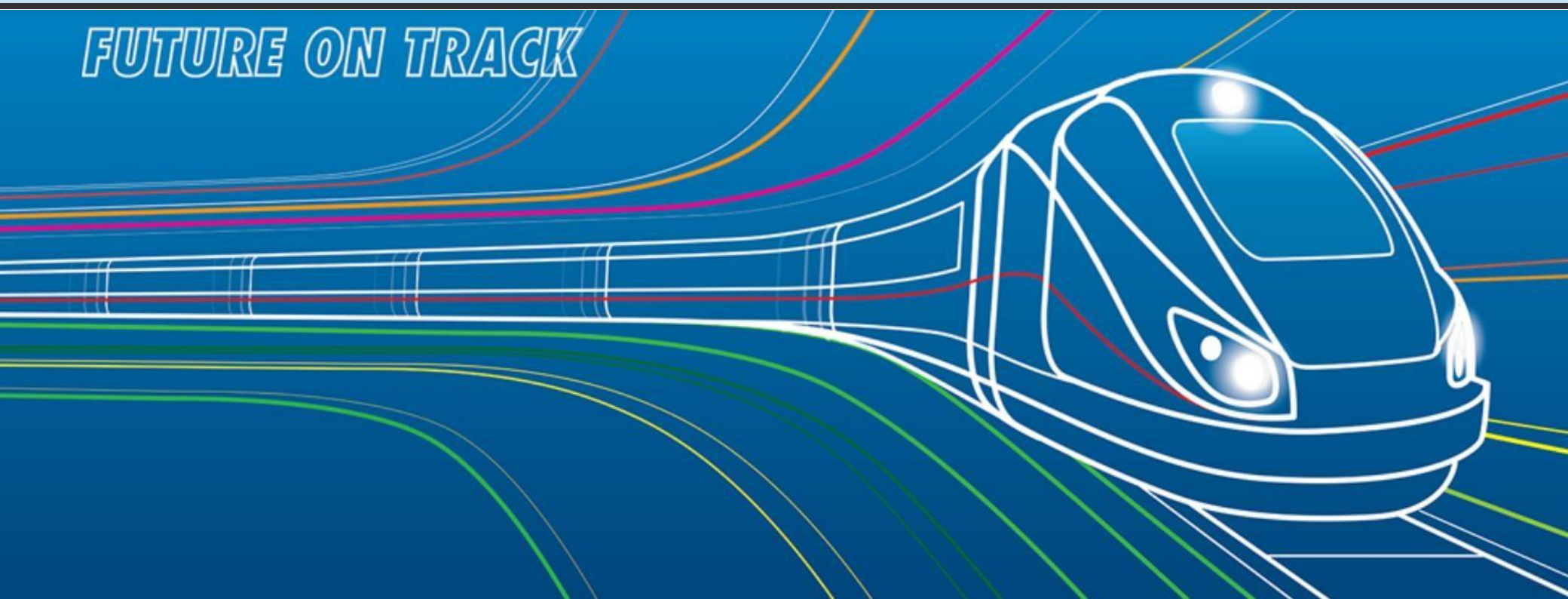


FUTURE ON TRACK



Indian Railway Finance Corporation Limited

Performance Highlights

for Half year ended 30th September 2023

07th Nov, 2023

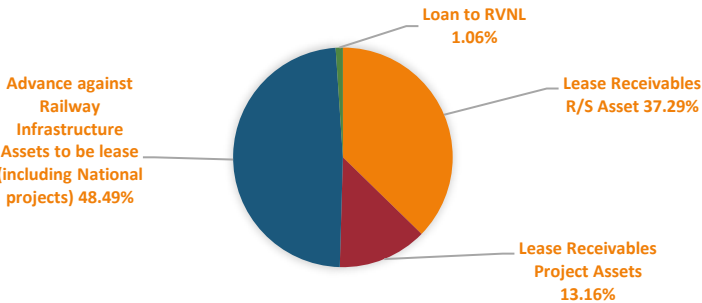
Snapshot of the Company

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 (HY1 FY 24)

