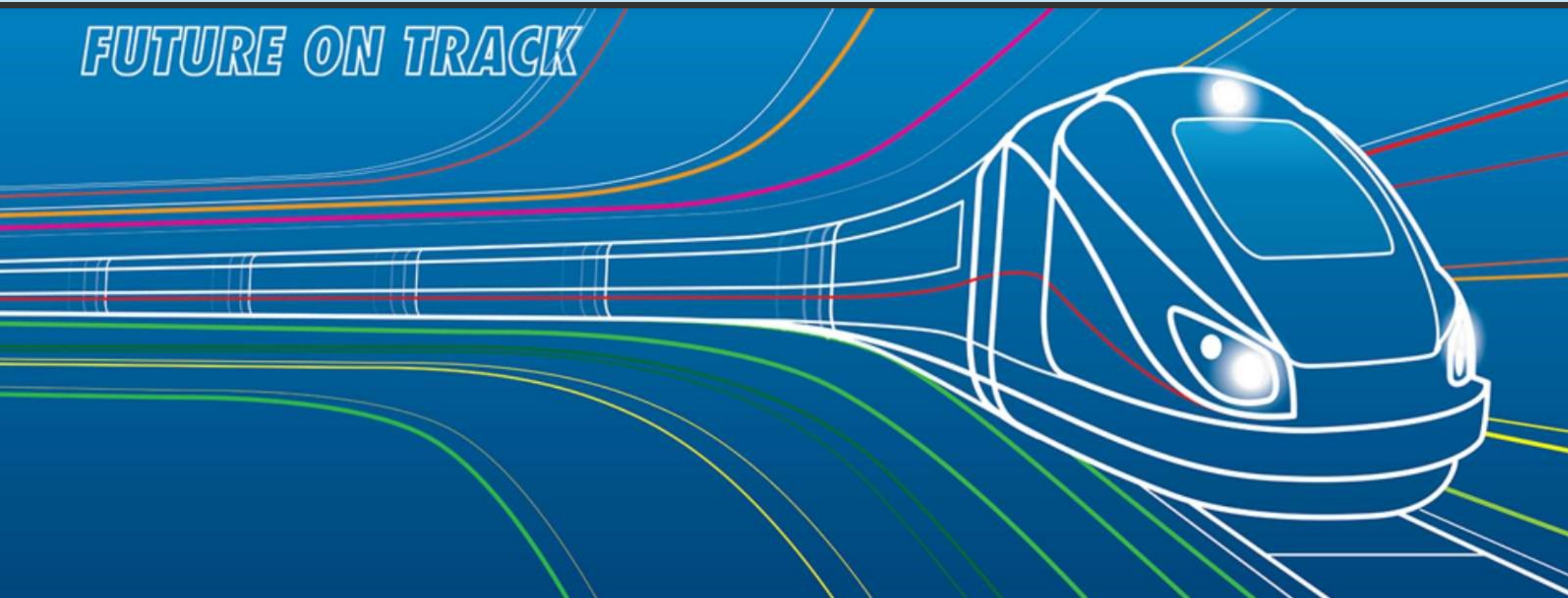


FUTURE ON TRACK



Indian Railway Finance Corporation Limited

For Half year ended: 30th September 2022

10th November 2022

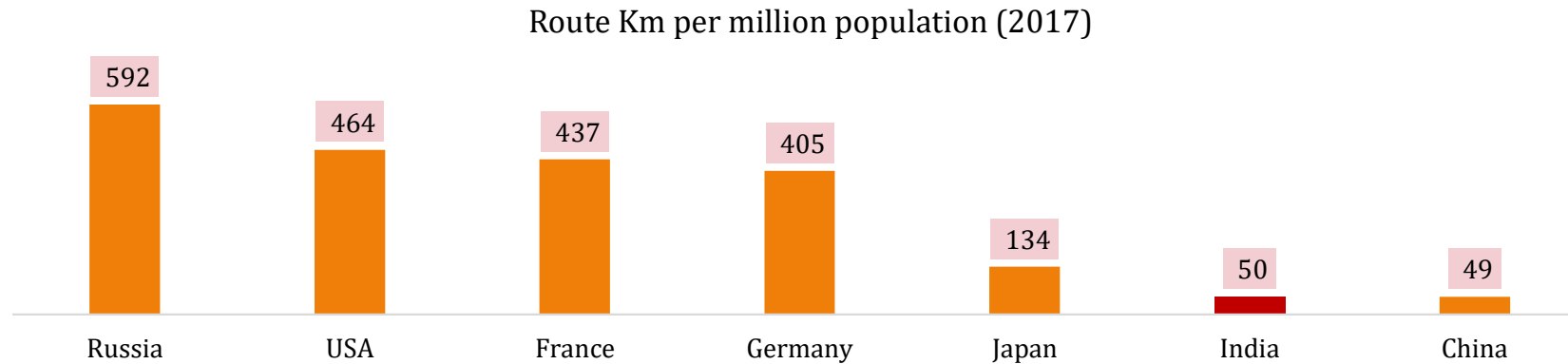
Key Strengths

1	Strategic role in growth of Indian Railways	AUM CAGR (FY19-Q2-23) 25 %	<ul style="list-style-type: none"> ■ Dedicated market borrowing arm for the Indian Railways (IR) ■ AUM has grown at 11.67% H-o-H basis and stands at INR 4,39,070 crore
2	Low risk, Cost -Plus business model	GNPA (Sep-22) NIL	<ul style="list-style-type: none"> ■ 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 and Project Assets over last four years
