



इंडियन रेलवे फाइनेंस कॉर्पोरेशन लिमिटेड

(भारत सरकार का उद्यम) (सीआईएन L65910DL1986GOI026363)

पंजीकृत कार्यालय: यूजी फ्लोर, ईस्ट टॉवर, एनबीसीसी प्लेस, भीष्म पितामह मार्ग, प्रगति विहार, लोधी रोड, नई दिल्ली - 110003

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INDIAN RAILWAY FINANCE CORPORATION LTD.

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No: IRFC/SE/2026-27/14

21st May 2026

National Stock Exchange of India Limited Listing department, Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051 Script Symbol: IRFC	BSE Limited Listing Dept / Dept of Corporate Services, PJ Towers, Dalal Street, Mumbai -400 001 Script Code: 543257
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Sub: Transcript of the Earnings Conference Call

Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time and other applicable Regulations, please find attached the transcript of earnings conference call held with analysts/investors on **Friday, 15th May 2026**, to discuss Audited Financial Results for Q4/FY 25-26 and Year ended 31st March 2026. Please find below the link of transcript of earnings conference call held with analysts/investors on **Friday, 15th May 2026**.

<https://irfc.co.in/sites/default/files/inline-files/Investor%20call%20Transcript%2015th%20May%202026.pdf>

This is submitted for your information and record.

Thanking You,

For **Indian Railway Finance Corporation Limited**

(Vijay Babulal Shirode)

Company Secretary & Compliance Officer

Enclosure: As Above

Vijay





PhillipCapital
Your Partner In Finance

“Indian Railway Finance Corporation Limited (IRFC)
Q4 & FY25-26 Earnings Conference Call”

May 15, 2026



PhillipCapital
Your Partner In Finance

MANAGEMENT: **MR. MANOJ KUMAR DUBEY – CHAIRMAN AND
MANAGING DIRECTOR AND CHIEF EXECUTIVE
OFFICER**
**MR. RANDHIR SAHAY – DIRECTOR FINANCE AND
CHIEF FINANCIAL OFFICER**

MODERATOR: **MR. MANISH AGARWALLA – PHILLIPCAPITAL INDIA
PRIVATE LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Indian Railway Finance Corporation Limited Q4 and FY26 Earnings Call hosted by PhillipCapital India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish Agarwalla from PhillipCapital India Private Limited. Please go ahead.

Manish Agarwalla:

Yes. Good morning, and welcome to Q4 and Full Year FY25-26 Earnings Call of Indian Railway Finance Corporation Limited. We have with us. Manoj Kumar Dubey, Chairman and MD and CEO accompanied by Shri Randhir Sahay, Director Finance and CFO; and other senior management from the team. Now I request Mr. Dubey to share his thoughts on the quarter and financial year gone by and provide us with an outlook going forward. Over to you, sir.

Manoj Kumar Dubey:

Good morning, Manish, and good morning to everyone who is joining the con call. Good morning from the whole team of IRFC. It's a very auspicious and happy day for us. We started on our new journey of diversification on 1st April, 2025, which we typically call IRFC 2.0.

We had been conferred Navratna status. And at the same time, we had promised to the investors and our shareholders that we are embarking on a new journey of diversification, which is going to take company on a different trajectory of growth. Every quarter, we promised something and delivered, and I'm very happy to share today that we closed our financial year with strong numbers which are published and with all of you. .

I'm very happy to share that we promised with a guidance that would be sanctioning more than INR60,000 crores of assets, and we'll be disbursing nearly INR30,000 crores over the year.

So when we started FY26, there was zero pipeline. The challenge of the team of IRFC was to create a pipeline as well as disburse it. So typically, against what we gave the guidance of INR60,000 crores, we crossed the mark or we reached the mark of nearly INR74,000 crores for the year in terms of sanction of assets. And against the guidance of INR30,000 crores for disbursement, we could do around INR35,000 crores.

That is heartening that as a management, what we spoke, what we promised, what we gave as a guidance, we could surpass that. Now when we are embarking on next FY of this new Journey 2.0, we are obviously a little relaxed in a manner that we are confident that what we propose to do for the growth of the company, we are more confident to it.

We are not relaxed for the fact that growth will come on its own. We have to work for that. Numbers, as you see, overall number for the year, all the parameters have shown its highest in the history of the company, be it the revenue, it is highest for the company in all the years together. PAT, again, it is highest. We have crossed the magic figure of PAT of INR7,000 crores this year. Our net worth is consistently growing from INR52,000-odd crores, now it is INR56,000-odd crores plus.

The biggest indicator is the net interest margin. And we feel that we are at the sweet spot for the fact that all these years, we worked on a flat NIM because the margins from Indian Railways was fixed. This is the first year for IRFC when it tasted the success of getting higher margins despite chasing the best quality assets through RFPs and competition.

