



# IPO Note – Indian Railway Finance Corporation Limited

15-January-2021

## Issue Snapshot:

Issue Open: Jan 18 – Jan 20, 2021

Price Band: Rs. 25 –26

Issue Size: 1,782,069,000 eq shares  
(Fresh Issue of 1,188,046,000 eq sh  
+ Offer for sale of 594,023,000 eq sh)

Issue Size: Rs. 4455.2 – 4633.4 cr

Reservation for:

QIB	Upto	50% eq sh
Non Institutional	atleast	15% eq sh
Retail	atleast	35% eq sh

Face Value: Rs 10

Book value: Rs 26.67 (September 30, 2020)

Bid size: - 575 equity shares and in multiples thereof

100% Book built Issue

## Capital Structure:

Pre Issue Equity:	Rs. 11880.46 cr
Post issue Equity:	Rs. 13068.51 cr

Listing: BSE & NSE

Book Running Lead Manager: DAM Capital Advisors Ltd, HSBC Securities and Capital Markets (India) Private Ltd, ICICI Securities Ltd, SBI Capital Markets Ltd

Registrar to issue: KFin Technologies Private Ltd

## Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	100.0	86.4
Public & Employee	0.00	13.6
<b>Total</b>	100.0	100.0

Source for this Note: RHP

## Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholder only and IRFC will not receive any proceeds from the Offer for Sale.

## The Fresh Issue

The Net Proceeds are proposed to be utilised towards funding of the following objects:

- Augmenting equity capital base to meet future capital requirements arising out of growth in business; and
- General corporate purposes.

## Background & Operations:

Indian Railway Finance Corporation Ltd (IRFC) is the dedicated market borrowing arm of the Indian Railways. Primary business of IRFC is financing the acquisition of rolling stock assets, which includes both powered and unpowered vehicles, such as locomotives, coaches, wagons, trucks, flats, electric multiple units, containers, cranes, trollies of all kinds and other items of rolling stock components as enumerated in the Standard Lease Agreement (collectively, "Rolling Stock Assets"), leasing of railway infrastructure assets and national projects of the Government of India (collectively, "Project Assets") and lending to other entities under the Ministry of Railways, Government of India ("MoR"). The MoR is responsible for the procurement of Rolling Stock Assets and for the improvement, expansion and maintenance of Project Assets. It is responsible for raising the finance necessary for such activities. Over the last three decades, it has played a significant role in supporting the capacity enhancement of the Indian Railways by financing a proportion of its annual plan outlay.

IRFC follow a financial leasing model for financing the Rolling Stock Assets. In Fiscals 2017, 2018, 2019 and 2020, the company were responsible for financing 72%, 93%, 84% and 76%, respectively, of the rolling stock purchased by it and leased to the MoR. The total value of Rolling Stock Assets financed by IRFC as of March 31, 2020 and as of September 30, 2020 was Rs. 2,238,107.84 million and Rs. 2,346,271.68 million, respectively, while the value of Rolling Stock Assets financed in Fiscal 2020 and in the six months ended September 30, 2020, was Rs. 335,441.09 million and Rs. 108,163.84 million, respectively. In addition, it extend debt financing to Other PSU Entities consistent with its objective of being the principal source of finance for the Indian Railways.

At the beginning of each Fiscal, the MoR provides IRFC with its target fund requirement based on its planned capital expenditure, which it meet by raising funds through various sources including the issue of taxable and tax-free bonds in India, term loans from banks/ financial institutions, external commercial borrowings including bonds and syndicated loans, internal accruals, asset securitization and lease financing. For all the Rolling Stock Assets acquired during a financial year by Indian Railways, it enters into a lease agreement with the MoR following the close of each respective Fiscal (the "Standard Lease Agreement"). Lease rentals include the value of the Rolling Stock Assets leased by it to the MoR in the relevant fiscal year, the weighted average cost of incremental borrowing as well as a certain margin, all in accordance with the terms of the Standard Lease Agreement. In Fiscal 2020, it were entitled to a margin of 40 bps over the weighted average cost of incremental borrowing for financing Rolling Stock Assets and a spread of 35 bps over the weighted average cost of incremental borrowing for financing Project Assets.

IRFC maintains the highest possible credit ratings for an Indian issuer both for domestic and international borrowings. It has received the highest credit ratings from CRISIL – CRISIL AAA and CRISIL A1+, ICRA – ICRA AAA and ICRA A1+, and CARE – CARE AAA and CARE A1+. It have also been accorded with Baa3 (Negative) rating by Moody's, BBB- (Stable) rating by Standard and Poor's, BBB- (Negative) rating by Fitch and BBB+ (Stable) rating by Japanese Credit Rating Agency.

## Objects of Issue:

The Issue comprises a Fresh Issue by IRFC and an Offer for Sale by the Selling Shareholder.

In addition, IRFC expects to achieve the benefits of listing of Equity Shares on the Stock Exchanges and enhancement of Company's brand name and creation of a public market for its Equity Shares in India.

## Competitive Strengths

**Strategic role in financing growth of Indian Railways:** IRFC was incorporated as the dedicated market borrowing arm for the Indian Railways and has played a strategic role in financing the operations of the Indian Railways. In Fiscal 2020, it financed Rs. 713.92 billion accounting for 48.22% of the actual capital expenditure of the Indian Railways. The extensive expansion plans of the Indian Railways in the future will involve significant financing, and IRFC's operations, as a primary financing source for the Indian Railways, will increase significantly. Its financing targets are determined annually by the MoR based on the annual planned capital outlay contained in the Union Budget of India for Indian Railways which undertake to meet through various sources including taxable and tax-free bonds issuances, term loans from banks/financial institutions, external commercial borrowings, internal accruals, asset securitization and lease financing. Some of these funds are also utilized for debt financing provided to Other PSU Entities. The MoR has provided revised targets for market borrowings from IRFC, through its letter dated January 7, 2021, for funding of Rolling Stock Assets and Project Assets for Fiscal 2021, which includes financing of Rs. 331.37 billion for Rolling Stock Assets, Rs. 14.30 billion for projects being executed by RVNL and Rs. 280.00 billion for projects under EBR-IF. In addition, the MoR has further indicated its intention to additionally borrow Rs. 530.00 billion from IRFC in Fiscal 2021 and the Company will be informed after the necessary approvals (to operationalize the proposed borrowings) by the competent authority of MoR are obtained.

