

IRFC set to expand its wings with plans of diversification

Indian Railway Finance Corporation (IRFC) is a premier financial services company for the development of rail transport sector in India. In an interview, **IRFC CMD Amitabh Banerjee** spoke about the company's pivotal role in the growth, expansion and modernisation of Indian Railways. Excerpts



Q. What role has IRFC played in supporting the expansion of Indian Railways and related entities?

A: Indian Railway Finance Corporation is the dedicated market borrowing arm of Indian Railways. IRFC has been consistently supporting the growth, expansion and modernisation of Indian Railways through funding of railway projects and capacity enhancement works. The company financed rolling stock assets worth Rs. 28,561.09 crore and project assets valuing Rs. 73,458.86 crore in FY 2020-21. Since inception, IRFC funded acquisition of 12,341 locomotives, 69,345 passenger coaches and 2,51,191 freight wagons. Our dedicated approach to support the expansion and modernisation of Indian Railways keeps us perfectly poised to make it future-ready.

Q. How do you plan to participate in rail vision plan?

A: As part of National Rail Plan, Vision 2024 has been launched by Ministry of Railways for accelerated implementation of critical projects by 2024 such as 100% electrification, multi-tracking of congested routes, upgradation of speed to 160 kmph on Delhi-Howrah and Delhi-Mumbai routes, etc. IRFC is already funding most of the projects covered under the plan related to railway electrification, gauge conversion,

multitracking, etc and would continue to fund projects under rail vision plan.

Q. Will IRFC finance private parties if Railways opens up to the private sector?

A: Government of India has encouraged private participation in rail projects and has approved participative models for rail connectivity and capacity augmentation projects, allowing private ownership of certain segments of railways. IRFC is set to expand its wings with plans of diversification and as per the mandate, it can finance private sector projects with a backward and/or a forward linkage with Railways including high-speed rails, dedicated freight corridors and logistic parks.

Q. The National Railway Plan envisages capex outlay of about Rs 10 lakh crore this decade. What portion of this do you expect to contribute?

A: Indian Railways has prepared a National Rail Plan for India-2030. This will be for a future ready Railways, wherein infrastructure will be created by 2030, which shall make Railways infra ready for 2050. IRFC contributed to 67% of Ministry of Railway's capital outlay, with total annual disbursement of more than one lakh crore rupees last year. IRFC accordingly is geared up to fulfil its mandate of providing 'Extra Budgetary Resource' financing to the ministry at most competitive cost.

Q. What role will IRFC play in the National Infrastructure Pipeline?

A: The National Infrastructure Pipeline (FY 2019-25) is a 111 trillion rupee government programme to provide world-class infrastructure to citizens and improving their quality of life. Railways have an estimated capex target of annual Rs. 13.68 lakh crore under NIP during the period. IRFC, being dedicated market borrowing arm of Railways, will continue to finance a significant part of the projects under NIP.

—As told to Alok Sinha