3	Competitive Cost of Borrowings	Long term Ratings AAA	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ 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 (Sep-22) INR 43,549 Cr	<ul style="list-style-type: none"> ■ Profit growth of 12.40% on H-o-H basis for Sep 2022 ■ Revenue from operations grew by 23.36% on H-o-H basis for Sep - 22 ■ Low overheads, administrative costs and high operational efficiency ■ Healthy return ratios – RoA at 1.55% and RoE at 14.06% for Sep-22 (annualized)
6	Enjoys Regulatory Exemptions	Tax Liability NIL	<ul style="list-style-type: none"> ■ 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



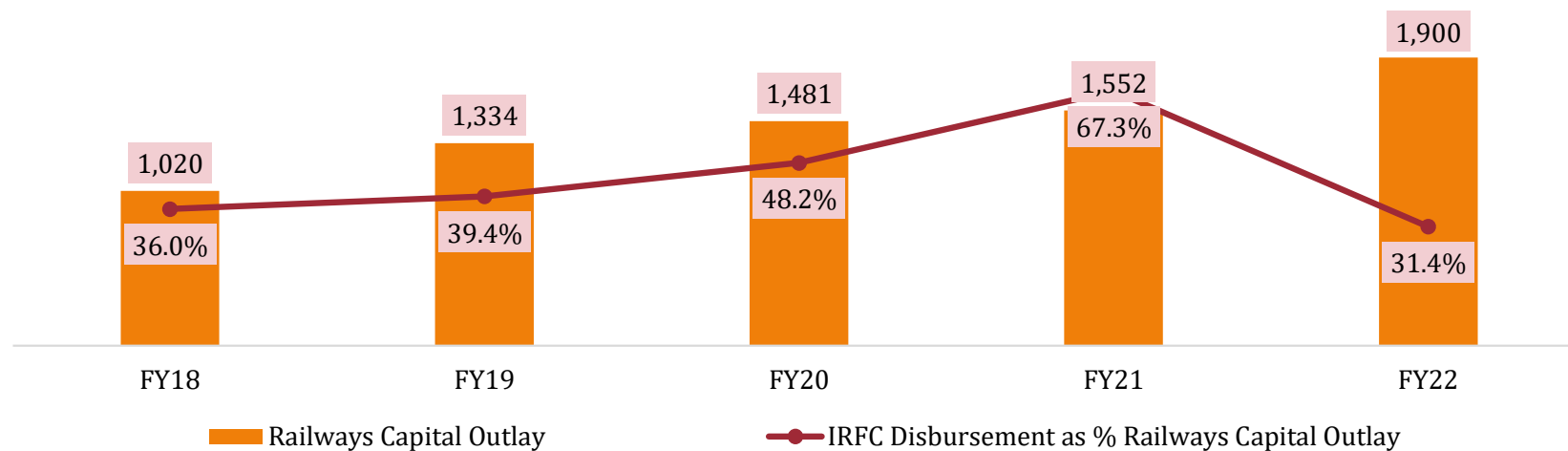
Strategic role in financing growth of Indian Railways