**Competitive cost of borrowings based on strong credit ratings in India and diversified sources of funding:** IRFC meet its funding requirements through various sources. It fund acquisitions of Rolling Stock Assets and Project Assets through market borrowings of various maturities and currencies. Its ability to source external commercial borrowings in the form of syndicated foreign currency term loans, issuance of bonds/ notes in offshore markets at competitive rates supplement the funds available to it from domestic sources. Its diversified sources of funding, credit ratings and strategic relationship with the MoR, has enabled IRFC to keep its cost of borrowing competitive. In addition to equity infusion from time-to-time by the Government of India, its long/ medium term sources of funding include taxable and tax-free bond issuances, term loans from banks/financial institutions, external commercial borrowings, internal accruals, asset securitization and lease financing. It also has a diverse base of investors from whom it raise funds through its issuance of bonds in the domestic and international bonds. These include banks and financial institutions, pension funds, provident fund trusts, insurance companies, sovereign funds, corporates, public (including high net worth individuals, retail investors and non-resident investors), trusts and mutual funds. IRFC has received the highest credit ratings from CRISIL – CRISIL AAA and CRISIL A1+, ICRA – ICRA AAA and ICRA A1+, and CARE – CARE AAA and CARE A1+. It has also been accorded with Baa3 (Negative) rating by Moody's, BBB- (Stable) rating by Standard and Poor's, BBB- (Negative) rating by Fitch and BBB+ (Stable) rating by Japanese Credit Rating Agency.

**Consistent financial performance and cost plus model:** IRFC has demonstrated consistent growth in terms of funding and profitability. Its total revenue from operations increased by 19.33% from Rs. 92,078.39 million in Fiscal 2018 to Rs. 109,873.55 million in Fiscal 2019 and by 22.15% to Rs. 134,210.90 million in Fiscal 2020, and was Rs. 73,848.29 million in the six months ended September 30, 2020. Its net worth (calculated as the aggregate value of the equity share capital and other equity) increased from Rs. 203,242.83 million as of March 31, 2018 to Rs. 302,997.52 million as of March 31, 2020 and was Rs. 316,869.67 million as of September 30, 2020. Its cost-plus based Standard Lease Agreement with the MoR has historically provided with a margin over the weighted average cost of incremental borrowing determined by the MoR in consultation with it at the end of each Fiscal. In Fiscal 2020, IRFC were entitled to a margin of 40 bps over the weighted average cost of incremental borrowing for financing Rolling Stock Assets and a margin of 35 bps over the weighted average cost of incremental borrowing for financing Project Assets. Typically, the weighted average cost of incremental borrowing factors in any expenses incurred by it with respect to any foreign currency hedging costs and/ or losses (and gains, if any) as well as any hedging costs for interest rate fluctuations. Similarly, IRFC follow the cost-plus pricing model for its financing to Other PSU Entities, which typically provide for a relatively higher margin. In addition, its low overhead and administrative costs and high operational efficiency has resulted in increased profitability

**Low risk business model:** IRFC's relationship with the MoR enables it to maintain a low risk profile. Typically, the expenses incurred by it with respect to any foreign currency hedging costs and/ or losses (and gains, if any) as well as any hedging costs for interest rate fluctuations are built into the weighted average cost of incremental borrowing. This enables it to earn a margin, as determined by the MoR in consultation with it at the end of each Fiscal, over the life of the lease. Risks relating to damage to Rolling Stock Assets as a result of natural calamities and accidents are also passed on to the MoR. Further, the MoR is required to indemnify it at all times from and against any loss or seizure of the Rolling Stock Assets under distress, execution or other legal process. As of September 30, 2020, IRFC did not have any non-performing assets. The MoR has historically never defaulted in its payment obligations under the Standard Lease Agreement. In addition, lease payments to IRFC by the MoR form part of the annual railway budget in the Union Budget of India. In order to minimize interest rate and foreign currency exchange risks, it enters into hedging arrangements with respect to a portion of its interest rate risk and foreign currency exposure, particularly arising from external commercial borrowings. The costs of such hedging are typically included in the weighted average cost of incremental borrowing which are included in the lease rentals payable by the MoR.

**Strong asset-liability management:** In addition to traditional cash flow management techniques, IRFC manages its cash flows through an active asset and liability management strategy. Its asset-liability management model is structured in a manner which ensures that it has minimum asset-liability mismatches. It borrows on a long-term basis to align with the long-term tenure of the assets funded by it. Such an approach of matching the tenure of its advances with its borrowings allows IRFC to manage its liquidity better and meet the growing demands of the Indian Railways. To ensure that it always have sufficient funds to meet its commitments, it maintain satisfactory levels of liquidity to ensure availability of funds at any time to meet operational and statutory requirements.

**Experienced senior management and committed team:** The industry knowledge and experience of senior management has enabled IRFC to develop and implement a consistent business plan and streamlined operational procedures, and allowed it to maintain consistent business growth over the years. In particular, members of its senior management team have extensive experience in the finance industry. As of September 30, 2020, it had 26 permanent employees. Its senior management team and executive team have a range of professional qualifications and experience in corporate lending, structured finance and law, working at government agencies as well as leading commercial banks and financial institutions.

## Business Strategy:

**Diversification of borrowing portfolio:** IRFC has historically issued, through public issues of tax-free bonds and private placements of tax-free and taxable bonds with innovative structures, securitized receivables from the MoR and availed external commercial borrowings including syndicated loans, bonds and notes. It continue to diversify its borrowing portfolio through a range of financing instruments and identifying new markets and investors, including through issuance of 'green bonds' and 'medium term notes'. As part of its diversification strategy, it continue to explore additional fund raising options at cost effective rates, including Indian Rupee denominated bonds issued in international markets. IRFC may explore funding from sovereign wealth funds and pension funds, as well as multilateral agencies such as the World Bank and the Asian Development Bank where its funding requirements are aligned with their infrastructure and development funding targets. In addition, the Government has allowed to raise tax saving bonds under section 54EC(ba) of Income Tax Act, 1961, pursuant to the notification dated August 8, 2017 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GoI. This has enabled IRFC to raise funds at a relatively lower cost than funds raised through taxable bonds of similar tenor.

**Broaden financing portfolio:** While IRFC act as the principal source of finance for the MoR, it continue to focus on funding the Rolling Stock Assets requirements of the Indian Railways. It plans to diversify its financing portfolio and broaden its lending activities by funding financially viable Project Assets. IRFC plans to fund various Project Assets including those relating to the decongestion of the railways network and the expansion of the existing network of the Indian Railways. It also intends to fund projects undertaken by other MoR entities to improve railways infrastructure in India. It further intends to meet the financing requirements of public private partnership projects, including funding of redevelopment of stations as well as manufacturing of Rolling Stock Assets. It intends to leverage its role as a primary financing partner of the MoR to provide financing for various joint venture entities established by the MoR with various State governments and other public sector undertakings for the development of railways infrastructure across India. It also intends to further diversify its lending portfolio by addressing the various financing requirements of the entities under the MoR, including by extending guarantees to entities under the MoR and providing short term borrowings. In addition to providing financing support for the MoR and other entities administered by the MoR, IRFC also plans to diversify its financing portfolio to include forward and backward linkages for railways sector.