Despite the fact that we competed and won the bids, my margins are quite higher than what we used to get from the Railways. And that is having a very positive impact on my NIM. Going forward, to summarize all the indicators, that is top line, bottom line, net worth, my net interest margin, my EPS, we have given a target to ourselves that in the FY27 and going forward, we should grow in double digit. In fact, that was a target that we gave to us for the profit last year.

And end of the year, we ended up around 8%. Quarter 4 was a little flat or subdued from the fact that there were some provisions to be made because for the railway asset, there was no requirement of provisioning because it was sovereign asset.

But when we are funding to even CPSEs or the state government in the ecosystem in whole of government approach, still as per RBI guidelines, provisions are to be made. There are more expenditure in CSR in the last quarter. It happens typically. So taken all together, Q4 PAT is flat, but revenue has shown the green shoots and a very high uptake of 9%, which is matching to our aspirations. Going forward our top line also in FY27 should grow handsomely, maybe touching more than 10% also, and this will start showing right from Q1.

On these notes, we are not putting any numbers as a guidance for FY27. What we have decided that whatever we achieved last year, which was around INR75,000 crores of sanction on assets and nearly INR35,000 crores of disbursement, that should be the benchmark going ahead. And management is very confident that going ahead, there has to be things going positive on these lines. We'll be surpassing these numbers in this current year also. Quarter-after-quarter, it will unfold how the story is going to pick up the strength.

The last comment is on assets under management, which is the key indicator for the kind of business -- sustained business that our company is doing. You see for the last 3 years, the assets under management for the company was flattish, hovering around INR4.6 lakh crores. This year, as you see on a net basis, when I talk net basis, then it takes care of all the repayment that came from the Indian Railways towards the older loans. On net basis, on the end of the year, the assets under management has grown to INR4.85 lakh crores.

So going forward, we expect that in the year FY27, the magic figure of INR5 lakh crores for AUM, we should touch sometime in H1, maybe early to that, let us see. Overall, despite the geopolitical situation prevailing all over the world, we feel that the capex story of India is fully intact. The dreams of Honorable Prime Minister for Viksit Bharat is right in the place. And complementing that next 5 to 10 years perspective for Indian Railway Finance Corporation Ltd when we are targeting whole of government approach for capex financing, we are on the right track, and we'll be having consistent growth. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nilesh Jethani from BOI Mutual Funds.

Nilesh Jethani:

First of all, congratulations to the team, IRFC, for a great set of numbers. My first question was on the sanction numbers at the end of FY26. What is that? And going ahead, what does the pipeline look like for the sanctioned numbers? And second question, a follow-up to that is on the current sanction numbers, what can be the expected disbursements in your prima facie expectations for FY27?

Manoj Kumar Dubey:

Thank you, Nilesh. So as the number goes, we started with zero pipeline or, say, a very small pipeline of INR3,500 crores when we did only one deal before the FY started. This year, we sanctioned nearly INR74,000 crores of assets in FY26. Our disbursement stands at nearly INR35,000 crores. It has a few marquee deals of refinances.

One very important deal that we did with the Dedicated Freight Rail Corridor that is our sibling company, where we refinanced a loan of World Bank of nearly INR10,000 crores. Second marquee deal was with a joint venture project promoted by our Maharatna siblings NTPC, IOCL and Coal India, that is Hindustan Urvarak & Rasayan Limited that we did in Q4. That was more than INR12,000 crores refinancing deal that we did.

Apart from that, we did a few deals in GenCo side. NTPC also we did and with their subsidiaries directly on the NTPC balance sheet also. Taking all together, we crossed the mark of INR35,000 crores disbursement. Going ahead, this year, as I said in my opening remarks, as we have tasted the success of diversification, apart from the railway business, if any, which is coming from them, we expect that in the FY27, our sanctions should be more than INR75,000 crores.

Now, how high it goes, we'll review every quarter. But we are sure that we'll be crossing that mark of INR75,000 crores that we did in a very first year of diversification. Similarly, on disbursement front, last year was a tight year for the fact that there was no pipeline. Now that we have a pipeline and we are expecting good business starting from Q1. We believe that the mark of INR35,000 crores will be again breached.

The important and interesting thing that I keep on telling every quarter is that for this company, which was doing business only with single client Indian Railways where margins were fixed. Those margins used to be 35 bps for projects and 40 bps for rolling stocks. Now, when we are competing and doing business for the very, very attractive and good quality assets in government system itself, we are able to garner a margin of more than 100 bps.