Indian Railways is fairly underpenetrated compared to the Global peers



IRFC funding to MoR

INR Bn

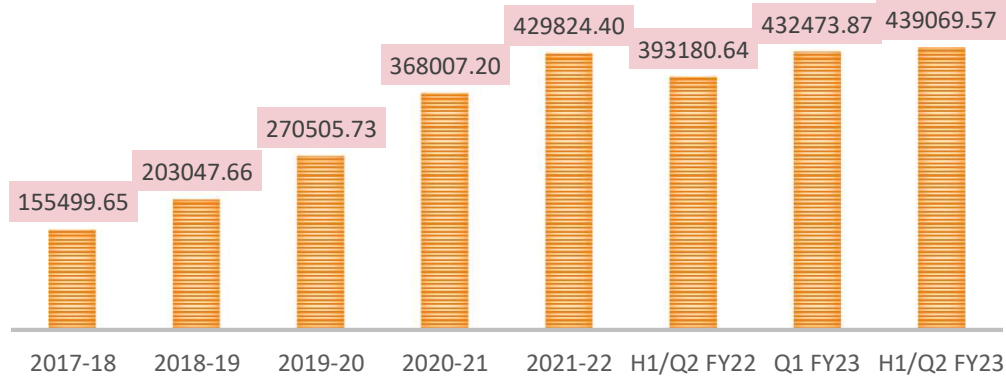


Source: National Infrastructure Pipeline , Report of the Task force , Department of Economic affairs , Ministry of Finance , GoI – Volume I



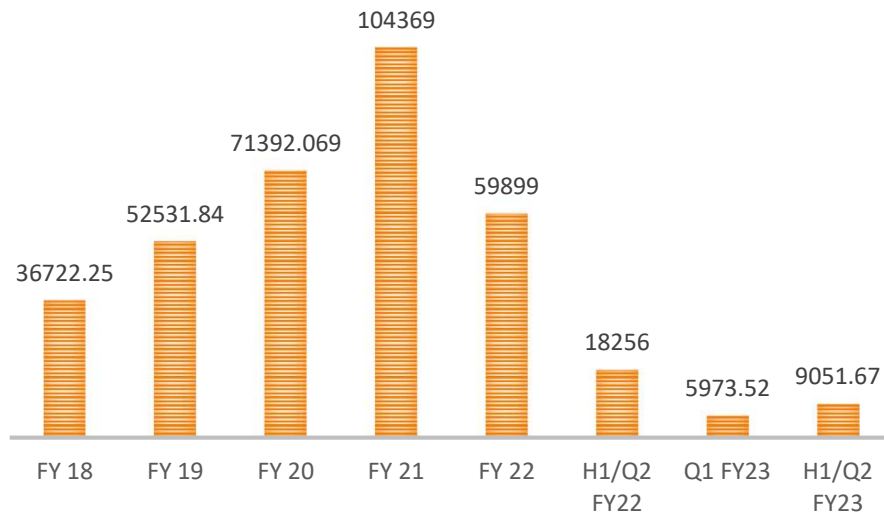
Strategic role in financing growth of Indian Railways