**Continued focus on asset-liability management:** In order to manage IRFC's liquidity risk and interest rate risk, it intends to continue to undertake periodic analysis of profiles of its assets, liabilities, receipts and debt service obligations. As part of its measures to improve asset-liability management, it take into account interest rate forecasts and spreads, internal cost of funds, operating results, projected funding needs of the MoR, projected loan disbursements, its current liquidity position and funding strategies. Going forward, IRFC intends to have a strong in-house team comprising of consultants to provide guidance and inputs on improving its asset-liability framework and strategies. It will continue to target funding sources with long-term repayment schedules that match with the lease term of the Rolling Stock Assets and Project Assets that it fund.

**Provide advisory and consultancy services and venture into syndication activities:** IRFC intends to leverage its significant and diversified experience in fundraising and financing activities for the Indian Railways to provide financial structuring advisory and consultancy services. It intends to assist other Indian Railways entities with their funding requirements, providing strategic advice on long-term access to capital, acquisition finance and equity capital. It further intends to leverage its significant industry experience as an NBFC and an infrastructure finance company to provide customized financing solutions for other railway entities. It also proposes to leverage its role as the principal source of finance for the MoR to venture into syndication activities. It intends to engage in loan syndication and equity syndication. IRFC's extensive industry knowledge and financing experience will enable to act as a syndicate arranger for the Indian Railways and other related entities, and ensure financial closure for railways and related projects.

## IRFC's leasing operations:

Under the terms of the Standard Lease Agreement dated August 27, 2020 entered between the Indian Railways/ MoR and IRFC for Fiscal 2020, IRFC, as a lessor of the Rolling Stock Assets, retain legal title to such leased assets. The lease period with respect to Rolling Stock

Assets typically 30 years, comprises an initial primary period of 15 years and a secondary period of 15 years, unless otherwise revised by mutual consent. At the end of 30 years, the assets are to be transferred to the MoR for a nominal price of ₹ 1 plus applicable taxes, if any. IRFC enters into a Standard Lease Agreement with the MoR after the end of the fiscal year, based on standard terms. The Standard Lease Agreement provides for the lease of Rolling Stock Assets delivered into service during the fiscal year and the repayment, over a 15 year period, of the lease rentals which include the value of the Rolling Stock Assets leased by IRFC to the MoR in the relevant fiscal year, the weighted average cost of incremental borrowing as well as a certain margin, all in accordance with the terms of the Standard Lease Agreement.

## Industry

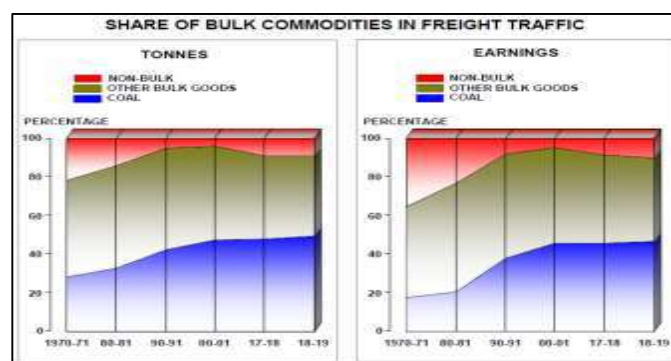
### Indian Railways

#### Background

The Indian Railways is a departmental undertaking of the GoI, which owns and operates India’s rail transport, through the Ministry of Railways, GoI (“MoR”). The Indian Railways is the largest rail network in Asia, running approximately 13,523 passenger trains every day in Fiscal 2019 to transport approximately 23.12 million passengers per day in Fiscal 2019 (Source: [http://indianrailways.gov.in/railwayboard/view\\_section\\_new.jsp?lang=0&id=0,1,261](http://indianrailways.gov.in/railwayboard/view_section_new.jsp?lang=0&id=0,1,261) and Indian Railways - Year Book 2018-19, Ministry of Railways). As of March 31, 2019, the total running track kilometres (total all gauges) was 95,981 kilometres. Further, the total freight carried per day (including non-revenue) was 3.36 million tonnes in Fiscal 2019. As of March 31, 2019, the Indian Railways had 1.23 million regular employees. Indian Railways’ revenue increased from approximately Rs. 1,787.25 billion in Fiscal 2018 to Rs. 1,899.07 billion in Fiscal 2019. (Source: Indian Railways - Year Book 2018-19, Ministry of Railways). The Indian Railways has deployed 12,147 locomotives, 67,597 passenger service vehicles, 289,185 wagons and 6,406 other coaching vehicles as of March 31, 2019. (Source: Indian Railways - Year Book 2018-19, Ministry of Railways) There were 7,318 (revised) and 7,321 railway stations in India as of March 31, 2018 and as of March 31, 2019, respectively (Source: Indian Railways – Year Book 2018-19, Ministry of Railways). The Indian Railways earns its internal revenue primarily from passenger and freight traffic. In Fiscal 2019, the Indian Railways earned approximately Rs. 1,225.80 billion from freight traffic excluding demurrage/ wharfage and approximately Rs. 510.67 billion from passenger traffic. The number of originating passengers on Indian Railways increased from 8,286 million in Fiscal 2018 to 8,439 million in Fiscal 2019 and amounted to 8,109 million in Fiscal 2020. Further, the passenger earnings also increased from Rs. 486.43 billion in Fiscal 2018 to Rs. 510.67 billion in Fiscal 2019 and amounted to Rs. 506 billion in Fiscal 2020. In addition, freight earnings, excluding demurrage/ wharfage, increased from Rs. 1,135.24 billion in Fiscal 2018 to Rs. 1,225.80 billion in Fiscal 2019. In Fiscal 2020, freight earnings, excluding demurrage/ wharfage, amounted to Rs. 1,231 billion. (Source: Indian Railways – Year Book 2018-19, Ministry of Railways and Ministry of Railways) The Indian Railways has constantly expanded its network, developed, and grown across various parameters including freight and passenger revenues as detailed below:

#### Freight Volumes

The Indian Railways along with national highways and ports is the backbone of India’s transportation infrastructure. Currently approximately 30% of total freight traffic (in terms of tonne kilometres) of India moves on rail. Nine commodities including coal, iron, steel, iron ore, food grains, fertilizers and petroleum products primarily support freight business for the Indian Railways. Freight remains the major revenue-earning segment for the Indian Railways, it utilises one-third of its capacity and generates two-thirds of Indian Railway’s revenues. The Indian Railways has always played a key role in India’s social and economic development as it is a cheap and affordable means of transportation for millions of passengers. Further, as a carrier of bulk freight, such as ores and minerals, iron and steel, cement, mineral oils, food grains and fertilizers, and containerized cargo, the Indian Railways plays a significant role in various industries, including agriculture. The Indian Railways generates most of its freight revenue from the transportation of coal, cement, iron ore, iron and steel, and food-grains, which accounted for 46.47%, 8.29%, 7.65%, 6.87% and 6.21%, respectively, of the total earnings from bulk commodities in Fiscal 2019. (Source: Indian Railways - Year Book 2018-19, Ministry of Railways). The Indian Railways goods earnings increased from approximately Rs. 1,170.55 billion in Fiscal 2018 to approximately Rs. 1,274.33 billion in Fiscal 2019 (Source: Indian Railways – Year Book 2018-19, Ministry of Railways).