So what will happen that this INR35,000 crores odd that we are doing business, it is akin to nearly INR1 lakh crores that we used to do with Indian Railways in terms of yield. That is a sweet spot for IRFC. And going forward, as you see, all our financial parlance, everybody's NIM is under pressure. While IRFC NIM quarter after quarter e showing better NIM due to low overheads and Nil NPA..

Nilesh Jethani:

Got it, sir. That was very helpful. Second question was on this incremental NIM. So while you rightly pointed out that the NIMs are way higher in the new business, what we are doing erstwhile Railway specific business. Just wanted to understand over here, today if we are giving x rate to the prospective or the potential borrower, typically, what rates are we undercutting, what yield was being offered by someone else? And what are we offering on the yields per se?

Manoj Kumar Dubey:

You see in the market, we have all kind of assets. There are risky assets where you can charge more. There are pristine assets as typically you say A class assets when the assets are rated. Obviously, when it is rated, when it is promoted by Maharatna with very strong balance sheet, if an asset is renewable asset. So every class of assets is attracting a different kind of competition.

We are always looking for the best class of assets because we are one of the rare companies not only in India, but in the world for the size of the balance sheet of more than INR5 lakh crores, we are zero NPA company. And typically, every forum, I say that zero NPA is not a status symbol for this company but it is a business proposition.

Why it is a business proposition? Because of zero NPA, I'm attracting cheaper borrowing from the market than my peers, which helps me in offering better rates. And for the fact that it attracts my investors also because everybody likes to have a company in their kitty who are having the best class assets. So we are not participating into high-risk, high-reward assets. We are participating into assets which are highly rated A, A+, AA, AAA also. So that is what I mentioned to you.

Typically here, the margins are in tune of 100 bps to 120 bps, not more than that. And in this bracket, we are competing well. We are competing not only with NBFCs, we are competing with all the banks also. So typically, for these class of assets, nowadays, banks are also coming for as a long tenure of 10 years. So yes, it's a crowded place. But the happy thing is that despite being the crowded place for the best class assets, IRFC is winning more than 60% of the bids. So going forward, our margins, we are looking for the margin in tune of 100 bps to 120 bps typically on an average.

Nilesh Jethani:

Got it, sir. And one last question from my side. So basically, the assumption is very rightly mentioned that 100 to 150 bps of differential margins are there. But the erstwhile business of railways, we got certain benefits of tax, etc, also. So not going into detail about how the ROA tree would look like for the new business and the old business. But adjusting for the tax benefits and the provisioning requirement, what will be ROA?.

At ROA level, say, today at company level, what I can see from presentation, we are at approximately 1.39%, where I believe INR35,000 crores is from the new business and the balance INR430,000 crores or INR450,000 crores from the erstwhile business. But just a broad difference in the ROA profile of the new lending versus the erstwhile lending. Any differential, if you can help me on the ROA, that would be very helpful.

Manoj Kumar Dubey:

So I'll tell you the general thing. You rightly said so. So today, say, my total AUM is INR4.85 lakh crores and out of this the new business is typically INR35,000 crores. The percentage comes out to be nearly 5%. we have given targets to ourselves which we've talked about this company and feels that going forward, our asset quality should be 60%-40%. So 60% would typically be from the Indian Railways, which is cost-plus model.

And 40% we are looking forward to earning from the diversified field. So when you take two together, you will put the numbers. I mean, at 5%, we stand at 1.39%. This has come out from 1.34%. Going forward, as I said, you will be seeing a consistent improvement in ROA. Now

where would it land, that is a calculation that you can do. It's very simple to do based on our 5% of diversified portfolio. If we are at 30%, you can reach to a conclusion what is going to be the ROA going forward, say, in next 2 to 3 years.

Nilesh Jethani:

Okay. But any sense on what kind of ROA I understand because this mix would include a lot of calculation which on the tax benefit once is getting and provision requirements are slightly lower?

Manoj Kumar Dubey:

Nilesh, on tax, we have enough depreciation kind of thing in our kitty. So this company will remain tax-free with the kind of already accumulated depreciation that we have for next 5 to 7 years. And rest be assured, company will be getting more and more leasing business for rolling stocks in the future, not only within Indian Railways, we are going to do it for metros also for rapid rail also.

So we are very comfortable that for quite a longer period right now, it is quite visible that this company's PBT and PAT will be same. And we'll be getting the benefit of the tax that we are getting out of depreciation. So there is no concern right now for next 5 to 7 years on that account.

Nilesh Jethani:

So if I just do the rough calculation where if NIMs when margins are 100 bps, so the 2.25% to 2.5% is the NIM and typically, operating costs are 0.25%. So NIM runs to 2.25% where provisioning, assuming standard asset is 0.4% and under construction is 1%. So again, provisioning number of 0.5%. So since no tax required for next 5, 4 years, so ROA would be 2% for the new business. Is it right to assume?