Assets Under Management*



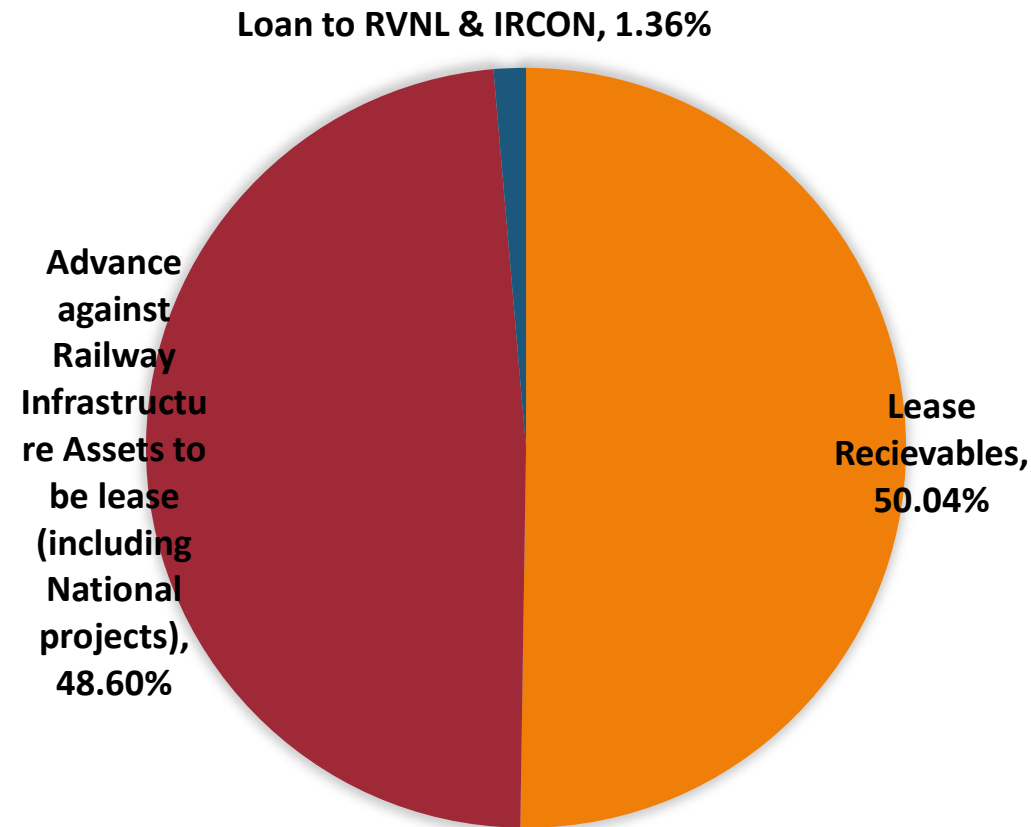
* Figures have been regrouped

Disbursements



AUM Break-Up (Sep-22)

Minimal credit risk : 98.65% of AUM is exposure to MoR

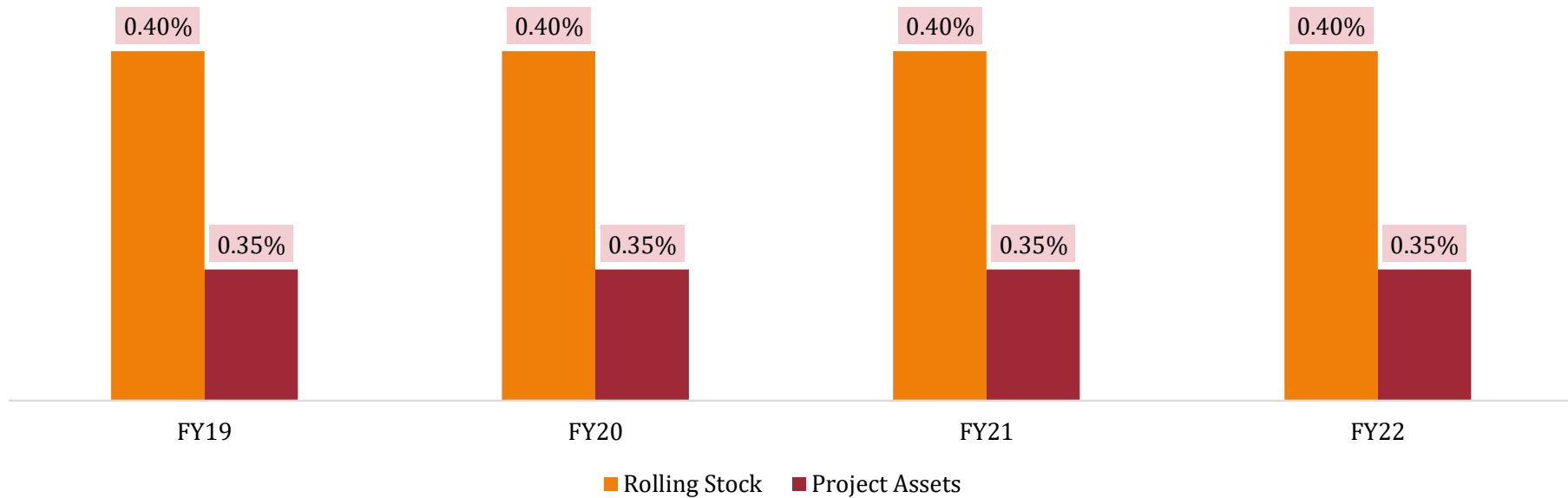


All figures are in INR Crore, unless specified otherwise



Low risk, cost-plus business model

Spreads Charged by IRFC



IRFC raises funds at lowest possible cost amongst the Term Lending Institutions in India.
This directly benefits the IR in terms of saving in finance cost