In order to improve freight traffic the MoR has implemented several policies/initiatives/ schemes such as: (i) automatic freight rebate scheme for traffic loaded in empty flow directions (routes with low freight traffic), (ii) entering into long term tariff contracts with key freight customers, (iii) liberalized wagon investment scheme, (iv) wagon leasing scheme, (v) special freight train operators scheme and automobile freight train operator scheme, and (vi) development of private freight terminals.

## Passenger Traffic

Passenger trains utilise two-thirds of capacity, however, generate only one-third of revenues for the Indian Railways. Train travel remains the preferred means for long-distance travel for a majority of Indians and with urbanisation, improving income standards and increasing population, passenger traffic is expected to grow further, which will entail major investments and capital outlay. The Indian Railways is planning certain reforms for passenger convenience such as, amongst others, refurbishment of coaches with amenities such as WiFi, vending machines and auto doors.

## Track/Route kilometres

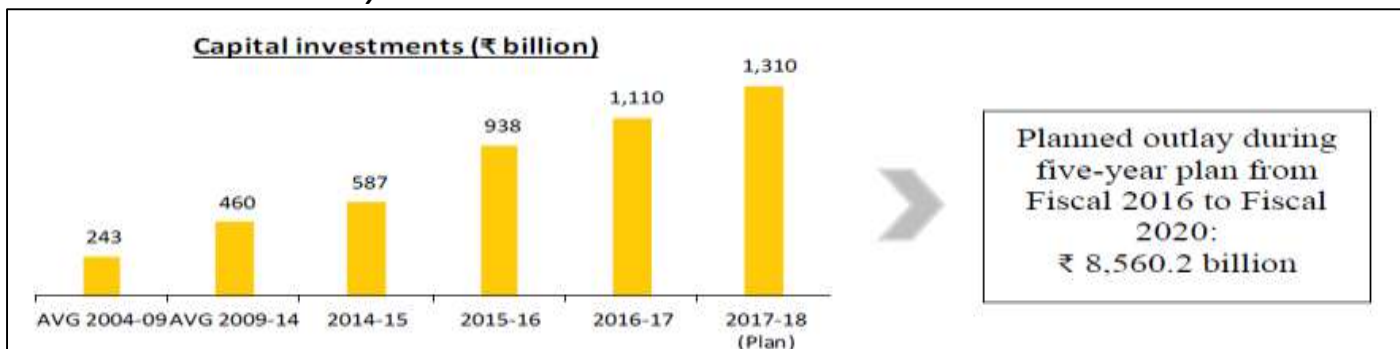
The Indian Railways has constantly added tracks to enable wider reach and focus on connectivity throughout India. The capacity augmentation including electrification remains a focus area for the Indian Railways and GoI provides for a significant share in the Indian Railways budget for electrification every year. The total running track kilometres have expanded from 81,865 as of March 31, 2001 to 95,981 as of March 31, 2019. The Indian Railways has increased the electrified running track kilometres from 27,937 as of March 31, 2001 to 59,142 as of March 31, 2019. As of March 31, 2019, the Indian Railways had 34,319 route kilometres of network commissioned on electric traction (Source: Indian Railways – Year Book 2018-19, Ministry of Railways). This constituted approximately 52% of the total network and carried approximately 65% of freight and approximately 54% of coaching traffic. The rate of electrification has accelerated in India and a total of 38,000 route kilometres have been identified for electrification by 2021. Further, as of March 31, 2020, the Indian Railways had 68,155 total route kilometres and 39,866 electrified route kilometres. (Source: Ministry of Railways)

The MoR, with a goal of transforming Indian Railways into ‘Green Railways’ by 2030 has undertaken a number of major initiatives towards mitigation of global warming and combating climate change. Railway electrification, improving energy efficiency of locomotives and trains, and fixed installations, green certification for installations/ stations, fitting bio toilets in coaches and switching to renewable sources of energy are parts of MoR’s strategy of achieving net zero carbon emission. (Source: Press Information Bureau of India, Ministry of Railways dated July 13, 2020 - <https://pib.gov.in/PressReleasePage.aspx?PRID=1638269>) The Indian Railways has completed electrification of more than 40,000 route kilometres (63% of broad gauge routes) in which 18,605 kilometres electrification work has been done during 2014 and 2020. Previously, only 3,835 kilometres electrification work was completed during the period 2009 and 2014. The Indian Railways has fixed a target of electrification of 7,000 route kilometres for the year 2020-2021. All routes on the broad gauge network have been planned to be electrified by December 2023. The Indian Railways is focusing on electrification of last mile connectivity and missing links. Accordingly, 365 kilometres major connectivity work has been commissioned during the COVID-19 pandemic period as well.

## Capital Investments in Railways

While the Indian Railways network is large, a significant proportion of the infrastructure was built during the British era. The British made significant investments in building the railway infrastructure to facilitate fast movement of goods and troops. Post-Independence, the network growth of the Indian Railways was constrained due to lower investments. The Indian Railways has been facing certain challenges such as overstretched infrastructure, with approximately 60% of the routes being more than 100% utilized and inadequate carrying capacity leading to decreasing modal share in freight and substantial unmet passenger demand (Source: “Reform, Perform and Transform” – Report by the Indian Railways, July 2017). Further, due to low passenger fares, passenger trains utilized two-third of the capacity and generated one-third of revenues, whereas high freight traffic lead to railway freight being out priced in the market. Hence, it was identified to increase investment in the Indian Railways as a top priority area. The MoR has made substantial progress in initiating railway infrastructure. The amount of investment made during Fiscal 2015 and Fiscal 2017, was approximately 75% of the total investment made in the Indian Railways during the prior 10 Fiscals, i.e. Fiscal 2004 to Fiscal 2014. (Source: Indian Railways – Three Year Performance Report)

### Investments in the Indian Railways:



# Indian Railway Finance Corporation Ltd

The Indian Railways had laid down a capital expenditure plan from Fiscal 2016 to Fiscal 2020 of Rs. 8,560.2 billion.

(Source: "Reform, Perform and Transform" – Report by the Indian Railways, July 2017)

The capital expenditure plan from Fiscal 2016 to Fiscal 2020 differs from the previous investment plans by focussing on improving freight carrying capacity through capacity augmentation to achieve network decongestion, which will be done by enhancing outlay for doubling third and fourth line projects and through connectivity to logistic park. Further, this capital expenditure plan focuses on improving competitiveness of the Indian Railways through cost optimisation through electrification and improving customer experience by increasing outlay for safety, station redevelopment and passenger amenities. In addition, as a part of the investment reform agenda for the Indian Railways, the Indian Railways is setting up various joint ventures with State governments to ensure faster development of rail infrastructure.