Manoj Kumar Dubey:

I'm happy to hear from you. So this is how you will help me out. So your numbers I'm putting on the paper, and I'll be validating it and coming back to you in next quarter. So precisely, this is a benefit that management gets by interaction with you people in the conference call. Your numbers must be perfectly fine because you are good at it. So I'm not doubting your numbers. I think you are doing the right calculations.

But this is not coming from our side because this is you who have to do the calculation. I can give you the indicators. And you have taken all the indicators in the right manner that I can assure you.

Moderator:

The next question is from the line of Mohit Jain from Tara Capital Partners.

Mohit Jain:

Sir, a couple of things. First on the sanction disbursement that you make to this fertilizer plant. Our MoA is to disburse it to the railways and any other company which are in the same ecosystem. So this disbursement into fertilizer sector, how is it correlated to our core sector, sir? Just trying to understand this?

Manoj Kumar Dubey:

Yes, Mohit. So you must be knowing or if you're not knowing, let me reiterate. Our mandate says that anything having a backward or forward linkage with the railways, we can fund, meaning that by any entity which is bringing in business to Indian railways, we can fund. So typically, the high production fertilizer companies, they're all linked to the railways.

There is railway siding there and all evacuation of fertilizers are taking place through the railways, Raw material for that fertilizer companies like ammonium nitrate is handled by the railways itself. So they all are having railway sidings within their campus and all evacuation of the finished good and the raw material going to their factory through the railways. So they are coming under the ambit of backward and forward linkages with the railways, and that is how we are funding them.

And that is Mohit the sweet spot for IRFC because the moment you talk about backward or forward linkages, there is hardly anything left in infrastructure, which is not having a backward or forward linkage with the railways.

Mohit Jain: Got it. So basically, any entity which is having linkages become sort of our target customer?

Manoj Kumar Dubey: Correct. Absolutely. And that is how we did funding to 2 of the mega fertilizer companies of the country, one which is already under production that you mentioned, HURL, which is promoted by our Maharatna giants like NTPC and IOCL. And the other one also we have funded in Talcher, which is under construction.

That also is promoted by another Maharatna giants like GAIL and Coal India and Rashtriya Chemicals, which is Navratna. So yes, any evacuation of fertilizer will take place by the railways and any raw material going to them is also through the railways. So they are very valued customers, and we are very happy to align with them and fund them at a very attractive rates.

Mohit Jain: Got it. Sir, the second thing is regarding that mix, we are targeting to have a 60-40 mix going forward in 3, 4 years. 60% is going to be railway and 40% is going to be non-railway, which is at 5% right now. Sir, in that situation, even if I'm assuming a 5% AUM growth, we will be needing almost like INR1 lakh crores of disbursement every year so that we have a mix of 60-40 by let's say, 3, 4 years. How do we look at this number, sir? Is it possible to have such a high disbursement in the non-railway sector?

Manoj Kumar Dubey: No, no. You are missing a point. So every year, there is a repayment of around INR20,000-plus crores from the railways. So we have to consider this when I'm saying that I'll be maintaining my AUM or growing it. So yes, INR40,000 crores is the base that I've talked about. Let us see how it grows.

Yes company aspires to have a kind of 30% to 40% mix from the non-railway business. And you see in the first year, wherever we participated without the pipeline, we were able to disburse INR35,000 crores.

Now with the kind of rates that we are offering and because of our low borrowing cost, r zero NPA status as well as because of very low overhead cost, we are able to fund at a very attractive rate to high-quality assets.

Today, I'm not required to market myself. The business is coming to me. And we are encouraging good quality assets to go for RFP. And we are participating to RFP. And the sweet spot is that I'm giving you a typical example. There is already a RFP in public domain. NTPC and UP government is coming out for as big a tender as INR28,000 crores to INR29,000 crores.

Now we are also participating. It will be a very cut throat competition because it's a very good asset. But potential for IRFC to grab nearly INR16,000 crores because that is our limit. We do not have any exposure to many entities because we earlier did only with the Indian railways.

So for the fact that our net worth is quite high, it is as high as INR56,000 crores. So as per RBI guidelines, we can pick up around INR16,000 crores to INR17,000 crores of asset in one go. If it is a very good asset and we feel like. So these kinds of businesses are on the platter. So going forward, it's not that we said that we'll be 40% in 3 years' time, but yes we aspire to.

And since we did very good business in the very first year, we feel that the kind of capex requirement is there in the government parlance all over the country going forward because NIP, you must have heard about national infrastructure pipeline. So the INR20 lakh crores is a projection on more than that for every year to be consumed by the government entities and the private entities.