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



AUM / CAGR (FY19-HY1 FY24)

INR 4,66,171.88 Cr
23.90%



Net worth (HY1 FY 24)

INR 47,683.95 Cr



RoE / RoA (HY1 FY 24)

13.03% / 1.29%
Annualized



GNPA

NIL



Tax Liability

NIL



Total Debt (HY1 FY 24)

INR 4,06,432.64 Cr



NIM (Upto HY1 FY 24)

1.33%



Ratings

CRISIL AAA | CRISIL A1+
ICRA AAA | ICRA A1+
CARE AAA | CARE A1+

Net Gearing Ratio (HY1 FY 24)

8.52x



CRAR % (HY1 FY 24)

632.79 %



All numbers are as on 30th September, 2023



Key Strengths

1

Strategic role in growth of Indian Railways

AUM/CAGR (FY19-HY1FY24)

23.90%

- Dedicated market borrowing arm for the Indian Railways (IR)
- AUM as on 30th September 2023 stands at INR 4,66,171.88 crore

2

Low risk, Cost -Plus business model

GNPA (HY1 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 and Project Assets 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 financing cost of IRFC 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 (HY1 FY 24)

INR 47,683.95 Cr

- Profit for the HY1FY24 stands at Rs. 3,106.45 crore
- Revenue from operations grew by 17.56% on HY1 on HY1 basis for FY 2023-24
- Low overheads, administrative costs and high operational efficiency
- Healthy return ratios (Annualized) – RoA at 1.29% and RoE at 13.03 % for HY1FY24

6

Enjoys Regulatory Exemptions

Tax Liability

NIL

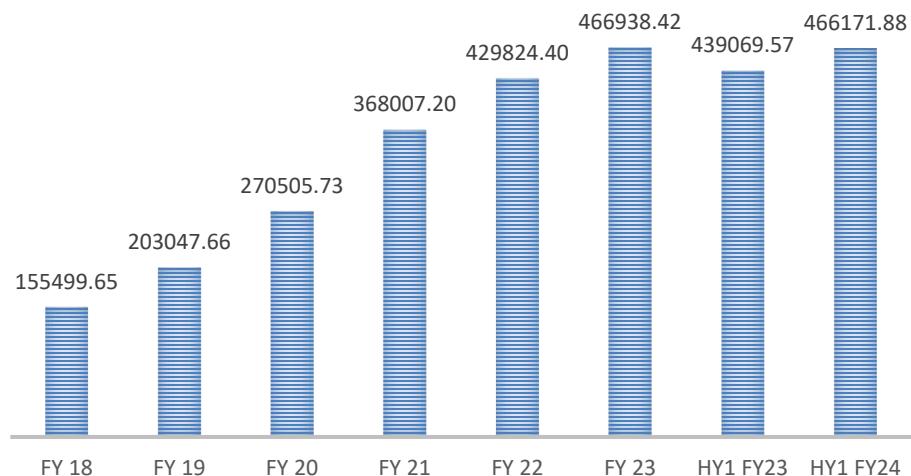
- Exempted from the RBI's asset classification norms, provisioning norms, exposure norms to the extent of direct exposure on MoR and is not required to pay 'minimum alternate tax' with effect from Fiscal 2020 under section 115BAA of Income Tax Act.