## Network Decongestion

Network decongestion was a key area of concern wherein the Indian Railways identified that for the past 64 years till March 31, 2014, the freight loading grew by 1,344%, passenger kilometres grew by 1,642%, however, the route kilometres grew by only 23% and that approximately 161 sections out of the total 247 sections in 2014, i.e., 65% of the sections, were running at 100% or above line capacity on high-density network routes. (Source: Indian Railways – Three Year Performance Report) The planned investments have placed a high focus on improving freight and passenger carrying capacity through capacity augmentation to achieve network decongestion (Source: Reform, Perform and Transform" – Report by the Indian Railways, July 2017).

The Government of India has undertaken various policy interventions in order to liberalise the freight sector as follows:



## Network Expansion including electrification

With its focus on improving connectivity in India, the Indian Railways has continuously added running track kilometres to its foray. The total running track kilometres, which was 81,865 kilometres as of March 31, 2001, have increased to 95,981 kilometres as of March 31, 2019. The total route kilometres which was 63,028 kilometres as of March 31, 2001 have increased to 67,415 kilometres as of March 31, 2019. Further, as of March 31, 2020, the Indian Railways had 68,155 total route kilometres and 39,866 electrified route kilometres. (Source: Ministry of Railways) Considering the economic as well as environmental benefits associated with the electrification, an action plan to electrify 90% of the existing broad gauge lines by 2020 has been drawn. The above target is nearly 3.5 times of the actual electrification of railway tracks carried out previously. During the period between Fiscal 2009 and Fiscal 2014, electrification was done at an average of 1,184 route kilometres every year whereas the plan is to increase the pace of electrification to almost 4,000 route kilometres every year from Fiscal 2018.

The Indian Railways plans to move towards zero fatalities in five years. Accordingly, the Indian Railways has identified four sub-themes for improving the safety standards of the railways, infrastructural changes, technological interventions, root cause investigations and resource mobilisation.

## Station Redevelopment

The Indian Railways targets to modernise over 400 stations to world class standards. The Indian Railways is planning to redevelop the stations to enable improvement in service as well as to provide opportunities for generating significant non-tariff revenues. This is the largest transit-oriented development program with an overall targeted program cost of Rs. 1,000 billion. Pursuant to this program, approximately 2,200 acres of prime real estate land available across the top 100 cities will be tapped in the first phase of redevelopment. (Source: First Phase of the Station Redevelopment Program comprising 23 major Railway Stations of Indian Railways, Press Information Bureau dated February 8, 2017 - <https://pib.gov.in/newsite/mbErel.aspx?relid=158286>) Redevelopment of stations is planned through leveraging of commercial development of vacant land/ air space in and around stations. Therefore, no funds have been earmarked for the purpose. Such projects shall generally be cost neutral to railways. (Source: Redevelopment of Railway Stations, Ministry of Railways, Press Information Bureau dated July 18, 2018 - <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1538991>) Indian Railway Stations Development Corporation Limited ("IRSDC") has been entrusted with redevelopment of Anand Vihar, Bijwasan, Chandigarh, Gandhinagar, Habibganj (Bhopal), and Surat railway stations. An MoU between Rail Land Development Authority ("RLDA") and NBCC India Limited has

been entered into for development of the following 10 stations: Tirupati, Delhi Sarai Rohilla, Nellore, Madgaon, Charbagh, Gomtinagar, Kota, Thane new, Ernakulam Junction and Puducherry.

Contracts have been finalised for Gomtinagar and bids have been invited for Charbagh (Lucknow) station and Tirupati stations. All the above works have been offered to indigenous companies/ firms. (Source: *Redevelopment of Railway Stations, Ministry of Railways, Press Information Bureau dated July 18, 2018 - <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1538991>*) High Speed Railway (“HSR”) and Elevated Corridors The Indian Railways has formulated a plan to develop a HSR network in the country. These HSR services, having speed of approximately 250 to 300 kilometres per hour have already been developed in other countries. The HSR network can compete with airlines for customers and routes that have travel time of two-three hours. The Mumbai-Ahmedabad Rail corridor is a sanctioned High Speed Rail Project in the country implemented with technical and financial assistance of Government of Japan. The estimated cost of the project is Rs. 1,080 billion. Government of Japan has agreed to provide a soft loan of 81% of total project cost with 0.1% rate of interest per annum. The time period for repayment of loan is 50 years with a 15 year grace period.

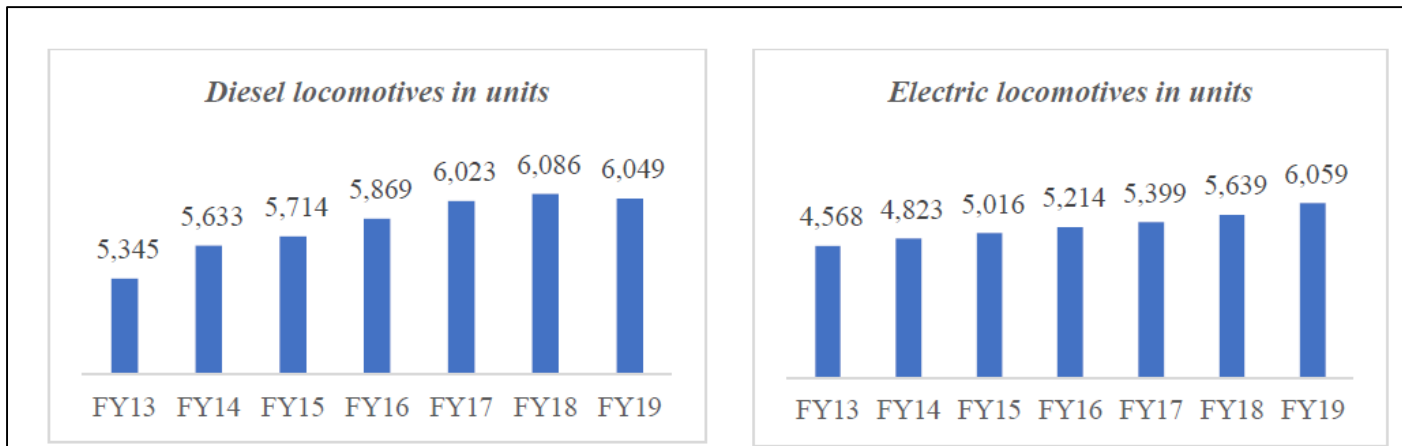
Six corridors on the ‘Diamond Quadrilateral’ connecting metropolitan cities and growth centres of the country (Delhi, Mumbai, Chennai and Kolkata) have been identified for a feasibility study for high speed rail connectivity, comprising: (i) Delhi-Mumbai, (ii) Mumbai-Chennai, (iii) Chennai-Kolkata, (iv) Kolkata-Delhi and both diagonals i.e. (v) Delhi-Chennai and (vi) Mumbai-Kolkata routes. As high speed projects are highly capital and technology intensive sanction of high speed projects is subject to its technical feasibility, financial viability and availability of resources.

