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INDIAN RAILWAY FINANCE CORPORATION LIMITED (IRFC)

MINISTRY OF RAILWAYS

**COMMITTEE ON PUBLIC UNDERTAKINGS
(2024-25)**

FIFTH REPORT

EIGHTEENTH LOK SABHA



LOK SABHA SECRETARIAT

NEW DELHI

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COMMITTEE ON PUBLIC UNDERTAKINGS
(2024-25)

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INDIAN RAILWAY FINANCE CORPORATION LIMITED (IRFC)
MINISTRY OF RAILWAYS

Presented to Lok Sabha on 18.12.2024

Laid in Rajya Sabha on 18.12.2024



LOK SABHA SECRETARIAT

NEW DELHI

December, 2024/ Agrahayana, 1946 (Saka)

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COMPOSITION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2024-25)

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Members

LOK SABHA

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3. Shri Sudip Bandyopadhyay
4. Shri R.K. Chaudhary
5. Shri Chandra Prakash Joshi
6. Smt. Kanimozhi Karunanidhi
7. Shri Kaushalendra Kumar
8. Shri Shankar Lalwani
9. Smt. Poonamben Hematbhai Maadam
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13. Shri Pratap Chandra Sarangi
14. Shri Kodikunnil Suresh
15. Shri Prabhakar Reddy Vemireddy

RAJYA SABHA

16. Shri Neeraj Dangi
17. Shri Milind Murli Deora
18. Shri Narain Dass Gupta
19. Dr. Bhagwat Karad
20. Shri Surendra Singh Nagar
21. Shri Debashish Samantaray
22. Shri Arun Singh

SECRETARIAT

1. Shri Neeraj Semwal - Joint Secretary
2. Smt. Jyochnamayi Sinha - Director
3. Smt. Mriganka Achal - Deputy Secretary
4. Shri L. Shantikumar Singh - Executive Officer

COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS (2023-24)

Shri Santosh Kumar Gangwar - Chairperson

Members

LOKSABHA

2. Shri Sudip Bandyopadhyay
3. Shri Anil Firojiya*
4. Dr. Heena Vijaykumar Gavit
5. Shri Chandra Prakash Joshi
6. Smt. K. Kanimozhi
7. Shri Lavu Sri Krishna Devarayalu
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9. Shri Arjunlal Meena
10. Shri Janardan Mishra
11. Shri Nama Nageswara Rao
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13. Shri Ravneet Singh Bittu
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19. Shri Prakash Javadekar
20. Dr. Amar Patnaik
21. Shri V. Vijayasai Reddy
22. Shri Binoy Viswam

* Elected w.e.f. 19.12.2023 *vice* Shri Uday Pratap Singh resigned as Member of Lok Sabha w.e.f. 06.12.2023.

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Shri Santosh Kumar Gangwar - Chairperson

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6. Shri Lavu Sri Krishna Devarayalu
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8. Shri Arjunlal Meena
9. Shri Janardan Mishra
10. Shri Kinjarapu Ram Mohan Naidu
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13. Shri Sushil Kumar Singh
14. Shri Uday Pratap Singh
15. Shri Ramdas Chandrabhanji Tadas

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20. Shri Prakash Javadekar
21. Dr. Amar Patnaik
22. Shri M. Shanmugam

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2024-25) having been authorized by the Committee to submit the Report on their behalf, present this Fifth Report on 'Indian Railway Finance Corporation Limited (IRFC)'.

2. The Committee on Public Undertakings (2022-23) had selected the said subject for detailed examination. As the examination of the subject remained inconclusive during the previous terms, the present Committee on Public Undertakings (2024-25), therefore, decided to carry forward the subject so as to complete the unfinished task.

3. The Committee on Public Undertakings (2023-24) was briefed about the subject by the representatives of the IRFC on 19 October, 2023 and thereafter took their evidence on 07 February, 2024. The Committee also took oral evidence of the representatives of the administrative Ministry, the Ministry of Railways on 07 February, 2024.

4. The Committee (2024-25) considered and adopted the draft Report at their sitting held on 05 December, 2024.

5. The Committee wish to express their thanks to the representatives of IRFC and the Ministry of Railways for tendering evidence before the Committee and furnishing the requisite information to them in connection with examination of the subject.

6. The Committee wish to express their sincere thanks to the predecessor Committee for their valuable contribution in the examination of the subject.

7. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in Part-II of the Report.

**New Delhi;
11 December, 2024
20 Agrahayana, 1946(S)**

**BAIJAYANT PANDA
Chairperson
Committee on Public Undertakings**

ABBREVIATIONS

1.	ALM	Asset Liability Management
2.	BoD	Board of Directors
3.	BSE	Bombay Stock Exchange
4.	BRSR	Business Responsibility and Sustainability Report
5.	CARE	Credit Analysis and Research
6.	CDSL	Central Depository Services Limited
7.	CMD	Chairman & Managing Director
8.	CPSE	Central Public Sector Enterprise
9.	CRISIL	Credit Rating Information Services of India Limited
10.	CSR	Corporate Social Responsibility
11.	EBR	Extra Budgetary Resources
12.	EBR(IF)	Extra Budgetary Resources - Infrastructure Finance
13.	EBR-S	Extra Budgetary Resources - Special
14.	ECB	External Commercial Borrowing
15.	EMTN	Euro Medium Term Note
16.	ERP	Enterprise Resource Planning
17.	FPI	Foreign Portfolio Investment
18.	GBS	Gross Budgetary Support
19.	GIFT City	Gujarat International Finance Tec-City
20.	GMTN	Global Medium Term Note
21.	GoI	Government of India
22.	HRMS	Human Resource Management System
23.	HUF	Hindu Undivided Families
24.	ICRA	Investment Information and Credit Agency
25.	INR	Indian Rupee
26.	IR	Indian Railways
27.	IRFC	India Railway Finance Corporation Limited
28.	JPY	Japanese Yen
29.	MAT	Minimum Alternative Tax
30.	MCA	Ministry of Corporate Affairs
31.	MoA	Memorandum of Association

32.	MoR	Ministry of Railways
33.	MoU	Memorandum of Undertaking
34.	NBFC-ND-IFC	Non-Banking Finance Company-Non-Deposit Taking-Infrastructure Finance Company
35.	NBFC-ND-SI	Systemically Important Non-Deposit taking/holding Non-Banking Financial Company
36.	NGRBC	National Guidelines on Responsible Business Conduct
37.	NRI	Non-Resident Indian
38.	NSDL	National Securities Depository Limited
39.	NSE	National Stock Exchange
40.	NSSF	National Small Saving Fund
41.	PAT	Profit After Tax
42.	PBT	Profit Before Tax
43.	QIB	Qualified Institutional Buyer
44.	RBI	Reserve Bank of India
45.	RoC	Registrar of Companies
46.	RVNL	Rail Vikas Nigam Limited
47.	SEBI	Securities & Exchange Board of India
48.	SOFR	Secured Overnight Financing Rate
49.	STL	Short Term Loan
50.	TONA	Tokyo Overnight Average Rate
51.	USD	United States Dollar
52.	WACC	Weighted Average Cost of Capital

REPORT
CHAPTER I
INTRODUCTION

1.1 Indian Railway Finance Corporation Limited (IRFC) is a Schedule-'A' Miniratna-I Central Public Sector Undertaking under the administrative control of the Ministry of Railways (MoR).