So business is there in the platter. We feel that we will get a good share. And yes, going forward in 3 years or 4 years or 5 years, obviously, when we are doing more and more of diversified business, then the ratio will be somewhere nearly 40% to 60%. This is what we are trying to tell the market.

Mohit Jain: And sir the repayment rate INR10,000 crores per year or INR20,000 crores per year from the existing railway contract?

Manoj Kumar Dubey: No. It varies every year, but the repayment going forward will be around INR20,000 crores now.

Mohit Jain: INR20,000 crores. So in that case, how should we look at the AUM growth number? What should we expect as the AUM growth for the next couple of years?

Manoj Kumar Dubey: So we have given as the target that let us cross INR5 lakh crores mark in FY27 and maintain it steady. We are not putting any numbers on that. But one thing we are assuring that once we cross INR5 lakh crores mark, you won't find any dent in that. It will be growing. How much it will be growing, that is a different issue.

But the better thing is that we will be replacing the lower-margin business of Indian Railways with the higher-margin business of diversification. So even apple-to-apple, if I say, replacing INR30,000 crores from the old business and adding INR30,000 crores from the new business, my NIM will be at least having 2x more than what I used to get from the old business.

So in that case, even if my AUM remains steady somewhere more than INR5 lakh crores and I'm replacing low-margin business by high-margin business, my NIM will be growing, my PAT will be growing, my EPS will be growing. That is a clear message that we want to give to our investors.

Mohit Jain: Got it, sir. what is the NIM differential between two businesses, just to reconfirm, is it like 100 basis points between the new and the old one?

- Manoj Kumar Dubey:** Yes. So 40 bps we used to get from the railways, but what we expect from the new business is nearly somewhere between 100 to 120 bps. And as you see, what we have already delivered, we have delivered from average NIM of 1.42% to 1.50% for this FY, which is nearly 6% up. So next year we want to see better margins because we will be getting benefit of what we have added in last year and what we'll add this year. So we are giving us a target that my NIM for FY27 should grow minimum 10%.
- Mohit Jain:** In the sense like from 1.5%, we should be expect it to rise to rightfully for 1.6%?
- Manoj Kumar Dubey:** 1.65% end of the year on my total assets.
- Mohit Jain:** Got it, sir. And sir, any guidance you would like to give for the AUM growth. I know you said INR5 lakh crores for AUM, but that is only 3% that sounds to be too conservative?
- Manoj Kumar Dubey:** Mohit I have given very tough guidance for you, which is very tough on my team. When I say that we wish to grow our top line by double digit. We wish to grow our bottom line by double digit. We wish to grow our EPS by double digit. We wish to grow our NIM by double digit. I mean you take all four together, you can see without growth in AUM, all these things are not possible.
- Mohit Jain:** Got it. And sir, just to clarify one thing?
- Manoj Kumar Dubey:** For my team, I always keep the target very simple. So once you put this number that you should grow every indicator by 10%, they know they have to do the calculation how much AUM should grow.
- Mohit Jain:** Got it and just one clarification on previous participant's question, for the tax you are not paying for next 5, 6 years because of the accumulated depreciation we are having, it will be a tax free indices even for the non-railway business?
- Manoj Kumar Dubey:** Yes. Till the time we are again getting lease financing. So if we get again the lease financing of the rolling assets, accrual will start again. But as of now, whatever we have in the kitty, that is sufficient for next 5 years.
- Mohit Jain:** Got it, sir. Okay. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Sucrit D Patil from Eyesight Fintrade Private Limited. Please go ahead.
- Sucrit D Patil:** Good morning to the team. Beyond the numbers which you have given in very much detail, I just want to understand your perspective on how IRFC is preparing to capture future opportunities in railway infrastructure financing through addressing challenges such as rising capital requirements, interest rate volatility and the regulatory oversight. What strategic levels do you see most important for sustaining growth and supporting the company in the coming quarters? That's my first question. I'll ask the second question after this. Thank you.
- Manoj Kumar Dubey:** So you are asking a very complex question, but let my Business Development Head answer this question.

ED (BD) :

As our CMD sir has told, you must see our previous progress. In last 1.5 years, we have covered our major milestones. And in last 1 year, we have sanctioned more than INR74,000 crores. Earlier, we didn't have that the pipeline. But now as our leader has told that we are confident and we are getting good inquiries from the entire ecosystem.

And going forward, there would be a good capital investment in many sectors, like there would be a good investment in the power sector. There are many capacities are coming up in the thermal sector. There would be a good amount of investment in the railway sector as well as we are also hearing in the news that there would be a new corridors that would require INR2.5 lakh crores.