### Rolling Stock

With the expansion of the freight network and passengers demand, the requirement of rolling stock will increase substantially. Indian Railway Finance Corporation Limited (“IRFC”) is responsible for financing the acquisition of the majority of the rolling stock purchased by the IRFC and leased to the MoR. In Fiscals 2017, 2018, 2019 and 2020, IRFC was responsible for financing 72%, 93%, 84% and 76%, respectively, of the Indian Railway’s total rolling stock (Source: *Ministry of Railways*).

### Locomotives

The Indian Railway’s locomotive fleet has seen significant changes over time. Initially, led by steam locomotives at the time of independence, the shift in favour of diesel locomotives has been gradual. Now, electric locomotives are expected to dominate the future in the Indian Railways. The following charts show cumulative locomotives over the Fiscals across diesel and electric locomotive units:



### Coaches

There has been an increase in demand for electric multiple unit (“EMU”) and diesel electric multiple units (“DEMU”) driven by rising demand from suburban traffic as well as efficiency considerations. Passenger carriers are also expected to be in demand with the increasing passenger usage. It is expected that the demand for coaches shall outstrip supply of coaches.

### Wagons

Wagons manufacturing got a boost post the economic reforms in early 1990s with annual production figures reaching as high as 26,000.

### Sources of Funding

The capital expenditure plan from Fiscal 2016 to Fiscal 2020 as laid above is funded through various sources of financing for the Indian Railways. The primary sources of funds for the planned capital outlay of the Indian Railways are GBS, internally generated funds, public private partnerships and market borrowings leasing through IRFC and other sources (EBR-IF), railway safety fund and RRSK. The capital expenditure of Indian Railways for 2020-21 was Rs. 161,042 crore, which was higher than the revised estimate of 2019-2020 by Rs. 4,690.03 crore. This is 2.99% higher than the revised estimate for 2019-2020. The Gross Budgetary Support (excluding Nirbhaya Fund) of



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Rs. 70,000 crore includes Rs. 5,000 crore towards RRSK and Rs. 18,500 crore as Indian Railway's share from the Central Road and Infrastructure Fund. The Gross Budgetary Support in 2020-2021 is 3.19% more than revised estimate for 2019-2020.

## Gross Budgetary Support

The central Government supports Indian Railways in the form of a gross budgetary support in order to expand its network and invest in capital expenditure. The gross budgetary support from the central Government increased from Rs. 349 billion in Fiscal 2019 to Rs. 456 billion in Fiscal 2020 and the budgetary estimate for Fiscal 2021 is Rs. 467 billion (Source: Ministry of Railways). Internally Generated Funds The Indian Railways' internal resources are primarily utilized for replacement, renewals, upgrades and modernization of existing infrastructure i.e., track renewal, signalling replacement, other electrical works and safety (road over bridge/ road under bridge). The internal resource generation is significantly dependent on the economic growth which impacts freight revenues.

Flexi fare was introduced from September 9, 2016. During the periods from September 2016 to March 2017, Fiscal 2018, and April 2018 to June 2018, the Indian Railways earned approximately Rs. 3.71 billion, Rs. 8.60 billion, and Rs. 2.62 billion, respectively, as additional earnings from trains offering flexi fare. (Source: Revenue Generation by Railways, Ministry of Railways, Press Information Bureau dated 30 July 2018 - <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1540623>) The Indian Railways is focussing on further enhancing the share of non-fare revenues through initiatives, such as, "Train branding" which includes internal and external advertising on trains; "Railway display network" which includes creating a new medium for advertising and information dissemination, sole advertising rights for the entire zonal railways and on-board entertainment.

## Railway Safety Fund and RRSK

The railway safety fund actual capital outlay has increased from Rs. 16 billion in Fiscal 2018 to Rs. 30 billion in Fiscal 2019 and further to Rs. 69 billion in Fiscal 2020, and the budgetary estimates for Fiscal 2021 is 85 billion (Source: Ministry of Railways). The Union Budget 2018 introduced the RRSK fund for works relating to renewal, replacement, upgradation of critical safety assets under the capital segment of Union Budget. The fund has an amount Rs. 1,000 billion over a period of five years, with an annual outlay of Rs. 200 billion. The fund is intended to be utilized to finance track renewals, bridge works, signalling and telecommunication works, road safety works of level crossings and road over/ under bridges, rolling stock, traffic facilities, electrical works, machinery and plant, workshops, passenger amenities and training. (Source: Railway Safety Fund, Ministry of Railways, Press Information Bureau dated July 25, 2018 - <https://pib.gov.in/PressReleaseFramePage.aspx?PRID=1540105>) In Fiscals 2018, 2019 and 2020, expenses of Rs. 161 billion, Rs. 180 billion and Rs. 150 billion, respectively, was utilised in relation to this fund and the budgetary estimate for Fiscal 2021 is Rs. 200 billion (Source: Ministry of Railways).

## Public Private Partnerships

The Indian Railways has laid emphasis on public private partnerships to implement initiatives such as rail connectivity for ports, station redevelopment, rail-side logistics parks and warehousing as well as satellite terminals. The Indian Railways proposed capital expenditure plan from Fiscal 2016 to Fiscal 2020 comprises Rs. 1,300 billion in public private partnerships. This proposed investment of the Indian Railways in relation to public private partnerships will primarily be engaged in station development, logistic parks and new lines on BOT. The Indian Railways has also approved two new locomotives factories in Bihar with a combined order book of Rs. 400 billion over ten years. These projects are one of the largest foreign direct investment projects of the Indian Railways in India.

Public private partnerships contributed Rs. 126 billion in Fiscal 2020 and is estimated to contribute Rs. 253 billion in Fiscal 2021. (Source: Ministry of Railways) A joint venture company has been formed with Pipavav Port authorities to provide broad gauge connectivity to Pipavav Port. MoUs have been signed between Ministry of Railways and the State governments of Andhra Pradesh, Karnataka, Maharashtra, West Bengal, Tamil Nadu and Jharkhand in developing rail infrastructure in these States.

## Market Borrowings/ Debt

Extra budgetary resource support from the central Government is proposed to be Rs. 833 billion in Fiscal 2021, which has increased from Rs. 789 billion in Fiscal 2020 (Source: Ministry of Railways). In this regard, the Standing Committee on Railways directed the MoR to furnish reasons for emphasising on budgetary support and extra budgetary resource for funding the annual plan rather than increasing internal resources for capital funding and also to state the interest liability on Indian Railways for extra borrowings. The MoR, in their written replies, submitted that higher outlays have been provided through budgetary support and extra budgetary resources to meet increasing requirement for project execution and procurement of rolling stock, as internal resource generation was not adequate for plan financing, due to adverse impact of implementation of Seventh Central Pay Commission recommendations, which has been applicable since Fiscal 2017. However, a higher provision of Rs. 115 billion has been made in Fiscal 2019 under internal resources, compared to Rs. 109 billion of Fiscal 2018 (revised estimate).

