From Operations</b>		
Interest Income	8,823.83	7,547.29
Lease Income	17,820.75	16,174.13
<b>Total Revenue From Operations</b>	<b>26,644.58</b>	<b>23,721.42</b>
Other Income	10.56	40.80
Dividend Income	0.78	0.56
<b>Total Income</b>	<b>26,655.92</b>	<b>23,762.77</b>
<b>Expenses</b>		
Finance Costs	20,101.47	17,447.21
Impairment on Financial Instruments	(3.93)	(2.91)
Employee Benefit Expense	11.17	13.10
Depreciation, Amortization and Impairment	9.44	14.06
Other Expenses	125.65	124.15
<b>Total Expenses</b>	<b>20,243.81</b>	<b>17,595.61</b>
Profit Before Exceptional Items and Tax	<b>6,412.10</b>	<b>6,167.15</b>
Exceptional Items	-	-
<b>Profit Before Tax</b>	<b>6,412.10</b>	<b>6,167.15</b>
Current Tax	-	-
Deferred Tax	-	-
Adjustment for Earlier Years	-	-
<b>Profit for the Period from Continuing Operations</b>	<b>6,412.10</b>	<b>6,167.15</b>

\*Restated



## Financial-Balance Sheet –1/2

Particulars	Year Ended March 2024 (Audited)	Year Ended March 2023* (Audited)	As at April 2022* (Audited)
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash And Cash Equivalents	22.77	162.64	106.43
Bank Balance Other Than Above	444.60	379.02	196.95
Derivative Financial Instruments	489.79	495.23	202.33
Receivables			
- Lease Receivables	2,59,690.60	2,43,356.87	2,00,072.22
Loans	4,944.51	5,933.13	6,824.81
Investments	53.60	13.66	10.00
Other Financial Assets	2,07,255.00	2,25,274.81	2,24,777.92
<b>Total Financial Assets</b>	<b>4,72,900.87</b>	<b>4,75,615.37</b>	<b>4,32,190.65</b>
<b>Non-financial assets</b>	-	-	
Current Tax Assets (Net)	344.12	368.02	637.31
Property, Plant And Equipment (incl. Right of Use Assets)	21.07	17.93	36.31
Intangible assets under development	3.78	-	-
Other Intangible Assets	0.98	1.26	1.65
Other Non-Financial Assets	11,811.61	14,356.17	16,494.03
<b>Total Non-Financial Assets</b>	<b>12,181.56</b>	<b>14,743.38</b>	<b>17,169.30</b>
<b>Total Assets</b>	<b>4,85,082.43</b>	<b>4,90,358.75</b>	<b>4,49,359.95</b>

\*Restated





## Financials – Balance sheet (2/2)

LIABILITIES AND EQUITY			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Derivative Financial Instruments	1,853.19	907.28	566.93
Payables	-	-	-
- Trade payables	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
- Other payables	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	1.11	0.98	1.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14.54	11.92	22.02
Debt Securities	2,25,094.23	2,16,094.23	1,94,174.95
Borrowings (Other Than Debt Securities)	1,86,937.87	2,02,835.03	1,94,241.67
Other Financial Liabilities (incl. Lease Liability)	21,456.85	25,639.26	19,450.10
<b>Total Financial Liabilities</b>	<b>4,35,357.79</b>	<b>4,45,488.69</b>	<b>4,08,456.67</b>
<b>Non-Financial Liabilities</b>	-	-	
Current Tax Liabilities (Net)	-	-	
Provisions	162.77	104.80	53.57
Deferred Tax Liabilities (Net)	-	-	-
Other Non-Financial Liabilities	383.30	85.08	473.64
<b>Total Non-Financial Liabilities</b>	<b>546.07</b>	<b>189.88</b>	<b>527.21</b>
<b>Total Liabilities</b>	<b>4,35,903.86</b>	<b>4,45,678.57</b>	<b>4,08,983.88</b>
<b>Equity</b>			
<b>Equity Share Capital</b>	13,068.51	13,068.51	13,068.51
Other Equity	36,110.06	31,611.67	27,307.56
<b>Total Equity</b>	<b>49,178.57</b>	<b>44,680.18</b>	<b>40,307.06</b>
<b>Total Liabilities And Equity</b>	<b>4,85,082.43</b>	<b>4,90,358.75</b>	<b>4,49,359.95</b>