There would be 7 high-speed rail corridors. They would require another INR16 lakh crores kind of investment. There would be a good amount of investment in coming years in renewable sector, in road sectors. There would be a good investment in the port sector. So we are confident that there is a good amount of inquiries we are getting. And we are very hopeful that we will surpass this target at the end of FY27.

Having said that, regarding the regulatory oversight because as of now, my net worth stands at INR56,000 crores, and we have just disbursed around INR35,000 crores and sanctions only INR75,000 crores across various sectors, across various entities, my entire exposure norms is open. So that gives me a good cushion that I may have a good exposure in coming years over the pristine asset. So that would give me a good comfort.

And pricing, we will be aligned with the market. Yes, there is a hardening in the interest rate in the market, but ecosystem is taking note this. And based on that, we also revise our lending rate based on the market so that we will remain competitive and we should be getting the adequate margin to support our top line and bottom line.

Sucrit D Patil:

Thank you, thank you. My final question, again, a forward-looking one. Looking ahead, how do you see IRFC funding strategy evolving to meet the growing needs of railways? What measures are being taken to strengthen liquidity, diversify funding sources and align capital structure with long-term expansion plan? Thank you.

Manoj Kumar Dubey:

So Sucrit, yes, we remain the sole financing arm for Ministry of Railways and Indian Railways. Having said so, if there is any requirement of extra budgetary resources over and above what Indian Railways are getting from budgetary support, IRFC will be the first financing arm where they will come.

Now we all know that the kind of expansion that Indian Railways is having. Capex requirement that is now hovering around INR2.6 lakh crores for them for the last 3 years, this is going to continue for 5 to 10 years. So if there is any redistribution going forward from this FY or next FY in the budget for social sector and there is pressure not to meet all the requirements of Indian Railways or Ministry of Railways through GBS, we will obviously be there.

Second thing, on my ED-BD mentioned to you, if you recall, last time when dedicated freight corridor come up, the funding came from bilaterals and multilaterals. One was funded by JICA, the other was funded by World Bank. Similarly, high-speed rail corridor, the one that is already being commissioned, it is funded by JICA.

Now there are 7 high-speed rail corridors that has been announced, and there is one dedicated rail corridor in the railway ecosystem from Dankuni to Surat has been announced. Total requirement is huge. IRFC prior to last FY had never ventured out to any of the customers even with siblings in the railway ecosystem.

Now that we have already refinanced one of the World Bank loans from dedicated rail corridor for more than INR10,000 crores. Going forward, the requirement for greenfield lines in high-speed as well as DFC is our first business. We will be having our first right on them. Now how it will be model, it is to be seen. Discussions are already on.

But rest be assured that in the huge funding requirement that these 2 things in the railway ecosystem is going to take place, majority of funding has to come through IRFC. And we are gearing for that. We are planning for that. The moment things will go on, you will be hearing how we are going to fund them.

Second, Yes, there are many SPVs are also coming. Earlier, we never used to fund them. We have now started funding them also because their business model is dependent upon railways and it is vetted by Ministry of Railways. So we have got good comfort and cushion to take care of them also.

Getting together, as you're rightly indicating to us, there is huge business opportunity in the railway ecosystem itself, but we are not limiting ourselves to them. The allied business coming from ports as my ED-BD mentioned that from the port, metro railway, you will be hearing very soon, maybe in the quarter itself that we are going in a very big way to take them also on our wings, and we'll be one of the biggest players.

In fact, the lone domestic player per se, apart from the multilaterals who will be arranging funds for metro railways, which is a very, very big business entity in the country for the fact that almost every state is aspiring to have metro railways. We are already in talk with one of the states for their funding.

So overall, yes, in the total infrastructure scenario, having Indian Railways or railway at the center, there is huge business on the platter and there is enough requirement for IRFC to ensure that liquidity remains there. We are having very good standing in overseas market also. In fact, you may be aware that we did back-to-back two ECB loans of \$300 million worth of yen. Then we did successfully for \$400 million worth of yen.

Already, we have opened one bid of \$1.1 billion worth of yen. So that speaks volumes about appetite as well as the preference of the foreign bankers to lend to India because they believe in growth story that India is unfolding. In fact, we had a very extensive road shows also. You may be aware if you're following us. A big team from our side went to Japan, a team went to Singapore, a team went to Taiwan and Hong Kong.

We have already sensitized all the foreign banks, typically more on yen side that there is a huge requirement of consumption of ECB loans, maybe yen as a priority right now because right now, dollar is not a very preferred currency. But going forward, we're looking for the bond market once the SOFR rate and things go a little slower, we will be looking for that also.

ECB contribution, we are looking forward to 30% to 35% in total kitty. We are focusing heavily on the infrastructure dependent long-term capital gain bonds that government have launched 54EC. Earlier, we used to be very casual about that, but now we are focusing on it.