Strategic role in financing growth of Indian Railways

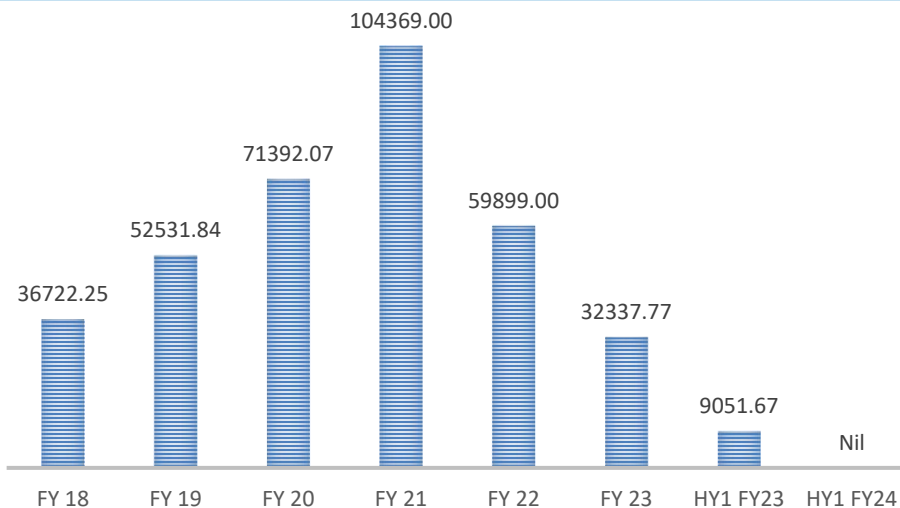
Assets Under Management

(Figures in INR crore)



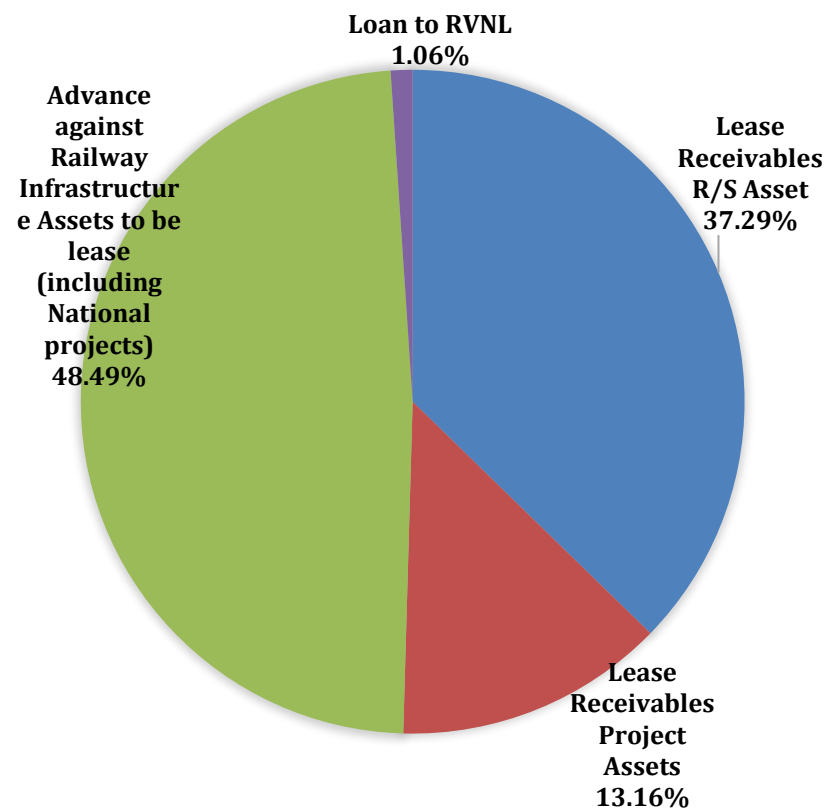
Disbursements

(Figures in INR crore)