1.2 The Company was incorporated as Indian Railway Finance Corporation Limited (IRFC) on December 12, 1986, as a public limited Company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies (RoC). Thereafter, IRFC received a certificate of commencement of business from the RoC on December 23, 1986. The Ministry of Corporate Affairs, through its notification dated October 8, 1993, classified IRFC as a Public Financial Institution under Section 4(A) of the Companies Act, 1956 (now defined in Section 2(72) of the Companies Act, 2013). Subsequently, IRFC was registered with RBI under Section 45-IA of the RBI Act to carry on the business of a non-banking financial institution without accepting public deposits, pursuant to a certificate of registration bearing No. 14.00013 dated February 16, 1998. Subsequently, vide a fresh certificate of registration bearing No. 14.00013, dated March 17, 2008, RBI classified IRFC as a non-deposit accepting asset finance non-banking financial Company. Thereafter, IRFC was re-classified as an NBFC-ND-IFC by RBI, through a fresh certificate of registration bearing No. B-14.00013, dated November 22, 2010.

Objective and Function of the Company

1.3 The primary objective of IRFC is to meet the predominant portion of 'Extra Budgetary Resources' (EBR) requirement of the Indian Railways through market borrowings at the most competitive rates and terms. The Company's principal business, therefore, is to borrow funds from the financial markets to finance the acquisition/ creation of assets which are then leased out to the Indian Railways.

Business Model

1.4 The primary business of the Company is as under:

- (i) Financing the acquisition of rolling stocks,
- (ii) Leasing of railway infrastructure assets and national projects of the Government of India, and
- (iii) Lending to other entities under MoR

1.5 The key terms of the Company's leasing model as explained by IRFC representatives in the sitting of the Committee is given below:

"We are giving lease for 30 years. In that 30 years, 15 years is the primary lease period. During primary lease period, we recover all our investments. In balance 15 years of secondary lease period, we get a very nominal rent. But the total lease period including the primary and secondary is 30 years ...

... It is a cost-plus model. जो भी हमारी बॉरोइंग होती है, उसके ऊपर हमें रो लंग स्टॉक में 40 पैसा मार्जिन मलता है और इंफ्रास्ट्रक्चर असेट्स में 35 पैसा मार्जिन मलता है। During the year, the weighted average cost of borrowing is calculated and the margin is added."

1.6 IRFC is funding to MoR for acquisition of rolling stock and project assets. The lease agreements for rolling stock assets are being executed every year and advance lease rentals are paid by MoR on half yearly basis.

1.7 However, the Committee note that, in case of project assets, there is a moratorium period of five year and after completion of moratorium period, lease agreements are being executed. Accordingly, IRFC needs to borrow more as compared to disbursement to meet the cash flow mismatches and debt servicing for project assets during moratorium period.

1.8. It has been submitted that IRFC raises funds based on requirement and no idle funds are kept by the Company.

1.9 IRFC's cumulative funding to Indian Railway sector has crossed ₹5.50 lakh crore mark by the end of the financial year 2022-23. Indian Railways has embarked on massive investment outlay for modernization, upgradation and growth of Indian Railway system. Correspondingly, the funding by IRFC has grown exponentially which is evident from the fact that the cumulative funding has been of the order of ₹3.20 lakh crore during the period 2018-19 to 2022-23.

Share Capital

1.10 As on 31 March 2024, the Authorized Share Capital of the Company was ₹25,000 crore, consisting of 25,000,000,000 Equity Shares of ₹10/- each. The issued and paid-up share capital of the Company was ₹13,068.506 crore, consisting of 13,06,85,06,000 Equity Shares of ₹10/- each.

Shareholding Pattern

1.11 Shareholding pattern of IRFC as on 31.03.2024 is as under:

Sl. No.	Category	% to total Equity
1.	Promoters	86.36
2.	Residential Individual	10.97
3.	Mutual Fund	0.17
4.	QIB Insurance Company registered with IRDA	0.71
5.	FPI Category I Body Corporate	1.06
6.	Body Corporate	0.18
7.	HUF	0.23
8.	NRI Repatriable	0.14
9.	NRI Non Repatriable	0.07
10.	Body Corporate LLP	0.01
11.	Trusts	0.02
12.	Body Corporate Margin Trading	0.02
13.	Body Corporate Client Collateral Account	0.02
14.	FPI Category II Body Corporate	0.02
15.	Mutual Fund Custodian Fund	0.01
Total		100

CSR Activities

1.12 The details of CSR performance of IRFC in the last 5 years are as under:

(₹ in crore)

Financial Year	Carry forward balance of previous year (if any)	Budget Allocation of current year	Total CSR allocation	percentage of allocation of the average of PAT of last 3 years	Total expenditure during the current year	Balance
2019-20	0	50.52	50.52	2%	40.52	10.00
2020-21	10.00	61.28	61.28	2%	41.92	29.36
2021-22	29.36	70.06	70.06	2%	45.85	53.57
2022-23	53.57	91.31	91.31	2%	42.51	102.37
2023-24	102.37	112.27	112.27	2%	54.95	159.69

1.13 When asked why allocated budget for CSR activities of each of the last 5 years has not been spent fully and how the carry forward balance is spent and the time limit by which it has to be spent, IRFC has submitted that the carry forward balances pertain to the ongoing projects of the previous years and such amounts are kept in Unspent CSR Account for the ongoing projects of the previous years and such amount is released to the implementing agencies on submission of payment claims as per the terms of Memorandum of Undertaking (MoU) and achievement of milestone. It has also been submitted that in pursuance of the Company's obligation towards ongoing projects, the unspent amount has to be spent within a period of three financial years from the date of transfer to Unspent CSR Account, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

1.14 On being asked whether there is any case where the carry forward balance is not spent within the stipulated three year time-frame, IRFC has submitted that there are no such cases where the carry forward balance is not spent within the stipulated time-frame.

1.15 The amount and the areas where the above CSR funds have been utilized during each of the above-mentioned last five years, area-wise are as under:

(₹ in crore)

Sl. No	Areas	2019-20	2020-21	2021-22	2022-23	2023-24
1	Health Care including contribution to PM Cares Fund	34.50	34.00	60.23	57.53	75.52
2	Promoting Education & skill development	-	1.00	3.43	20.15	1.64
3	Gender Equality	-	-	-	0.96	12.60
4	Environmental Sustainability	16.02	26.28	5.40	1.00	7.60
5	Benefit of armed forces	-	-	1.00	1.00	3.00
6	Disaster management	-	-	-	10.67	-
7	Sports	-	-	-	-	11.91
	Total	50.52	61.28	70.06	91.31	112.27

1.16 Some specific CSR projects of IRFC sanctioned and completed in the last 5 years are given below:

Sl. No.	CSR activity	Sector	Total Budget (₹)	Total Expenditure (₹)	Status
1.	Conducting the skill training of persons with Disabilities (Divyangjan)(FY 2018-19)	Education	1,00,00,000	1,00,00,000	Completed
2.	Deployment of 500 solar lights in Ghazipur District of Uttar Pradesh (FY 2018-19)	Environment Sustainability	1,37,47,091	1,37,47,091	Completed
3.	100 corrective cleft surgeries (FY 2019-20)	Healthcare	45,00,000	45,00,000	Completed
4.	Procurement of 02 (Two) advanced fully-equipped life supporting ambulances for Central Hospital,	Healthcare	72,18,818	72,18,818	Completed

	Southern Eastern Railway, Kolkata (FY 2020-21)				
5.	Computer Navigation System for Dr. Babasaheb Ambedkar Memorial Hospital, Central Railway (FY 2020-21)	Healthcare	2,80,00,000	2,80,00,000	Completed

Future Vision of Company

1.17 Mission of IRFC is to become a leading Financial Services Company in the Country, for raising funds from the capital market at competitive cost for augmenting railway infrastructure in the Country, duly ensuring that the Corporation makes optimum profits from its operations.