In budget estimates for Fiscal 2019, outlay from extra budgetary resources was kept at Rs. 819.40 billion (Rs. 285 billion from market borrowings through bonds, Rs. 264.40 billion from institutional financing and Rs. 270 billion as investment under extra budgetary resource. The higher outlays were kept in order to meet increasing requirement for project execution and procurement of rolling stock. The estimated interest liability for extra borrowings in Fiscal 2019 in respect of rolling stock and extra budgetary resource (institutional

finance) will be Rs. 134.35 billion (for rolling stock over a period of 15 years and for extra budgetary resource (IF) over a period of 30 years). (Source: *Standing Committee on Railways (2017 – 2018), Sixteenth Lok Sabha, Ministry of Railways (Railway Board), Nineteenth Report, Demands for Grants (2018 – 19)* - [http://164.100.47.193/lssccommittee/Railways/16\\_Railways\\_19.pdf](http://164.100.47.193/lssccommittee/Railways/16_Railways_19.pdf)) The Indian Railways/ RVNL has borrowed an amount of Rs. 367.22 billion, Rs. 525.35 billion and Rs. 713.92 billion in Fiscal 2018, Fiscal 2019 and Fiscal 2020, respectively, from IRFC. For Fiscal 2021, the MoR, through its letter dated April 10, 2020, indicated its intention to borrow Rs. 580.00 billion from IRFC, which comprised Rs. 293.00 billion for rolling stock, Rs. 7.00 billion for projects being executed by RVNL and Rs. 280.00 billion for projects under EBR-IF. However, subsequently, the MoR, through its letter dated January 7, 2021, has revised the said target to be borrowed from IRFC to Rs. 625.67 billion for Fiscal 2021, including Rs. 331.37 billion for rolling stock, Rs. 14.30 billion for projects being executed by RVNL and Rs. 280.00 billion for projects under EBR-IF. In addition, on September 30, 2020, the MoR has further indicated its intention to additionally borrow Rs. 530.00 billion from IRFC in Fiscal 2021 and IRFC will be informed after the necessary approvals (to operationalize the proposed borrowings) by the competent authority of MoR are obtained. As of March 31, 2020, and September 30, 2020, the cumulative funding by IRFC to the MoR amounted to Rs. 3,402.58 billion and Rs. 3,592.75 billion, respectively.

The MoR signed a memorandum of understanding with Life Insurance Corporation of India (“LIC”), a public sector undertaking of the GoI, for funding assistance of Rs. 1.5 trillion for financing railway projects over a period of five years (Source: *“Reform, Perform and Transform” – Report by the Indian Railways, July 2017*). The MoR commenced from Fiscal 2016 and expired in Fiscal 2020. The tenor for LIC funding is for 30 years and matches the Indian Railways’ requirement of long term funds for investment in projects. LIC funds carry low interest rates and are linked with the government security with a small margin over it. The funds are passed to the Indian Railways through IRFC. As of September 30, 2020, IRFC had raised Rs. 205.00 billion from LIC for providing funding assistance to the Indian Railways for its projects.

## Foreign Direct Investment

The Government of India has permitted 100% Foreign Direct Investment (“FDI”) on automatic route in the following activities/areas of railway infrastructure:

- (i) Suburban corridor projects through Public Private Partnership;
- (ii) High speed train projects;
- (iii) Dedicated freight lines;
- (iv) Rolling stock including train sets, and locomotives or coaches manufacturing and maintenance facilities;
- (v) Railway Electrification;
- (vi) Signalling systems;
- (vii) Freight terminals;
- (viii) Passenger terminals;
- (ix) Infrastructure in industrial park pertaining to railway lines or sidings including electrified railway lines and connectivities to main railway line; and
- (x) Mass Rapid Transport Systems.

## Key Concerns:

- IRFC derives a significant amount of revenue from operations from the Indian Railways. A loss of or reduction in business from the Indian Railways, any direct borrowing by the Indian Railways or introduction of any new avenues of funding by the Ministry of Railways, Government of India (the “MoR”) could have an adverse effect on the business.
- Business is dependent on the continued growth of the Indian railway sector, making susceptible to the GoI initiatives to modernize the railways and other policies. Any slowdown in the growth of Indian Railways will impact the business and results of operations.
- Ability to operate efficiently is dependent on ability to maintain diverse sources of funds at a low cost.
- In the event the margin on the Rolling Stock Assets leased to the MoR by IRFC is not favourable, it may have an adverse impact on financial condition and results of operation.
- Mismatch in the tenor of leases and borrowings may lead to reinvestment and liquidity risk, which may adversely impact financial condition and results of operations.
- Any change in the terms of the Standard Lease Agreement entered into by IRFC with the MoR may have an adverse effect on the business, financial position and result of operations.
- The Standard Lease Agreement is executed after the end of the Fiscal to which it relates and there can be no assurance that the agreement will be executed each year.

- Any downgrade in credit ratings or India's debt rating could increase finance costs and adversely affect the ability to borrow funds and its business, results of operations, financial condition and cash flows.
- Non-availability of funding from the Life Insurance Corporation of India ("LIC") matching the requirement of funds by Indian Railways for railway projects under EBR-IF may affect the asset-liability position of the Company.
- IRFC is currently exempt from provisioning requirements in respect of deferred tax asset or deferred tax liability, however, there can be no assurance that the MCA will not withdraw the exemption in future.
- Risk management measures may not be fully effective in mitigating its risks in all market environments or against all types of risks, which may adversely affect the business and financial performance.
- Ability to raise foreign currency borrowings may be constrained by Indian law.
- If IRFC is unable to manage growth effectively, its business and financial results could be adversely affected.
- Post completion of the Issue, cost of borrowings may go up.
- IRFC is subject to supervision and regulation by the RBI, as a NBFC-ND-SI and Infrastructure Finance Company, and other regulatory authorities and changes in the RBI's regulations and other regulations, and the regulation governing it or the industry in which it operates could adversely affect the business.
- The success of the business operations is dependent on senior management team and Key Management Personnel as well as ability to attract, train and retain employees.
- Business, financial condition and results of operations may be materially adversely affected by global health epidemics, including the recent COVID-19 outbreak, and the continuing effect of the same cannot be predicted.
- Inability to maintain Liquidity Coverage Ratio ("LCR") as prescribed in the 'Liquidity Management Framework' issued by the RBI for NBFCs with effect from December 1, 2020 may subject to IRFC penalties thereby adversely affecting its financial performance and business operations.
- IRFC may fail to obtain certain regulatory approvals in the ordinary course of its business in a timely manner or at all, or to comply with the terms and conditions of its existing regulatory approvals and licenses which may have a material adverse effect on the continuity of its business and may impede its effective operations in the future.
- IRFC is wholly-owned and controlled by the GoI, which makes susceptible to changes to its policies.
- IRFC will be required to comply with the provisions of the Ministry of Corporate Affairs to Companies (Share Capital and Debentures) Rules, 2014 that require to maintain a certain percentage of non-convertible debentures maturing during the year in specified investments or deposits and any non-compliance with such rules may expose IRFC to the levy of penalties.
- Fluctuations in the value of the Indian Rupee against other foreign currencies may have a material adverse effect on the cost of borrowings.
- As an NBFC, IRFC may be subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose to penalties and restrictions.
- IRFC has experienced negative cash flows in relation to operating activities and investment activities in recent years/ periods.
- IRFC has certain contingent liabilities and commitments, and any crystallization of contingent liabilities and commitments may adversely affect the financial condition.
- Financial performance may be affected in the event of any delay or default by the MoR relating to the payment of lease rentals and / or other payments that are due to IRFC under the terms of the Standard Lease Agreement.
- Liabilities arising due to interpretational differences of provisions of GST law on implementation and execution of contracts for construction of railway projects directly between IRFC and railway contractors would devolve on it.