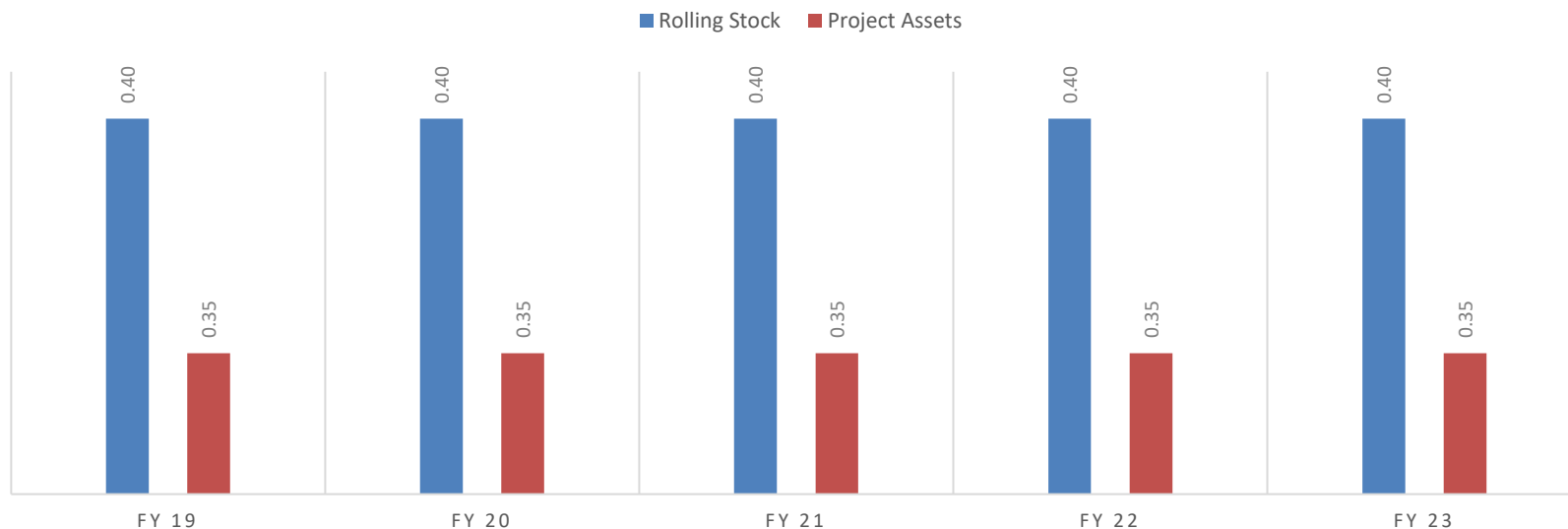
AUM Break-Up (HY1 FY 24)

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



Low risk, cost-plus business model

Spreads Charged by IRFC



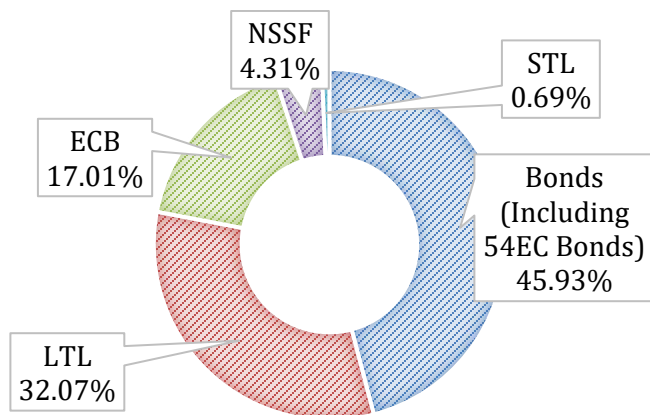
IRFC raises funds at lowest possible cost amongst the Term Lending Institutions in India.
This directly benefits the IR in terms of savings in finance cost