My market share has gone up to 28% last year. This year, this will go up more. It is coming at a very cheap rate of 5.25%. We were the first company last year who successfully did zero coupon bond. It's a bullet payment after 10 years. And HNI showed confidence in IRFC and it was mopped at a very attractive rate.

Going forward, we'll be mopping up that also. Yes, domestic bond rates right now is hard. It is hard for everybody, not only for us. But at the same time, RTL still is available at cheaper rate, having a very moderate repo rate. So, all together, last year also, we strive to have our total borrowing cost less than G-Sec rate, and that is the target this year also. And that is where the sweet spot lies for IRFC.

And as I mentioned every time that zero NPA status is helping us in attracting good lenders to us, and it is a business proposition, and we believe that cherry picking the good quality of assets will remain so despite the fact that we are hovering out of Indian Railways and going to the whole of government approach.

But zero NPA will remain there, and we feel that we continue to garner best of the borrowing rates in domestic as well as ECB market. I think that comprehensive answer gives you the confidence that even INR1 lakh crores disbursement is required from our side consistently every year. We have done in the past, and we are competing to do in the future also.

Moderator:

The next question is from the line of Naman Kumar an Individual Investor.

Naman Kumar:

Quick question with regard to the results. So, if you see the PAT from Q3 to Q4 because IRFC did a business where AUM grows each quarter. So, if you see last quarter, December '25, PAT was around INR1,800 crores while this quarter Q4 it's INR1,684 crores, so a drop of around INR100 crores and plus if you see include the other comprehensive income it has declined from INR1,800 crores to mostly INR1,500 crores approx. So in PAT there is a reduction of INR100 crores and in OCI there is an impact of INR200 crores. So can you please explain that report is causing that?

Manoj Kumar Dubey:

So Naman, not much to worry. There are a few issues which were new to us for the fact that, earlier we never had the chance to do provisions because for lending to Indian Railways, it was all zero provisioning. But as per RBI norms, when we fund even to the CPSE or State Government, the provisioning, we need to make. Are there other issues? Let my accounts head. Mr. Ajay answer your questions and your concerns.

Ajay:

Yes. If you just look total revenue portion, there is a decline in the other income also. We got a refund of income tax, and there was some interest portion in that in the quarter, Q3. Whereas in this quarter, there's no such item. And on the other side, there are some other expenses like CSR expense, for which we have made some additional provision in the current quarter. And regarding the OCI, this is whatever is there in the mark-to-market. We have, some of our borrowings in the foreign currency, which are on our balance sheet, those all things are hedged

actually. And whatever movement in the market of those currencies we need to make a provision for that through OCI. So this is regarding the total comprehensive income.

Naman Kumar: Yes, sure. And then with OCI, I believe for the exposure to Indian Railways, at least all the fair value on foreign currency borrowing or cost of hedging should be passed on to the Indian Railways.

Manoj Kumar Dubey: Absolutely. You have right understanding.

Naman Kumar: So why is it coming in the financials? Will it be recovered in next quarter? Like will we see a reversal in next quarter? Or how will it go? Because currently, it seems like it's impacting the IRFC financial.

Ajay: whatever is there for the ministries that is part in the ministries account actually. Whatever is there in OCI, it is only our portion and there are some other items like for the staff benefit cost that would be coming and then we have made an investment with the Ircon. So there is a movement of that investment also. So that is also coming in that OCI portion.

Naman Kumar: The majority of the portion is fair value change in foreign currency borrowing as per the Q4 results. So that's where I'm trying to understand, will it be passed to Indian Railways next quarter? Or maybe it is just because of exposure to non-railways financing, which we have done? In that case, we won't be passing.

ED (BD) we have 2 kinds of ECB exposure. One we do for the MOR business. And other whatever lending we have done so far, other than the conventional non-MOR business, that rest in my balance sheet. And for that, we have taken the full hedge. And these are the MTM valuation for that. And based on the Ind AS 109, we have accounted on the basis of cash flow hedge.

And whenever these exchange will flow to me on actual basis, accordingly, these will get reversed. So this is a temporary posting, ultimately, it will get reversed and will be reclassified through the P&L. These are the temporary items for the non MoR exposure, which I have in my own balance sheet. This will not be passed on to the MOR. I hope you got it.

Naman Kumar: Okay, got it. Yes, this was helpful. Just one additional clarification with regard to exposure to non-railways, like CPSE and all those things. So if we have some foreign currency borrowing pertaining to loans given to them. So in that case, what happens with the currency risk? Is it borne by us, IRFC is there an agreement with them that we pass on that cost as well to the CPSEs?