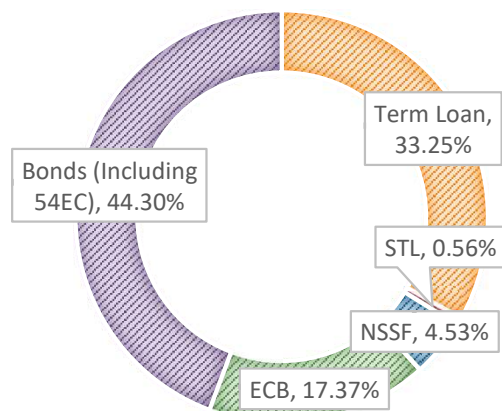
IRFC charges a minimal margin (spread) over its already low-cost of borrowing, to MoR, but still exhibits consistent financial performance, owing to its robust business model



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

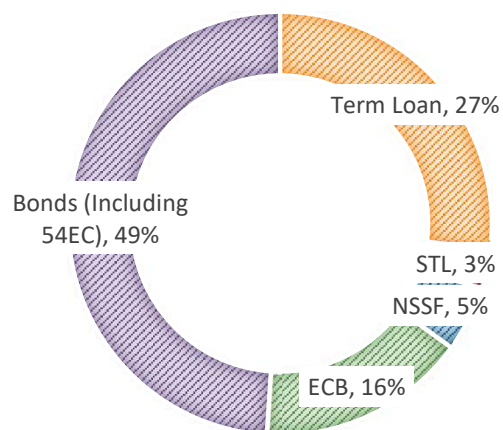
Borrowing Mix as on 30th September 2022

Term Loan STL NSSF ECB Bonds (Including 54EC)



Borrowing Mix as on 30th September 2021

Term Loan STL NSSF ECB Bonds (Including 54EC)



Particulars (30 th September 2022)	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

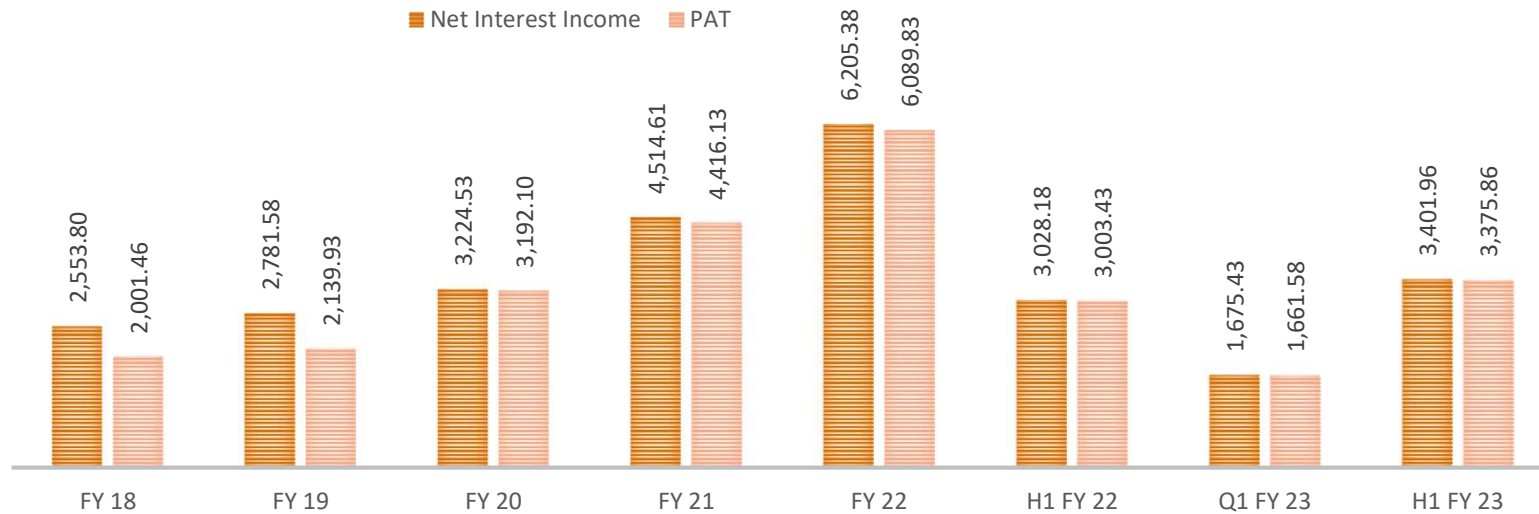
Diversified sources of funding, credit ratings and strategic relationship with the MoR, have enabled IRFC to keep costs of borrowing competitive