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

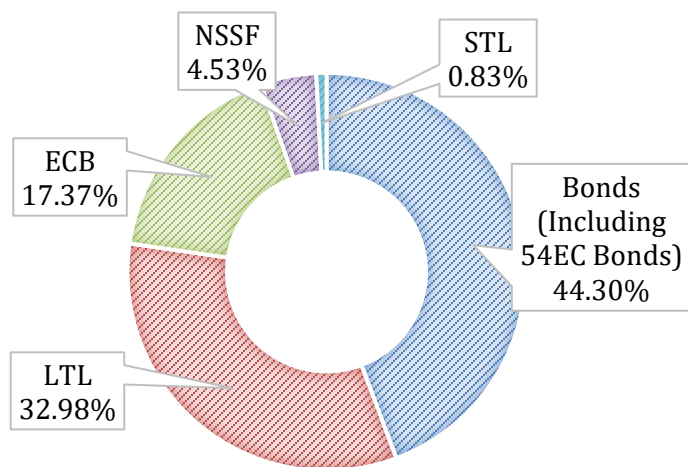


Competitive cost of borrowings based on strong credit ratings in India and diversified sources of funding

Borrowing Mix as on 30th Sept. 2023



Borrowing Mix as on 30th Sept. 2022



Particulars (30 th Sept 2023)	Rating	Outlook
<u>Domestic:</u>		
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+	–
<u>International *</u>		
Moody's	Baa3	Stable
Standard and Poor's	BBB-	Stable
Fitch	BBB-	Stable
Japanese Credit Rating Agency	BBB+	Stable

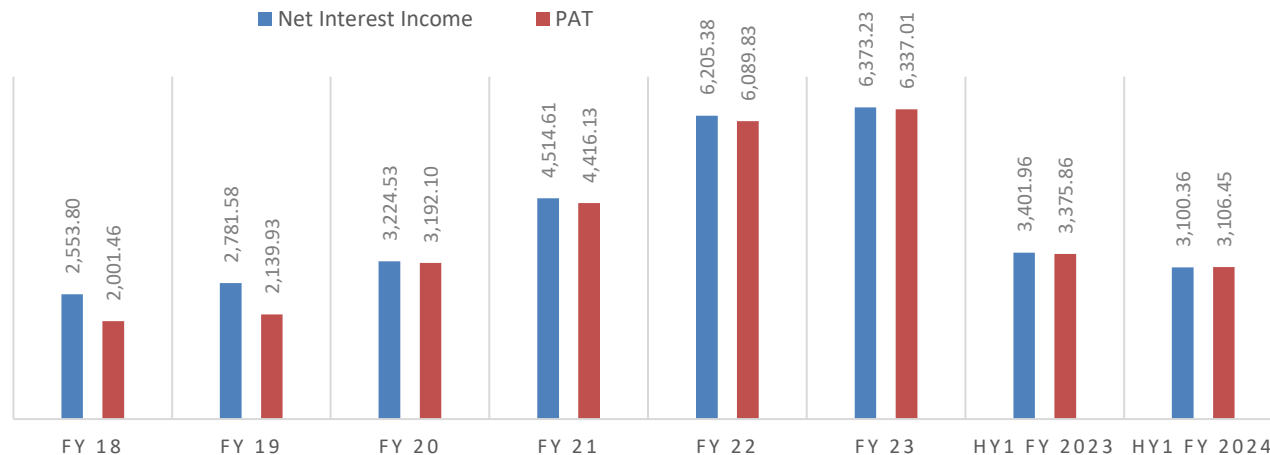
Diversified sources of funding, credit ratings and strategic relationship with the MoR, have enabled IRFC to keep costs of borrowing competitive

■ *On par with India's sovereign ratings;