Manoj Kumar Dubey So Naman, typically for any non-railway business, we are quoting a rate. And if you are putting ECB mix into it, the risk lies with us. And as my EDBD told you, what we are doing as a very responsible and safe company that we are hedging it right away, And my hedging limits are quite conservative in terms of Yen as well as in terms of Dollars.

So whatever we have raised right now, we have already hedged it with a very secure kind of ranges. Number one. Number two, we are also creating a kind of cost-plus model for metro railways.

You'll be hearing it very soon, where risk will be passed on to them. So typically, now, Naman, Indian Railway Finance Corporation have two models. One, you can have a cost-plus model also. We are ready to do that business we have been doing that for long for Indian Railways.

Other model is when they are participating in this open bid where they want somebody to quote with all the risk together, we are doing that also. So going forward, we'll have two kinds of things. But yes, what we have decided right now that whatever ECB we are raising for non-railway assets where risk is lying on us, we should be immediately hedge fully for it.

For your kind information, good thing is that what we raise ECB for non-railway consumption, the overall cost including hedging cost taken together, the rates are coming somewhere below 6%, which is very attractive for us.

Naman Kumar:

Okay. Got it. This was really helpful. And my second question is with respect to the exposure which we are now having other than Ministry of Railways, right? So, we may have some exposure to state government also.

So, what kind of safeguard we are having in place so that we continue to be zero NPA company in the future? Because like there can be a risk of default. At Ministry of Railways, there is no risk of default. For others, there may be. So, what kind of safeguard or guardrails we have?

Manoj Kumar Dubey:

Yes, you are very right. And the guardrails and the kind of security that we are looking forward is first, in the CPSEs, which are Navratnas and Maharatnas – as our clients, I can name you and you can get the feeling who are our clients. Our clients are NTPC or their subsidiaries. Our client is GAIL, our client is Coal India Limited or its subsidiary, our client is IOCL or its subsidiary.

So, meaning thereby we have done DFCCIL, which is a sibling, then we have lended to an SPV, which is promoted by my siblings like CONCOR and RVNL. So, all these names, if you are following them, you'll be very well aware that all are having very strong balance sheet, consistently profit-making giants in the CPSE parlance. So, it is a cherry pick among the CPSEs also. Similarly, when you are going to state governments, mainly into the power value chain, so we are completely avoiding any kind of business with DISCOMS.

That is not our business because we are not having any kind of experience or exposure on them. There are other siblings in the NBFC parlance who have got the experience and exposure, and they will keep on doing it. We are limiting ourselves to GenCos and TransCos. Amongst that also, we are cherry-picking those assets which are having very strong balance sheet, having cost-plus model, PPA arrangement in place.

Giving you a flavor, we have not gone to any of the states which are high-consuming states in southern part with due regards to them. We have a right to choose the kind of states where we wish to do the business. We have done the business with MAHAGENCO. They are the number one state government in terms of having the assets, and they're doing very well. Their balance sheet is good. Their rating is good. Similarly, we have done to Chhattisgarh, we have done to Haryana.

We are planning to do one where there is a 50-50 JV with NTPC and UP Government. So, you can see the kind of cherry picking of quality in the states we are doing. Yes, I mean, there's a balance sheet and there is a risk, but then we have to see to it that what kind of assets we are picking up. These assets are having backing of state governments with a very strong way.

They have tied up things there nowadays in the value chain, the payment of GenCos and TransCos are almost as sure. And that is why we are typically not going or touching anything in DisComs because there, the chemistry is all different. So, answer to your question is we are taking all due care to ensure that even in the government parlance, whatever asset we are cherry picking is as safe as it could be.

And as I always said, you must have heard in the beginning also, zero NPA for IRFC is not a status but It is a business proposition. If I remain zero NPA, I will be garnering lower cost of borrowing that we are doing in domestic and international market. So, rest assured that the management and the appraisal team is taking care of it.

Naman Kumar: Okay. This is very helpful. That's all from my side.

Manoj Kumar Dubey: Thank you.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Manoj Kumar Dubey: Thank you, Manish. We are very happy to close on a happy note in terms of numbers. As you know, a listed company has got a very onerous task to come back every quarter, get its report to everybody. So, it's already mid of May. Q1 half of the Q1 has already gone. So very soon, we'll be meeting again to our investors.

And the good thing is that we have already embarked on the new journey of diversification, which is really giving us confidence having done well in the last FY. And we believe that going forward, every quarter in FY27, we'll be coming out with very good numbers as the Street expects us to do. Let us see that the good work that has been done by team IRFC continues to enthrall and satisfy the investors who are very dear to us. Thank you.

Manish Agarwalla: Thank you, sir and all the best.

Moderator: On behalf of PhillipCapital India Private Limited, that concludes the conference. Thank you for joining us, and you may now disconnect your lines.