1.18 By diversifying its financing portfolio, IRFC plans to make the business model of the Company more sustainable and also provide a boost to the Indian Railways ecosystem. Following are a few activities that IRFC intends to undertake:

Business Development Plan within the given Mandate and MoA of the Company:

IRFC plans to develop a roadmap for potential funding opportunities and a business development strategy. The plan would entail details of the potential partners and projects having linkages with Railways.

Capacity Building & External Support:

IRFC needs to build a strong and capable workforce within the organization to ensure that it has the talent and expertise needed to achieve its long-term goals. While IRFC is seeking external support and guidance in the short term, IRFC will also focus on building a strong in-house team that is capable of meeting the organization's long-term needs. IRFC plans to enhance the capacity & skill sets of its Business Development Department.

CHAPTER II

PERFORMANCE OF THE COMPANY

Physical and Financial Performance during the Last Five Years

2.1 Given below is the Company's Financial Highlights for Last 5 Years:

(₹ in crore)

	Particulars	2019-20*	2020-21	2021-22	2022-23*	2023-24
I.	Revenue from operations	13,421.02	15,770.47	20,298.27	23,721.42	26,644.58
II.	Other income	0.07	0.39	3.33	41.35	11.33
III.	Total Revenue (I+II)	13,421.09	15,770.86	20,301.60	23,762.77	26,655.92
IV.	Expenses					
	Finance costs	10,162.66	11,237.05	14,074.78	17,447.21	20,101.47
	Impairment on financial instruments	2.14	2.72	0.46	(2.91)	(3.93)
	Employee benefit expense	6.27	7.85	10.75	13.10	11.17
	Depreciation & amortization expense	0.46	4.43	14.03	14.06	9.44
	Other expenses	57.47	102.68	111.43	124.16	125.66
	Total Expenses	10,228.99	11,354.73	14,211.44	17,595.62	20,243.81
V.	Profit before tax (PBT) (III-IV)	3,192.10	4,416.13	6,090.16	6,167.16	6,412.10
VI.	Tax expense:					
	(1) Current tax	-	-	-	-	-
	(2) Tax for Earlier Years	-	-	0.32	-	-
	(3) Deferred tax	-	-	-	-	-
	Total Taxes	-	-	0.32	-	-
VII.	Profit (Loss) (PAT) for the current Year from continuing operations (V-VI)	3,192.10	4,416.13	6,089.84	6,167.16	6,412.10
VIII.	Other Comprehensive Income	(0.55)	1.48	(0.50)	4.56	40.38
IX.	Net Worth	30,299.75	35,913.38	40,996.34	44,680.18	49,178.57
X	Equity Share Capital	11,880.46	13,068.51	13,068.51	13,068.51	13,068.51
XI	Borrowings	2,34,376.72	3,23,110.68	3,88,416.62	4,18,929.26	4,12,032.10
XII	Asset Under Management	2,70,505.73	3,68,007.21	4,29,824.44	4,66,148.28	4,64,641.28

	Particulars	2019-20*	2020-21	2021-22	2022-23*	2023-24
XIII	Debt to Equity Ratio	7.74	9.00	9.47	9.38	8.38
XIV	MoU Rating	Excellent	Excellent	Excellent	Excellent	Awaited
XV	Dividend for the year (excluding dividend tax)**	500.00	1372.19	1829.59	1960.28	1960.28

***Restated figures; **Paid in the same year or next year**

2.2 From the data above, the Committee observed that IRFC has demonstrated steady financial growth, with consistent revenue generation and profitability. It has also been observed that PBT and PAT of the Company are the same in each of the last 5 years except for the year 2021-22. On being asked why the PBT and PAT are same and about the reason the Company is not paying income tax, IRFC has submitted as under:

“As per the provisions of Income Tax Act, Domestic Companies are required to remit the tax on the basis of taxable income calculated as per the provision of the Income Tax Act. The taxable income of the companies is calculated by adding inadmissible expenditure, deducting depreciation as per sec 32 of the Act, claiming the exemption provided in the Act, Chapter VI A Deduction, etc, from the Profits shown in the Statement of Profit and Loss accounts.

The Company provides finance to the IR by way of Leasing (Finance Lease) and the ownership of the assets remains with IRFC. The amount of depreciation claimed by the Company on the leased assets under Income Tax Act has always been higher than the income (interest/lease income) of the Company. Accordingly, the Company never had any taxable income. As such the Company did not pay any tax up to A.Y. 96-97. However, upon introduction of Sec 115JA/JB in Income Tax Act w.e.f A.Y. 97-98, the Company started paying the Minimum Alternative Tax (MAT) on its book profit. The rate of MAT was 21.34% (inclusive of surcharge and cess) up to A.Y. 2019-20.

During FY 19-20, the Government of India introduced new section 115BAA by the Taxation Law (Amendment) Ordinance, 2019. Because of adoption of the new section, the Company was not required to pay Minimum Alternative Tax (MAT) on its book profit. In view of the above, Profit Before Tax and Profit After Tax remain same from FY 19-20 onwards.”

2.3 MoR, in their submission to the Committee, has stated the following regarding monitoring of physical and financial performance of IRFC:

The physical and financial performance of IRFC is monitored by MoR through the following steps:

- Signing of MoU with Key Performance Indicators every year to monitor overall performance.
- Review of quarterly progress report from IRFC which includes Financial Performance, Borrowing details, Progress on key important matters, Manpower Status, Report on Investor Grievances, Status of legal cases etc.
- Review and laying of Annual Report on the table of both the houses of Parliament.
- Periodical Review Meetings with Senior Management of IRFC.
- MoR's Nominee Director participation in regular BoD meetings

2.4 IRFC finances various Rail Projects such as Railway tracks – New Tracks, Doubling/ Tripling of tracks including any related land development, bridges, electrical & signalling structures & installations, station development etc.

2.5 On being asked how IRFC decides to fund a particular railway project and on what basis Railway projects are funded by the Company, IRFC replied as under:

“Deployment of funds, as provided by IRFC, for various railway projects is decided by MoR.”

Investment and Projects

2.6 Details of funds provided to MoR for financing of rolling stock and project assets during last 5 years is given below:-

Years	₹ in Crore
2018-19	52,480.10
2019-20	70,471.96
2020-21	104369.00
2021-22	59,898.76
2022-23	32,825.12
2023-24*	Nil
2024-25**	Nil

*Nil Allocation as per the Union Budget 2023-24.

**Nil Allocation as per the Interim Budget 2024-25.

2.7 On being asked the reason for decrease in yearly disbursements to MoR from 2020-21 to 2023-24 and the impact of NIL targets for the year 2023-24 on Company's financials, IRFC has stated as under:

“... In more than 30 years of its existence, IRFC has played a significant role in supporting the expansion of the Indian Railways and related entities by financing a significant proportion of its annual plan outlay.

The primary objective of IRFC is to meet the predominant portion of ‘Extra Budgetary Resources’ (EBR) requirement of the Indian Railways through market borrowings at the most competitive rates and terms. Due to increased Gross Budgetary Support (GBS) from 2021-22 onwards, Capex of Indian Railways is majorly funded through Budgetary Support. For FY 2023-24, GBS of Indian Railways is highest ever at ₹2,40,000 Crores and NIL target for EBR support through IRFC.