■ **On par with India's sovereign ratings;

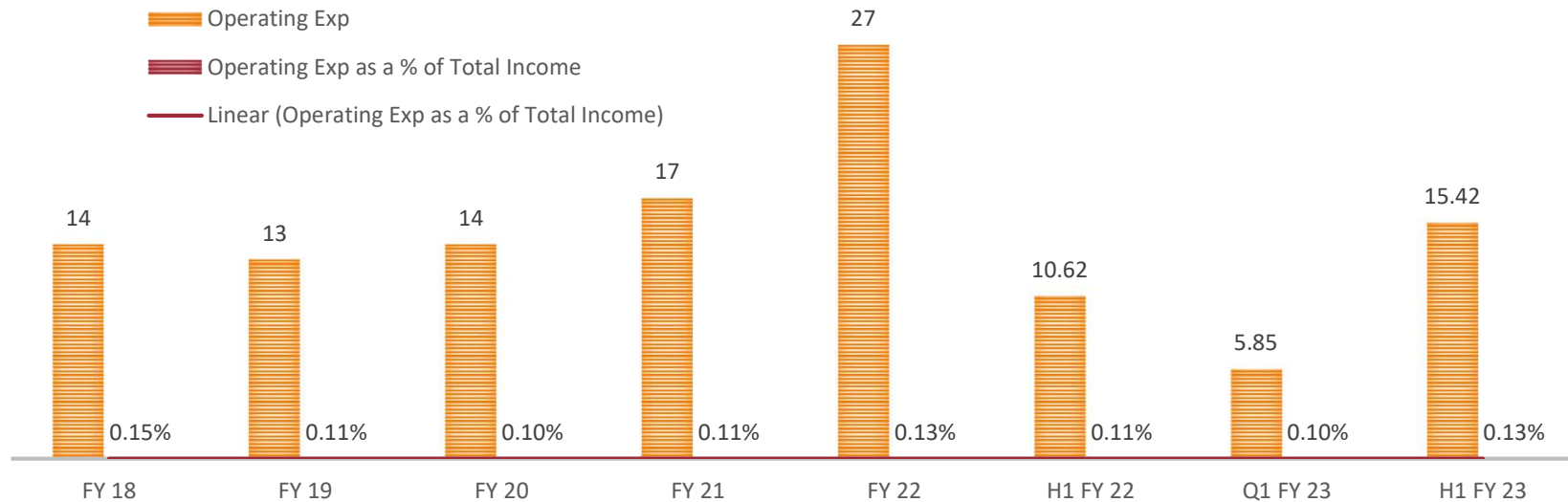


Consistent Financial Performance

Net Interest Income & PAT



Negligible Operating Expenses

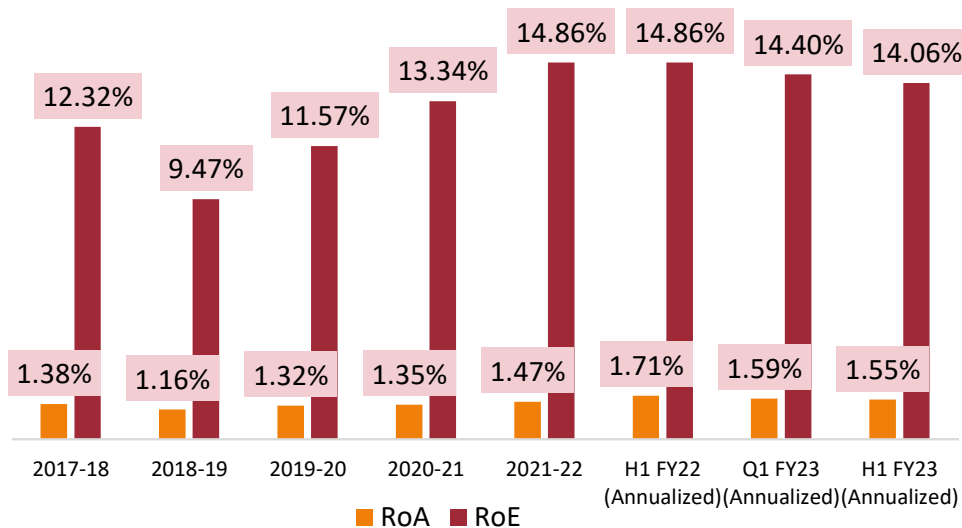


All figures are in INR Crore, unless specified otherwise

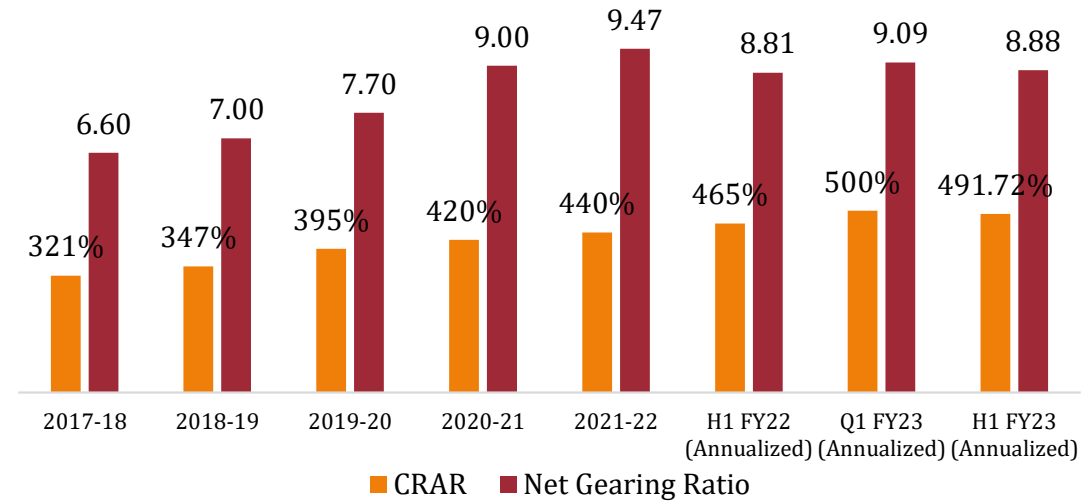


Consistent Financial Performance

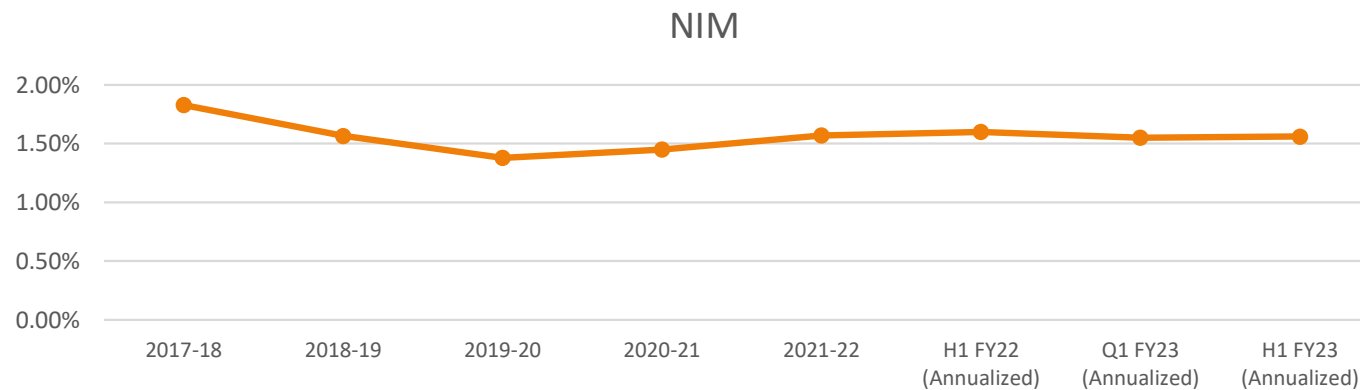
Return Ratios



CRAR and Net Gearing Ratio



Net Interest Margin



■ (*) All figures are in INR Crore, unless specified otherwise



Key Ratios- FY 2021-22

Particulars	H1/Q2 FY 2022-23
Net Interest Margin (Annualized)	1.57%
Return on Equity (Annualized)	14.06%
Net Gearing Ratio	8.88 x
CRAR	491.72%
EPS (Annualized)	5.17



Snapshot of Key Financials

Particulars	Half Year Ended			Year-Ended
	30th September 2021	30th September 2022	Growth in %	31 st March 2022
Revenue from Operations	9271.33	11437.23	23.36%	20,298.27
Finance Cost	6230.62	7998.18	28.37%	14,074.78
Net Interest Income	3028.18	3401.96	12.34%	6205.38
Profit Before Tax	3003.43	3375.86	12.40%	6090.15
Profit After Tax	3003.43	3375.86	12.40%	6089.84
Total Comprehensive Income	3003.74	3376.06	12.40%	6089.33