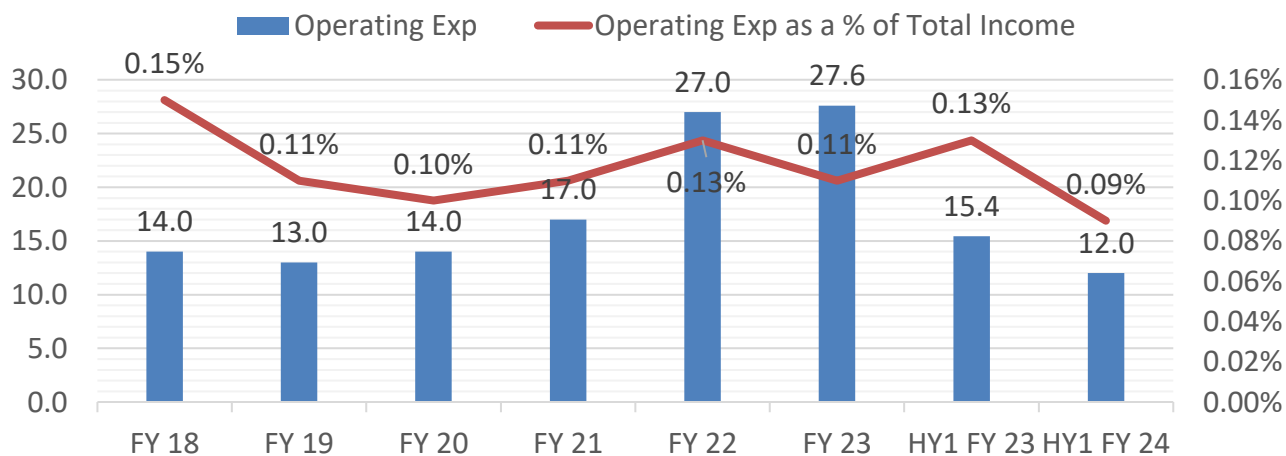


Consistent Financial Performance

Net Interest Income & PAT



Negligible Operating Expenses

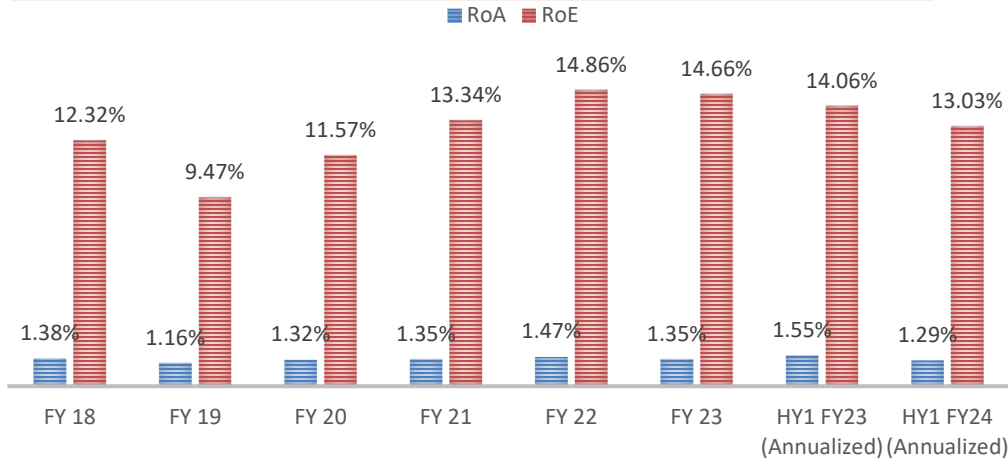


All figures are in INR Crore, unless specified otherwise

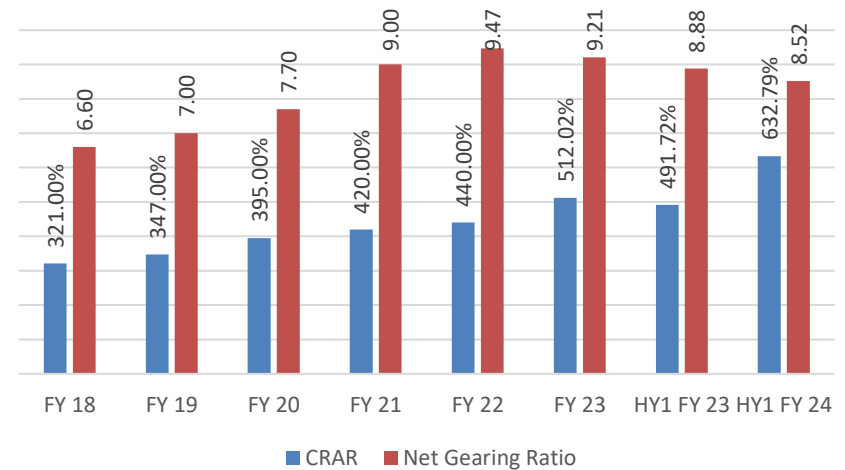


Consistent Financial Performance

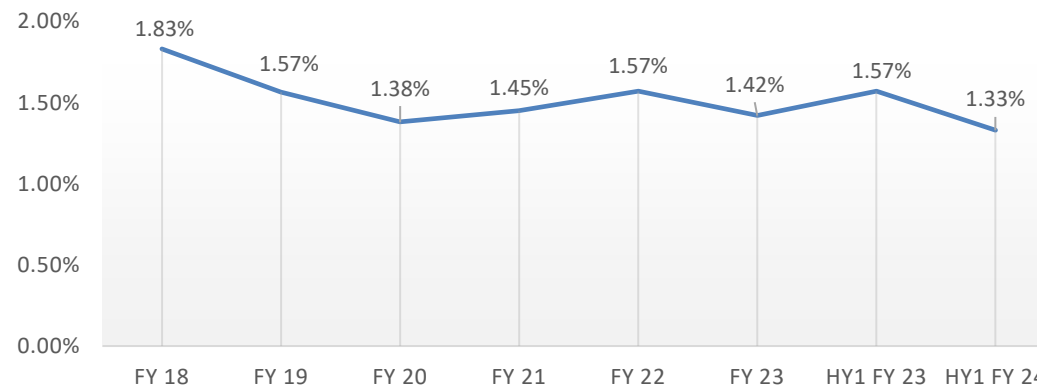
Return Ratios



CRAR and Net Gearing Ratio



Net Interest Margin



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



Key Ratios- FY 2023-24

Particulars	HY1 FY 2023-24
Net Interest Margin (Annualized)	1.33%
Return on Equity (Annualized)	13.03%
Net Gearing Ratio	8.52x
CRAR	632.79%
Book Value Per Share (Rs.)	36.49
EPS (Rs.)	4.75
Interim Dividend	Rs. 0.80 per share



Snapshot of Key Financials

Particulars	HY Ended	HY Ended	Growth in %	Year-Ended
	30 th Sept. 2023	30 th Sept. 2022		31 st March 2023
Revenue from Operations	13,445.50	11,437.24	17.56	23,891.28
Finance Cost	10,272.45	7,998.18	28.43	17,447.21
Net Interest Income	3,100.36	3,401.96	-8.87	6,373.23
Profit Before Tax	3,106.45	3,375.86	-7.98	6,337.01
Profit After Tax	3,106.45	3,375.86	-7.98	6,337.01
Total Comprehensive Income	3,128.43	3,376.07	-7.34	6,341.57

All figures are in INR Crore



- ❖ 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
- ❖ In continuation of the above, an in-principle approval from Board has been obtained for:
 - Finance lease of rolling stock for NTPC under General Purpose Wagon Investment Scheme (GPWIS) of MoR
 - Term Loan for Haryana Orbital Rail Corridor (HORC), a railway line from Palwal to Sonipat, being promoted by Haryana Rail Infrastructure Development Corporation Limited (HRIDC) (a JV of Government of Haryana (GoH) and MoR)
- ❖ IRFC has also entered into MoUs with RITES and IIFCL for strategic collaboration.





Thank You



Disclaimer

* The presentation is prepared based on un-audited financial statements of IRFC for the half year ended 30th September 2023.

*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.

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* 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.