Due to Nil target of EBR support by IRFC for FY 2023-24, no fresh disbursement is expected to be made to MoR in FY 2023-24. As a result, there will be no incremental increase in the lease rentals/Lease income.”

2.8 Some of the significant railway projects funded under Extra Budgetary Resources – Infrastructure Finance [EBR(IF)] and National Projects (projects of National importance) as furnished by the Company are as under:

I. EBR (IF) Projects:

1. Jabalpur-Gondia including Balaghat-Katangi
2. Rampurdumra-Tal-RajendrapulAddl bridge and doubling (14km)
3. Bilaspur-Urkura Doubling 110km RVNL
4. Nallapadu-Guntakal including Gooty-Pendekallu
5. Villupuram-Dindigul (with electrification) (273 km)
6. Delhi Sarai Rohila-Rewari
7. Jhansi-Manikpur including Khairar-Bhimsen
8. Sambalpur-Talcher (174.11 km)
9. Pune-Miraj-Londa
10. Lucknow-Pilibhit via Sitapur-Lakhimpur

II. National Projects (projects of National importance):

11. Udhampur-Srinagar (J&K State Northern Railway)
12. Rishikesh-Karnaprayag
13. Jiribam-Imphal (Tupul)
14. USBRL (Udhampur-Srinagar)
15. Jiribam-Imphal
16. Bhairabi-Sairang

2.9 The Committee were informed about the details of Lease agreement signed with MoR for financing of EBR and National Projects, which are as under:

I. EBR-IF Projects:

Year	₹ in crore (Value of Leased Assets)
2015-16	15,443
2016-17	17,666
2017-18	21,534
2018-19	34,593

II. National Projects:

Year	₹ in crore (Value of Leased Assets)
2018-19	5,950
2019-20	2,865

2.10 On being asked IRFC's mechanism for assessing the credit worthiness of railway projects being funded by IRFC and IRFC's analysis of the effectiveness of funds being provided to the MoR, IRFC has submitted as under:

“Deployment of funds as provided by IRFC for various projects is being decided by MoR and no credit worthiness assessment is done by IRFC for the disbursement made to MoR.

IRFC over the years has made significant contribution in creating necessary Railway Infrastructure in the Country and provided cumulative funding of INR 5.5 lakh crore to Indian Railways for procuring rolling stock assets and project assets.

Since, the fund requirement for these assets is ultra long-term, IRFC accordingly structured its leasing model for tenor of 15 to 20 years, as per the requirement of MoR. These lease payments are spread over the years, against the useful life of the assets.

Moreover, IRFC offers competitive cost of borrowing to MoR, owing to its quasi-sovereign status, risk-free business model, strong credit ratings and diversified sources of borrowing (both India and overseas).

IRFC Makes all efforts to keep the borrowing cost for MoR at an optimum level. Depending on market condition IRFC tries to repay the high-cost debt and replace the same by low-cost borrowing. To cover the currency and interest rate fluctuation

risk in case of external borrowing, suitable and timely hedging strategies are adopted to optimise cost of fund lent to MoR.”

Fund Raising – through Bonds and Loans

2.11 IRFC is a Non-Banking Finance Company (NBFC) which acts as financing arm for Indian Railways. Regarding how IRFC raises funds from the market, it has been stated that IRFC raises funds through its diversified portfolio through public issues of tax-free bonds and private placements of tax-free and taxable bonds with unique structures, securitized receivables from the MoR, and external commercial borrowings such as syndicated loans, bonds/notes. IRFC also continues to diversify its borrowing portfolio by utilising a variety of financing mechanisms as well as exploring new markets and investors through the issuance of 'green bonds' and 'medium term notes. IRFC also secured funding from sovereign wealth funds, pension funds, and international institutions. It has also been stated that diverse borrowing portfolio helps IRFC to raise more funds at lower prices.

2.12 IRFC is also raising financial resources through External Commercial Borrowing under Automatic/Approval route as per Reserve Bank of India Guidelines. Details External Commercial Borrowing (ECB) by IRFC for last Five Years are as follows:

FY	Sl. No.	LOAN/ BOND	Interest Rate (Excluding Hedging Cost)	Currency	Principal in foreign currency million	Principal in USD million
2017-18	1	USD 500 Million Green Bond Fixed 3.835%	3.835%	USD	500	500
2017-18	2	JPY Loan equivalent to USD 250 Million	3M TONA+0.80%	JPY	26231.25	250
2018-19	3	Reg S USD 500 Million bond under EMTN Fixed 3.73%	3.73%	USD	500	500
2019-20	4	JPY loan Equivalent to USD 300 Million	3M TONA+0.90%	JPY	32856	300
2019-20	5	USD 300 Million bond under GMTN Programme Fixed 3.950%	3.95%	USD	300	300

2019-20	6	USD 700 Million bond under GMTN Programme Fixed 3.249%	3.249%	USD	700	700
2019-20	7	USD 300 Million loan from SBI Bahrain	Overnight SOFR +170bps	USD	300	300
2019-20	8	JPY 33.189 Billion loan equivalent to USD 300 Million	3M TONA+0.935 %	JPY	33189	300
2020-21	9	Reg S/144A USD 750 Million bond Fixed 2.80%	2.80%	USD	750	750
2020-21	10	USD 1 Billion loan from SBI Hong Kong	Overnight SOFR + 175bps	USD	1000	1000
2020-21	11	USD 2 Billion loan from SBI Hong Kong	Overnight SOFR + 145 bps	USD	2000	2000
2020-21	12	JPY loan equivalent to USD 325 Million	3M TONA+0.85%	JPY	35400.625	325
2021-22	13	REG-S/144A USD 500 Million GREEN BONDS Fixed 3.57%	3.57%	USD	500	500
2021-22	14	JPY loan equivalent to USD 700 Million	6M TONA+0.93%	JPY	83,135.5	700
2021-22	15	JPY loan equivalent to USD 400 Million	6M TONA+0.81%	JPY	47,506	400

**As at 1st February, 2024, prevailing overnight SOFR rate is 5.32% and the prevailing 3 month TONA is - 01%. Also, INR as against USD has shown a depreciation of 2.5% to 3.5% per annum over the past 10 years and INR against JPY has shown a depreciation of around 5% to 6% per annum (excluding extremities of recent interest rate increases) over the past 7/10 years.*

2.13 Regarding how IRFC issue and manage bonds to raise capitals, it has been submitted that bonds in the domestic market (non-convertible debentures) which constitutes around 46% of the borrowing mix as on 30th September 2023 are being issued and managed to raise capital through the following mechanism:

- (i) Depending upon the market conditions and ALM position of the Company, IRFC takes a decision regarding the issuance of bonds. Further, SEBI has mandated that Large Corporates (i.e. having outstanding long-term borrowing of INR 1,000 Crore or above) should raise not less than 25% of its incremental borrowings through bonds in each financial year.
- (ii) These bonds are listed on the stock exchanges and are issued in accordance with the extant SEBI guidelines and the Companies Act, 2013. It is relevant to

mention here that SEBI has made the Private Placement of Bonds through Electronic Book Mechanism (EBM) mandatory with effect from 1st July, 2016. Accordingly, all the bonds of IRFC are being issued on the electronic book building platform (EBP) of NSE/BSE.