All figures are in INR Crore



Financials- P & L Statement

	HY Ended	HY Ended	Year- Ended
(INR Crore)	30 September 2022	30 September 2021	31 March 2022
Revenue From Operations			
Interest Income	3,422.40	3,311.75	7,294.67
Lease Income	8,014.84	5,959.59	13,003.60
Total revenue from operations	11,437.24	9,271.34	20,298.27
Dividend Income	-	0.25	1.00
Other Income	0.62	0.06	2.33
Total income	11,437.86	9,271.65	20,301.60
Finance Costs	7,998.18	6,230.62	14,074.78
Impairment on Financial Instruments	-4.12	-0.88	0.46
Employee Benefit Expense	6.44	3.97	10.75
Depreciation, Amortization and Impairment	7.01	6.21	14.03
Other Expenses	54.49	28.30	111.43
Total Expenses	8,062.00	6,268.21	14,211.44
Profit Before Exceptional Items and Tax	3,375.86	3,003.43	6,090.16
Exceptional Items	-	-	-
Profit Before Tax	3,375.86	3,003.43	6,090.16
Tax Expense	-	-	-
Adjustment for Earlier Years	-	-	0.32
Total Tax Expenses	-	-	0.32
Profit for the Period from Continuing Operations	3,375.86	3,003.43	6,089.84
Profit from Discontinued Operations	-	-	-
Total comprehensive Income	0.21	0.31	-5.00
Profit from Discontinued Operations (After Tax)	-	-	-
Profit for the Period	3,375.86	3,003.43	6,089.84



Financials – Balance sheet (1/2)

Particulars (INR Crore)	HY Ended		As at 31st March 2022
	30th September 2022	30th September 2021	
ASSETS			
Financial Assets			
Cash And Cash Equivalents	8,722.78	2,070.90	146.49
Bank Balance Other Than Above	955.64	76.25	156.88
Derivative Financial Instruments	506.03	93.63	202.33
Receivables	-	-	-
- Lease Receivables	2,19,729.57	1,73,984.29	2,00,692.50
Loans	5,933.13	6,824.81	6,824.81
Investments	9.64	11.77	10.00
Other Financial Assets	2,16,600.42	2,13,717.63	2,24,777.92
Total Financial Assets	4,52,457.21	3,96,779.27	4,32,810.93
Current Tax Assets (Net)	627.75	930.77	637.31
Property, Plant And Equipment	13.35	11.20	13.89
Right of Use Assets	16.45	28.40	22.43
Other Intangible Assets	1.60	1.13	1.65
Other Non-Financial Assets	12,081.43	10,916.66	16,494.03
Total Non-Financial Assets	12,740.58	11,888.16	17,169.30
Total Assets	4,65,197.79	4,08,667.43	4,49,980.22



Financials – Balance sheet (2/2)

Particulars	Half Year Ended		As at 31 st March 2022
	30th September 2022	30th September 2021	
LIABILITIES AND EQUITY (INR Crore)			
LIABILITIES			
Financial Liabilities	-	-	-
Derivative Financial Instruments	1,120.03	380.96	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	0.19	0.20	1.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	22.09	25.08	23.57
Debt Securities	1,98,019.23	1,93,709.15	1,94,174.95
Borrowings (Other Than Debt Securities)	1,88,696.65	1,48,988.46	1,94,241.67
Lease Liabilities	17.48	29.05	23.35
Other Financial Liabilities	33,136.47	22,129.31	19,425.20
Total Financial Liabilities	4,21,012.14	3,65,262.22	4,08,456.67
Non-Financial Liabilities	-	-	-
Current Tax Liabilities (Net)	-	-	-
Provisions	82.94	29.16	53.57
Deferred Tax Liabilities (Net)	-	-	-
Other Non-Financial Liabilities	553.62	4,458.93	473.64
Total Non-Financial Liabilities	636.56	4,488.09	527.21
Total Liabilities	4,21,648.69	3,69,750.31	4,08,983.88
Equity	-	-	-
Equity Share Capital	13,068.51	13,068.51	13,068.51
Other Equity	30,480.59	25,848.62	27,927.83
Total Equity	43,549.09	38,917.12	40,996.34
Total Liabilities And Equity	4,65,197.79	4,08,667.43	4,49,980.22



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Thank You