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Financials- P & L Statement

Statement of Profit and Loss			
(All amounts in INR Crore, unless stated otherwise)			
	Half Year ended	Half year ended	Year Ended
Particulars	30th Sept, 2023 (Un-audited)	30th Sept, 2022 (Un-audited)	March 2023 (Audited)
Revenue From Operations			
Interest Income	4,347.95	3,422.40	7547.28
Lease Income	9,097.55	8,014.84	16,344.00
Total Revenue From Operations	13,445.50	11,437.24	23,891.28
Other Income	2.71	0.62	40.80
Dividend Income	0.30	-	0.55
Total Income	13,448.51	11,437.86	23,932.63
Expenses			
Finance Costs	10,272.46	7,998.18	17,447.21
Impairment on Financial Instruments	(4.93)	(4.12)	(2.91)
Employee Benefit Expense	5.48	6.44	13.10
Depreciation, Amortization and Impairment	6.38	7.01	14.06
Other Expenses	62.68	54.49	124.16
Total Expenses	10,342.07	8,062.00	17,595.62
Profit Before Exceptional Items and Tax	3,106.45	3,375.86	6,337.01
Exceptional Items	-	-	0.00
Profit Before Tax	3,106.45	3,375.86	6,337.01
Current Tax	0.00	0.00	0.00
Deferred Tax	0.00	0.00	0.00
Adjustment for Earlier Years	0.00	0.00	0.00
Profit for the Period from Continuing Operations	3,106.45	3,375.86	6,337.01



Financial-Balance Sheet –1/2

Particulars	HY Ended 30th Sept. 2023 (Un-audited)	HY Ended 30th Sept. 2022 (Un-audited)	Year Ended March 2023 (Audited)
ASSETS			
Financial Assets			
Cash And Cash Equivalents	9,702.05	8,722.78	206.02
Bank Balance Other Than Above	1,091.59	955.64	335.63
Derivative Financial Instruments	519.89	506.03	495.23
Receivables			
- Lease Receivables	2,35,192.46	2,19,729.57	2,44,147.01
Loans	4,944.51	5,933.13	5,933.13
Investments	35.34	9.64	13.66
Other Financial Assets	2,33,183.94	2,16,600.42	2,25,272.67
Total Financial Assets	4,84,669.78	4,52,457.20	4,76,403.36
Non-financial assets			
Current Tax Assets (Net)	368.94	627.75	368.02
Property, Plant And Equipment (incl. Right of Use Assets)	21.00	29.82	17.93
Other Intangible Assets	4.83	1.60	1.26
Other Non-Financial Assets	11,949.52	12,081.43	14,356.17
Total Non-Financial Assets	12,344.29	12,740.60	14,743.39
Total Assets	4,97,014.07	4,65,197.80	4,91,146.75



Financials – Balance sheet (2/2)

LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	1,561.54	1,120.03	907.28
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	0.29	0.19	0.98
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11.22	22.08	11.65
Debt Securities	2,13,855.41	1,98,019.23	2,16,094.23
Borrowings (Other Than Debt Securities)	1,92,577.23	1,88,696.65	2,02,835.03
Other Financial Liabilities (incl. Lease Liability)	38,493.57	33,153.96	25,637.38
Total Financial Liabilities	4,46,499.26	4,21,012.14	4,45,486.55
Non-Financial Liabilities			
Current Tax Liabilities (Net)	-	-	-
Provisions	145.64	82.94	104.80
Deferred Tax Liabilities (Net)	-	-	-
Other Non-Financial Liabilities	2685.22	553.62	85.08
Total Non-Financial Liabilities	2,830.86	636.56	189.88
Total Liabilities	4,49,330.12	4,21,648.70	4,45,676.43
Equity			
Equity Share Capital	13,068.51	13,068.51	13,068.51
Other Equity	34,615.44	30,480.59	32,401.81
Total Equity	47,683.95	43,549.10	45,470.32
Total Liabilities And Equity	4,97,014.07	4,65,197.80	4,91,146.75