- (iii) SEBI mandates the appointment of following intermediaries for the Private Placement of Bonds:
 - Credit Rating Agencies: IRFC has secured credit rating from three Credit Rating Agencies namely CRISIL, ICRA and CARE who have reaffirmed the highest possible rating to Long-Term Borrowing Programme of IRFC.
 - Debenture Trustee: SBI Cap Trustee acts as Debenture Trustee for IRFC's bonds.
 - Dematerialization: Tripartite agreement between the Company, Registrar and NSDL / CDSL has been executed for issuance of bonds in demat form.
 - Registrar to the Issue: KFintech is the Registrar for IRFC's bond issuances.

- (iv) In addition to above, IRFC also raises Capital Gain Exemption bond under section 54EC of Income Tax Act.

2.14 When asked about the key challenges faced in raising funds by the Company, IRFC, in their reply, has furnished the following:

“...some of the major current challenges being faced by IRFC in this regard are as under:

1. As per RBI Exposure norms for Banks' Credit exposure for a single borrower is limited upto 15 percent of the bank's capital funds which can be enhanced by an additional 5 percent (i.e. up to 20 percent) in case of infrastructure projects. These constrain the lending capacity of banks.
2. RBI has recently issued circular “RBI/2023-24/85 DOR.STR.REC.57/21.06.001/2023-24” on Regulatory measures towards bank credit to NBFCs and has increased the risk weights on exposures of banks to NBFC. These guidelines have increased the capital requirement of the Bank with respect to lending to NBFC. The additional cost of the capital is being passed on by the banks by appropriate increase in the Interest rates to NBFCs.
3. Raising funds through issuance of 54 EC bonds is one of the cheapest sources of fund mobilization for IRFC. As per the provisions of Sec 54EC of Income Tax Act, 1961, a maximum limit of investment is ₹50.00 lakhs. The enhancement in this limit will facilitate IRFC to raise low cost borrowing from the market.
4. Raising of funds through green borrowing (bonds/loans) has matured in the global market place and these green funds are raised at competitive rate.

However, the domestic market is yet to experience any significant growth and development in this regard which in turn restricts IRFC to raise domestic green borrowings.”

2.15 Regarding impact of RBI’s recent Circular RBI 2023-24 on Regulatory Measures for Bank Credit to NBFCs and increased risk weights on banks’ exposures, whose guidelines have increased the capital requirement of banks with respect to lending to NBFCs. IRFC submitted as under:

“Due to increase in Risk Weight, Banks have indicated increase in Interest rates of Loan to IRFC. IRFC has taken up the issue with the banks explaining Company’s business model & strong assets profile of IRFC, while some banks are reviewing interest rate hikes, some have already increased the rates due to impact of higher risk weight on their capital requirements. As IRFC follows cost plus model for lease pricing, this could lead to increase in the cost of MoR. The Company has also taken up the issue with the RBI.

The above mentioned circular affects the Cost of borrowing of IRFC and does impact to the cost of funding to MoR.”

2.16 Regarding borrowing diversification measures taken by the Company and the steps taken for raising the funds through Green Bonds, IRFC has submitted the following:

- (i) IRFC raises funds from both domestic and international market from various sources viz Rupee term loans, Foreign Currency Bond, Foreign Currency loans, Loans from National Small Saving Fund (NSSF), Domestic bonds (tax free and taxable bonds), 54EC bonds, etc.
- (ii) The borrowing portfolio of IRFC as on 31st March, 2023 is as under:

Outstanding Borrowing	As on 31 st March 2023	
	Amount in ₹ Crore (Gross)	In %
Domestic Bonds (incl. 54EC)	1,89,299	45.06
Rupee Long Term Loans	1,40,232	33.38
ECB	71,739	17.08
NSSF	17,500	4.17
STL	1,310	0.31

TOTAL	4,20,080	100.00
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(iii) IRFC constantly endeavors to diversify its borrowing portfolio by adding new/structured products and new lender profiles in order to optimize the cost of funding to MoR. Some of the notable initiatives in this regard are as under:

- In FY 2017-18, IRFC received authorization for issuance of bonds under section 54EC of Income Tax Act 1961 which is a low-cost product (Current Interest Rate 5.25%) and Company has mobilized ₹4905.41 crore till 31.03.2023.
- In FY 2019-20, IRFC made USD bond issuance of 300 Millions with tenure of 30 years which was the maiden issuance of such tenure by an Indian CPSE.
- In FY 2020-21, IRFC made four issuances of 20-year bonds in domestic capital market for an aggregate amount of around ₹ 14,000 crore, that received an overwhelming response in the market, along with tight spreads.
- In FY 2021-22, IRFC raised a 130 billion JPY loan equivalent to USD 1.1 billion as Green Loan which was one of the largest Green loan transaction originating from India in terms of size and tenure.
- IRFC became the first CPSE in the Country to list its offshore bonds exclusively at Indian stock exchanges established in the GIFT City, Gandhinagar.

(iv) IRFC has regularly tapped international markets for green borrowing. IRFC has raised green funds of USD 2,100 million attributing to 23.31% of its total foreign currency borrowing portfolio amounting to USD 9,008 million. Out of this, green loans have been raised to the tune of USD 1,100 million while green bonds issuance totals USD 1,000 million.

(v) The below table shows the proportion of green issuance in the total ECB portfolio.

Issuance s	Green Issuance (USD million)		Non-Green Issuance (USD million)	
	Bonds	Loans	Bonds	Loans
Amount	1,000	1,100	2,250	4,658
Proportion	11.10%	12.21%	24.98%	51.71%

(vi) IRFC also tries to diversify the currency mix for cost optimization. IRFC has its borrowing exposure in three different currencies as given below:

Currency	Proportion as on 31st March, 2023

INR	82.92%
JPY	3.84%
USD	13.23%

2.17 Regarding the risk involved in raising funds through ECB, IRFC has stated the following:

- IRFC currently has an outstanding foreign currency borrowing portfolio of USD 9,008 million comprising of foreign currency loans of USD 5,758 million and offshore bonds of USD 3,250 million.
- In case of raising of borrowing in foreign currency, apart from fixed/floating interest rate linked to benchmark, exchange rate fluctuation risk and interest rate fluctuation risk also needs to be considered.
- Further, if such currency and interest rate risk are fully hedged at the time of drawal, the cost of raising foreign currency borrowing becomes higher. However, as IRFC raises external commercial borrowing for a long tenure, selective hedging during the tenure of loan is done to manage these risks and optimize the cost of such borrowing.
- It may also be mentioned that during the FY 22-23, IRFC has not raised any foreign currency borrowings (be it offshore bond issuances or raising foreign currency loans) due to volatility in international markets and interest rate hikes by various central banks all across the world.

2.18 On being asked what is the average cost of ECB loan and fully hedged cost of ECB loan, IRFC, in their reply has submitted as under:

“IRFC currently has an outstanding foreign currency borrowing portfolio of USD 9,008 million comprising of foreign currency loans of USD 5,758 million and offshore bonds of USD 3,250 million. In case of foreign currency bonds, they are susceptible to only currency exchange rate risk whereas the foreign currency loans are generally susceptible to both currency exchange rate risk as well as interest rate fluctuation risk.

