

'IRFC looks to diversify revenue streams'

Indian Railway Finance Corporation (IRFC) plans to go beyond funding rolling stock, railway projects, and capacity enhancement works. In an interview to Twesh Mishra, IRFC's Chairman and Managing Director **AMITABH BANERJEE** says the company is keen on diversifying into non-railway projects that have a backward or a forward linkage with the Indian Railways. The dedicated market-borrowing arm of Indian Railways also aims to raise ₹65,258 crores in the current financial year. Edited excerpts:

How much money does IRFC intend to raise in the current financial year?

How much has been raised till now? IRFC plans to raise ₹65,258 crore from both domestic and overseas markets

in the current financial year, almost 50 per cent of which has been raised and

disbursed to the Ministry of Railways till now. The company disbursed ₹1.04 trillion in 2020-21 (FY21), which is so far the highest funding to Indian Railways in one fiscal year.



AMITABH BANERJEE
Chairman and MD, IRFC

What growth opportunities does IRFC see in National Rail Plan 2030?

IRFC contributed 67 per cent to the railway ministry's capital outlay last year. Accordingly, IRFC is all geared up to fulfil its mandate of providing extra budgetary resource (EBR) financing to the ministry at the most competitive cost, and will continue to finance a significant part of projects under the National Rail Plan (NRP).

How have IRFC's operations evolved after the Railway Budget was merged with the Union Budget?

IRFC's mandate increased manifold since 2017, when the Central government merged the Railway Budget with the Union Budget, thus ending a prac-



tice that had started in 1924. The annual borrowing target mandated by the Ministry of Railways has registered an exponential growth with the target reaching ₹1.04 trillion in FY21 as against ₹11,000 crore in FY15, which is an increase of about 10 times.

Does IRFC plan to diversify its revenue streams by financing non-railway projects?

GoI 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 the Indian Railways. IRFC is set to expand its wings, and in line with the mandate, it can finance non-Railway projects that have a backward and/or a forward linkage with the Indian Railways, which would include high-speed rails, dedicated freight corridors, station development, port development and multi-modal logistic parks.

IRFC had routed long-term money from LIC to Railways. How will this arrangement change after LIC's IPO?

IRFC had started funding railway projects through institutional finance from LIC in 2016. But the arrangement expired on March 31 2020. Currently, there is no such arrangement.