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- IRFC utilises the services of certain third parties for its operations. Any deficiency or interruption in their services could adversely affect the business and reputation.
- IRFC relies on borrowings from institutional investors and such borrowings are subject to exposure norms prescribed by regulatory authorities and the trading in its non-convertible debentures and bonds may be infrequent, limited or sporadic, which may affect IRFC's ability to raise debt financing in future.
- Political, economic or other factors that are beyond IRFC's control may have an adverse effect on the business and results of operations.
- Financial instability in other countries may cause increased volatility in Indian financial markets.
- Difficulties faced by other financial institutions or the Indian financial sector generally could cause IRFC's business to suffer.
- Inflation in India could have an adverse effect on the profitability and if significant, on financial condition.

## Profit & Loss

Particulars (Rs in Million)	H1FY21	FY20	FY19	FY18
<b>Revenue from Operations</b>				
Interest income	17,167.8	27,480.0	17,230.7	9,885.7
Dividend income	2.3	5.9	5.1	4.9
Lease income	56,661.1	106,724.3	92,637.7	82,179.1
<b>Total revenue from operations</b>	<b>73,831.2</b>	<b>134,210.2</b>	<b>109,873.5</b>	<b>92,069.7</b>
Other income	17.1	0.7	0.0	8.7
<b>Total income</b>	<b>73,848.3</b>	<b>134,210.9</b>	<b>109,873.6</b>	<b>92,078.4</b>
<b>Expenses</b>				
Finance costs	54,409.8	101,626.6	81,830.6	66,375.9
Impairment on financial instruments	0.0	21.4	275.4	0.0
Employee benefit expense	26.5	62.7	62.5	55.2
Depreciation, amortization and impairment	2.3	4.6	4.2	3.5
Other expenses	541.2	574.7	147.4	324.4
<b>Total expenses</b>	<b>54,979.9</b>	<b>102,289.9</b>	<b>82,320.1</b>	<b>66,759.0</b>
<b>Profit before tax</b>	<b>18,868.4</b>	<b>31,921.0</b>	<b>27,553.4</b>	<b>25,319.4</b>
<b>Tax expense</b>				
Current tax	0.0	0.0	6,154.1	5,304.8
Deferred tax	0.0	0.0	0.0	0.0
<b>Total Tax Expenses</b>	<b>0.0</b>	<b>0.0</b>	<b>6,154.1</b>	<b>5,304.8</b>
<b>PAT</b>	<b>18,868.4</b>	<b>31,921.0</b>	<b>21,399.3</b>	<b>20,014.6</b>
EPS	1.6	2.7	2.3	3.1
Equity	118,804.6	118,804.6	93,804.6	65,264.6
FV	10	10	10	10
PATM (%)	25.6	23.8	19.5	21.7

(Source:RHP)

## Balance Sheet

Particulars (Rs in Million)	H1FY21	FY20	FY19	FY18
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	16.6	13.8	37.1	11.3
Bank balance other than above	942.2	993.8	773.6	986.9
Derivative financial instruments	0.0	0.0	466.9	968.5
Lease receivables	1538468.1	1485798.0	1250265.1	1094716.6
Loans	62430.4	64233.7	58954.9	52379.6
Investments	114.1	115.1	131.5	139.8
Other financial assets	1293364.2	1182742.5	738239.4	450773.1
<b>Total financial assets</b>	<b>2895335.6</b>	<b>2733897.0</b>	<b>2048868.4</b>	<b>1599975.7</b>
Current tax assets	8630.5	6308.4	414.7	388.5
Property, plant and equipment	109.3	110.0	112.3	112.7

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Other Intangible assets	0.4	0.4	0.5	0.3
Other non-financial assets	15790.1	14725.4	14987.1	14033.3
<b>Total non-financial assets</b>	<b>24530.3</b>	<b>21144.3</b>	<b>15514.5</b>	<b>14534.8</b>
<b>Total Assets</b>	<b>2919865.8</b>	<b>2755041.3</b>	<b>2064383.0</b>	<b>1614510.4</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Liabilities</b>				
Derivative financial instruments	3883.5	4065.2	3106.0	7495.8
Total outstanding dues of micro enterprises and small enterprises	1.5	0.5	0.1	2.4
Total outstanding dues of creditors other than micro enterprises and small enterprises	439.9	377.0	121.7	84.7
Debt securities	1612586.7	1552904.6	1235979.0	1108442.5
Borrowings (other than debt securities)	840906.5	790862.7	503347.8	231612.8
Other financial liabilities	145029.4	103373.7	72999.4	56928.3
<b>Total Financial liabilities</b>	<b>2602847.5</b>	<b>2451583.6</b>	<b>1815553.9</b>	<b>1404566.5</b>
<b>Non-Financial liabilities</b>				
Provisions	93.0	138.0	118.0	108.4
Other non-Financial liabilities	55.7	322.2	48.2	6592.7
<b>Total Non-Financial liabilities</b>	<b>148.6</b>	<b>460.2</b>	<b>166.1</b>	<b>6701.1</b>
<b>Total liabilities</b>	<b>2602996.1</b>	<b>2452043.8</b>	<b>1815720.0</b>	<b>1411267.6</b>
<b>EQUITY</b>				
Equity share capital	118804.6	118804.6	93804.6	65264.6
Other equity	198065.1	184192.9	154858.4	137978.2
<b>Total equity</b>	<b>316869.7</b>	<b>302997.5</b>	<b>248663.0</b>	<b>203242.8</b>
<b>Total Liabilities and Equity</b>	<b>2919865.8</b>	<b>2755041.3</b>	<b>2064383.0</b>	<b>1614510.4</b>

(Source:RHP)

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