The below table shows the prevailing interest rate of the foreign borrowing portfolio as on 03.11.2023:

Bond Portfolio

Sl. No.	Facility	Balance Tenure	Amount (equivalent USD)	Fixed Interest Rate
1	EMTN Reg S Bond USD 500 million	6 months	500 million	3.73%
2	Green Bonds USD 500 million	3 years and 2 months	500 million	3.835%
3	GMTN Bond USD 700 million	6 years and 4 months	700 million	3.249%
4	GMTN Bond USD 750 million	7 years and 4 months	750 million	2.80%
5	Green Bonds USD 500 million	8 years and 3 months	500 million	3.57%
6	GMTN Bond USD 300 million	26 years and 3 months	300 million	3.95%

Loan Portfolio

Sl. No.	Facility	Balance Tenure	Amount (equivalent USD)	Interest Benchmark and margin
1	The Bank of New York Mellon - AFLAC 1	2 years and 4 months	146 million	2.85% (Fixed Rate)
2	The Bank of New York Mellon - AFLAC 2	2 years and 4 months	37 million	2.90% (Fixed Rate)
3	JPY loan 32.856 bn (USD 300M)	2 years and 6 months	300 million	TONA + 0.90%
4	USD 2 billion Loan	4 years and 4 months	2000 million	Overnight SOFR + 130 + 26bps
5	JPY loan 26.231 bn (USD 250M)	4 years and 4 months	250 million	TONA + 0.80%
6	Green Loan JPY eq USD 400 million	5 years and 4 months	400 million	TONA + 0.81%
7	SBI Bahrain Loan USD 300 million	6 years and 4 months	300 million	Overnight SOFR + 130 + 40bps
8	JPY loan 33.189 bn (USD 300M)	6 years and 4 months	300 million	TONA + 0.935%
9	USD 1 billion Loan	7 years and 4 months	1000 million	Overnight SOFR + 135 + 40bps
10	JPY loan 35.40 bn Mio (USD 325M)	7 years and 4 months	325 million	TONA + 0.85%
11	Green Loan JPY eq USD 700 million	8 years and 4 months	700 million	TONA + 0.93%

Overnight SOFR as on 31st October, 2023 is 5.31% per annum and Overnight TONA rate is -0.02%.

IRFC adopts a procedure of hedging the unhedged portion of the portfolio in tranches, preferably closer to the maturity. By hedging the unhedged portion in tranches, IRFC

intends to capture any opportunity which comes along the market developments thereby intending to optimize the hedging cost which in turn is passed on to MoR.

Based on current interest rates, the full hedged cost of a foreign currency loan/bond for a tenure of 7-10 years would be in the range of 9% to 12% per annum.”

2.19 Regarding region-wise ECB borrowing, it has been submitted that ECB raising is done by IRFC through bonds or by way of loans. The foreign currency loans are bilateral in nature and often, the original lenders down sell these loans to other lenders. Investors from across the globe have shown their interest in the various bond issuances done by the Company. In respect of six outstanding bond issuances, region-wise order book at the time of issuance is summarized below:

Bond Issue	Order Book (%)							Total (USD million)
	APAC*	Europe	Middle East	North America	South America	Africa		
3.835% USD 500 Million Green Bonds issue – Dec'2017	59.4%	32.0%	3.4%	4.9%	0.0%	0.3%	1,785.6	
3.730% USD 500 Million Bonds issue – Mar'2019	68.7%	24.2%	7.0%	0.0%	0.0%	0.0%	1,604.0	
3.950% USD 300 Million Bonds issue – Feb'2020	41.7%	29.0%	7.1%	22.3%	0.0%	0.0%	2,069.3	
3.249% USD 700 Million Bonds issue – Feb'2020	58.8%	17.3%	3.1%	20.3%	0.3%	0.2%	5,478.5	
2.800% USD 750 Million Bonds issue – Feb'2021	54.5%	21.1%	4.8%	19.7%	0.0%	0.0%	2,536.5	
3.570% USD 500 Million Green Bonds issue – Jan'2022	35.7%	9.9%	6.2%	48.2%	0.0%	0.0%	1,460.0	

*APAC – Asia Pacific region

2.20 It has further been stated that the above bonds are listed on various international stock exchanges. The listed bonds are traded in the secondary market and the investor base keeps on changing.

2.21 On being asked whether there is any cap on raising of ECB borrowing by RBI, IRFC, in their reply, has furnished the following:

“As per RBI Master Direction there are followings routes available for raising ECB for IRFC being NBFC-IFCs:

- a) **Automatic route:** under this route, IRFC can raise the ECB Up to USD 750 million or equivalent in a financial year.
- b) **Approval route:** under this route, IRFC can raise the ECB beyond aforesaid limits by taking specific approval from RBI.”

2.22 When asked whether there is any Government Guarantee for borrowings done by IRFC and provide details of any Guarantee fee paid by the Company, IRFC, in their reply, has stated that there is no Government Guarantee given against any of the borrowings done by IRFC.

2.23 On being asked about the average rate of borrowing of the Company and average rate of lending to MoR, IRFC has furnished as under:

- (i) IRFC raises funds from Domestic and International market keeping in view requirement, duration, cost of funding, etc. and following are major sources of borrowings -
 - Secured/ Unsecured Bonds from Domestic Market.
 - Secured and Unsecured Rupee Term Loans from Banks/FIs.
 - 54EC Capital Gain Bonds.
 - Secured and Unsecured Term Loans in Foreign Currency.
 - Unsecured Bonds from the International Market.
 - Commercial Papers/Short Term Loans for duration upto one year.
- (ii) IRFC funds Indian Railways by way of a Finance leasing model for Rolling Stock and Projects. Last 5 years Average cost of borrowing of each is given as under:

Weighted Average Cost of Capital (WACC)*			
F.Y.	PROJECTS		ROLLING STOCK
	EBR-IF / EBR-S	National Projects	
2018-19	8.35%	8.11%	8.09%
2019-20	7.41%	6.96%	7.37%
2020-21	6.51% / 6.44%	--	6.71%

2021-22	6.43%	--	6.62%
2022-23	7.52%	--	7.51%

*While calculating the above WACC, Notional cost of ECB is taken as the equivalent rate of AAA PSU Bonds. However, any saving/ additional cost in actual cost of ECB (including interest rate variation and exchange rate variation) as compared to notional cost of ECB is passed on/ recovered from MOR.

- (iii) The Company is providing finance to the Indian Railways by way of Finance Lease and the Lease rental are calculated by considering WACC and Margin. Company is currently getting the margin of 0.40% (40 Basis points) and 0.35% (35 Basis points) for Rolling Stock and Projects assets respectively from MoR on the funds disbursed during the year.

2.24 When asked whether it is feasible for the Company to operate at lesser margin to reduce the cost for Indian Railways, IRFC, in their written reply stated as under:

“Debt to Equity ratio of the Company was 9.38 as on 31st March 2023. The decrease in margin could lower profits, affecting the Company's net worth and putting stress on the debt-to-equity ratio. This may also lead to reduced dividend payment to equity shareholders and infusion of fresh equity may be required to maintain the debt-to-equity ratio at a prudent level.”

2.25 Regarding why MoR cannot directly borrow money from open market, it has been submitted that as per the Allocation of Business Rules, only Ministry of Finance can borrow. As Indian Railways cannot borrow directly from the market, IRFC was set up as the dedicated borrowing arm of Indian Railways.

2.26 On being asked whether IRFC has any control on deployment of funds being provided to MoR, it has been stated that deployment of funds to different projects/rolling stock as funded by IRFC is being decided by the Ministry of Railway. IRFC does not have any control on deployment of funds.

2.27 When asked whether IRFC does any analysis of the effectiveness of the funds provided to the MoR, IRFC has submitted as under:

“IRFC Makes all efforts to keep the borrowing cost for MoR at an optimum level. Depending on market condition IRFC tries to repay the high-cost debt and replace

the same by low-cost borrowing. To cover the currency and interest rate fluctuation risk in case of external borrowing, suitable and timely hedging strategies are adopted to optimise cost of fund lent to MoR.”

2.28 On being asked how does IRFC ensure repayment of loans if there is delay in project execution and what are the impacts on IRFC due to such delay in project execution by MoR, IRFC, in their reply has stated the following:

“For funding of Railway Projects, IRFC executes a standard lease agreement after completion of 5 year of moratorium period from the year of disbursement and entire principal amount and interest gets recovered by way of lease rentals (budgeted expenditure of union budget) during the primary lease period of 15 years and only a token amount is payable as lease rent during secondary lease period. Further, as per the standard lease agreement, the interest rate variation and exchange rate variation including hedging cost are also recoverable from MoR. Accordingly, delay in project execution does not impact the lease receivables of IRFC from MoR.”

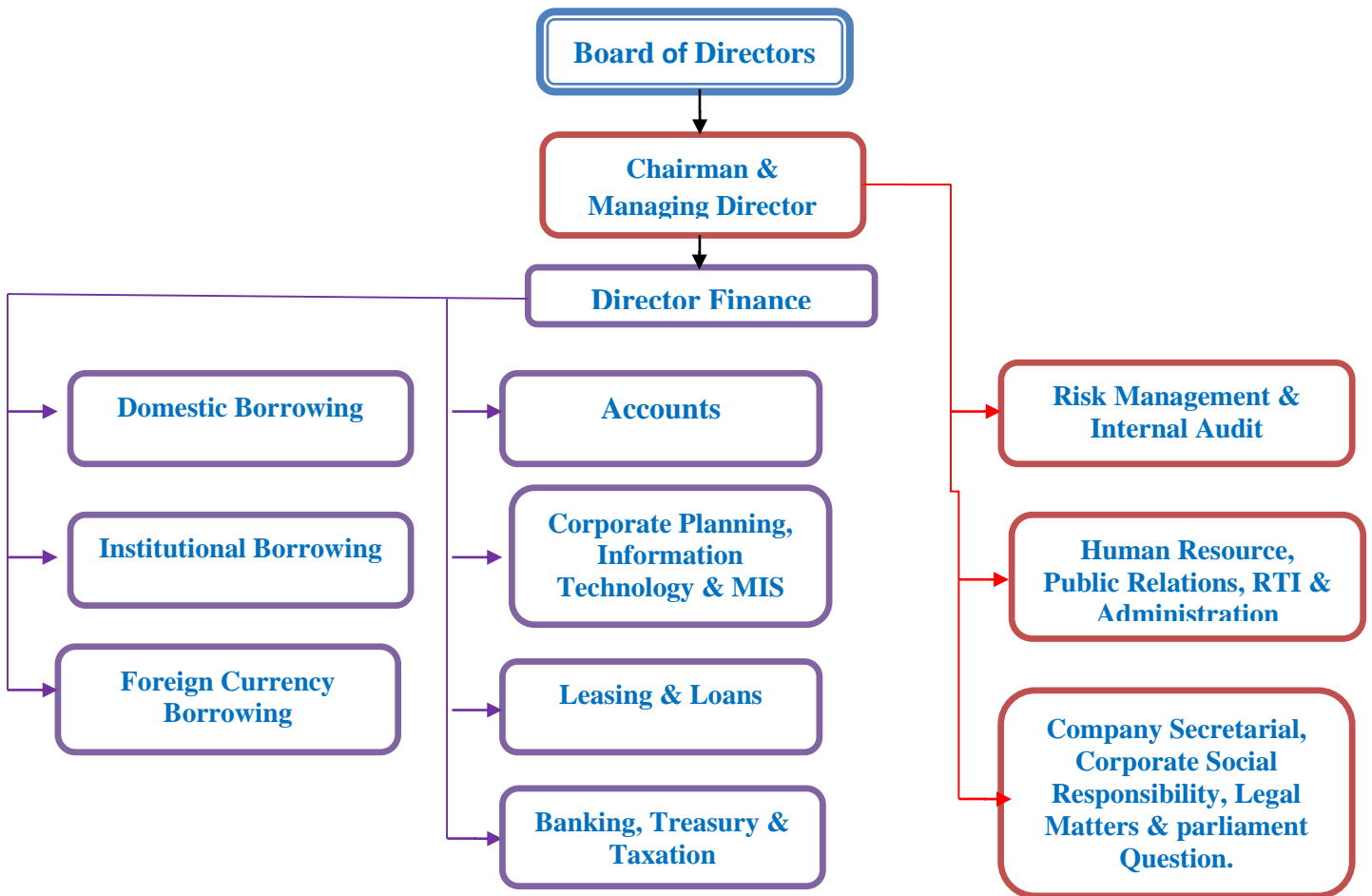
CHAPTER III CORPORATE GOVERNANCE

Board of Directors

3.1 The current Composition of Board and actual strength of IRFC as on 18 September, 2024 is as under:

Directors	Sanctioned Strength	Actual Strength
Functional Director	2	2
Government (Official) Directors	2	2
Non-official (Independent)	4	2

3.2 Given below is the organogram of IRFC management as submitted by the Company:



3.3 The Committee noticed that the post of CMD is vacant since 15.10.2022 and since then, the Director (Finance) was holding additional charge of CMD. Moreover, one post of Functional Director and two posts on Independent Directors were also lying vacant. As per IRFC's latest submission, the vacant post of one Functional Director has been filled with the appointment of Smt. Usha Venugopal and she has been made CMD of IRFC on additional charge. Hence, till date there is no full-time CMD in IRFC. On being asked why the position of CMD is vacant since 2022 and why 2 positions of Independent Directors on the Board are vacant, IRFC has stated as under:

“Ministry of Railways (MoR), Government of India i.e., administrative Ministry has divested Shri. Amitabh Banerjee from the charge of post of CMD/IRFC w.e.f. 15/10/2022 and Ms. Shelly Verma, Director (Finance) has been entrusted with the addl. charge of post of CMD/IRFC w.e.f. 15/10/2022. Further, MoR on 06.05.2023 has communicated the pre-mature termination of the services of Shri. Amitabh Banerjee from post of CMD/IRFC w.e.f. 15.10.2022 and ex post facto approved the entrustment of addl. charge of post of CMD to Ms. Shelly Verma, Director (Finance) for a period of one-year w.e.f. 15.10.2022 or until further orders.

MoR has further communicated on 18.09.2023 extension of the additional charge of the post of Chairman and Managing Director, IRFC entrusted to Ms. Shelly Verma, Director (Finance)/IRFC, in addition to her own, for a further period of six months w.e.f. 15.10.23 or till the appointment of a regular incumbent to the post or until further orders, whichever is the earliest.

Indian Railway Finance Corporation Limited (Company/IRFC) being a Government Company, the power to appoint functional/ Official Part-time Directors/ non-Official Part-time Directors (Independent Directors) vests with the Government of India. The appointment of directors in IRFC is made by the President of India through Ministry of (MoR) and Company has no role to play in it.”

Human Resource

3.4 The details of total workforce of IRFC as of September, 2024 are as under:

Sanctioned strength		In place	
Executives	Non-Executives	Executives	Non-Executives
47*	15	28*	15

*Including 2 Functional Directors

3.5 Given below are the details of category-wise break-up of SC, ST, OBC and women employees with sanctioned vis-à-vis actual strength, excluding Board level executives:

Year	Sanction strength*	In position	Category General	Category SC	Category ST	Category OBC	Women employee
2023-24	60	41	26	8	1	6	8
2022-23	60	40	25	8	1	6	7
2021-22	60	35	23	6	1	5	8
2020-21	60	27	16	6	1	4	6
2019-20	60	22	12	6	1	3	3

*excluding 2 Functional Directors

3.6 The Committee noticed that the Company has 43 employees, out of which, women constituted 21.43% of its total workforce as on 31st March 2024 and out of current board strength of 6 members, 50% is being represented by women, i.e. Chairman & Managing Director (on additional charge), Director (Finance) and one Independent Director.

3.7 On being asked whether the Company is able to meet its mandate fully with the present workforce, IRFC replied as under:

“IRFC being a listed NBFC and evolving business requirement, regulatory and statutory compliance & procedure have increased many folds. These have necessitated the need to strengthen the manpower. Accordingly, Company is in process to increase the present workforce mainly to meet the need of regulatory compliances.”

3.8 Explaining the areas where IRFC needs to improve, MoR has stated as under:

“...Capacity Building and Skill augmentation - IRFC needs to build a strong and capable workforce within the organization to ensure that it has the talent and expertise needed to achieve its long-term goals. Accordingly, IRFC needs to focus on building a strong in-house team that has project appraisal capabilities to meet the organization's long-term needs.”

3.9 Regarding various steps taken by the Company for capacity building and employee welfare, the Company has stated that to enhance the skills, capabilities and knowledge of employees, IRFC has in place well-defined Training and Development Policy. Employee training and development is an essential element of the Company's strategy. Further, every year at the time

of evaluation of their performance, each employee's training needs are assessed. Accordingly, trainings are provided to employees in their core area as per the assessment.

3.10 The Committee observed from the Company's reply that the Company is in the process of ERP implementation, which shall provide a centralised and integrated employee management module covering all the facets of Human Resource Management. At present, HRMS Portal is available for payroll, leave management etc. Grievance Redressal Cell for employees is already in place with easily accessible mechanism for settlement of grievances to the satisfaction of employees. In addition to the above, the Company also have Committee on "Prevention of Sexual Harassment of Women at Workplace" where women employees can register their complaints against sexual harassment. No Complaint has been received by the Grievance Redressal Cell during last 5 years.

3.11 The Committee were informed that the following welfare schemes have been introduced by IRFC for its employees:-

- Defined Contribution Pension Scheme
- Post -Retirement Medical Benefit scheme
- Employee's Group Personal Accident Insurance Scheme.
- Employee's Family Benefit scheme

Risk Management

3.12 Some of the key challenges that IRFC faces in its operations and financing activities as informed by the Company are enumerated below:

(i) **Key challenges in business operations**

- (a) Diversification of Business within its Mandate: IRFC is majorly raising funds for procurement of rolling stock and funding of infrastructure assets. Company needs to diversify into other areas as per its mandate to maintain the business growth in case of non-allocation of disbursement target from MoR for Rolling stock and Project assets.
- (b) Lean Manpower – Considering need to diversify into other business area as per mandate, sizable growth in business operation and enhanced regulatory and

statutory compliance after being listed there is a need to augment the manpower strength.

(ii) **Key challenges in financing operations-**

(a) Market Risk- IRFC faces mainly interest rate risk and currency fluctuation risk in its financing operations. For mitigating interest rate, market borrowing strategy is suitably planned and aligned with market conditions. For mitigation of currency risk suitable hedging strategies are adopted to cover the currency and interest fluctuations. Although these risks are passed on to MoR but Company makes all endeavours for mitigating these risks.

(b) Liquidity Risk - Liquidity Risk is the Probability of loss arising from a situation where cash and cash equivalent is not adequate to meet the obligations to the lenders and other counter parties. Company has in place a short term / working capital line of credit of ₹15,000 Crores to manage any cash flow gaps. Further, Lease agreement signed with MoR includes a provision whereby MoR undertakes to provide lease rentals in advance in case the Company doesn't have adequate liquidity to meet its debt service obligations. However, this provision has never been invoked in the history of IRFC since its incorporation.

(iii) **Recent challenges**

In FY 2023-24, MoR has not taken any disbursement from IRFC. Being a listed Company, this may impact IRFC's market capitalisation and business growth. Company is making all efforts to explore other business areas as per its mandate to maintain the growth in business.

3.13 When asked how IRFC mitigates these risks, particularly in the context of changing economic conditions, IRFC, in their reply, stated as under:

“In order to monitor & mitigate various risks in changing economic conditions, IRFC has developed a comprehensive risk management policy, duly approved by Board. Market conditions are monitored regularly and presented to management for deliberation.

There are various Board level and management level committees to monitor the developing scenarios and take appropriate decision in time.

IRFC in line with its mandate can lend to sectors having forward and backward linkages with Railways. By diversifying its portfolio, IRFC plans to make the business model of the Company more sustainable and also provide a boost to the Indian

Railways ecosystem. In this regard IRFC also has developed a detailed credit policy duly approved by the Board and in the process of establishing a business development division with requisite skill set.”

Regulatory Environment

3.14 Regarding role of regulatory authorities in IRFC's working and its effect on operations and financial performance, it has been submitted that being a NBFC and Infrastructure Finance Company, the business activities of NBFCs are governed by various regulators. The following is an overview of major regulators, key regulations and sector-specific laws which are applicable to the operations of IRFC: -

- A. **Ministry of Corporate Affairs (MCA)** – MCA regulates the Company through the various provisions of the Companies Act, 2013 & rules made thereunder as applicable.

- B. **Securities & Exchange Board of India-** The Securities and Exchange Board of India (SEBI) is the regulatory body for securities and commodity market which regulates listed companies. Being a listed Company, IRFC is required to ensure compliance of various SEBI regulations such as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015; SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and other SEBI regulations as applicable from time to time.

- C. **Reserve Bank of India** - The RBI is entrusted with the responsibility of regulating and supervising activities of NBFCs by virtue of the power vested in it under Chapter IIIB of the RBI Act, 1934 by issuing various Directions, Guidelines, Circulars, etc. such as: -
 - (i) RBI Regulations of Systemically Important NBFC
 - (ii) Asset Liability Management
 - (iii) Classification of Infrastructure Finance Companies - NBFC-ND-SI Directions
 - (iv) Asset classification & Prudential norms, etc.

- (v) RBI (Information Technology, Governance, Risk, Controls and Assurance Practices) Directions, 2023

D. Regulations Applicable to Central Public Sector Enterprises- As a CPSE, we are required to comply with certain laws and regulations such as guidelines on corporate social responsibility and sustainability for central public sector enterprises, Prevention of Corruption Act, 1988, the Central Vigilance Commission Act, 2003, Right to Information Act, 2005, amongst others, including those promulgated by the Department of Public Enterprises, Gol.

E. Other laws- In addition to the above, our Company is also required to comply with the provisions of Labour laws and other applicable statutes imposed by the Central or the State Government and other authorities for our day-to-day business and operations. Our Company also needs to comply various central and state tax laws.

3.15 It has also been submitted that being listed Company, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Business Responsibility and Sustainability Report (BRSR) is required to be disclosed. BRSR contains the environmental, social and governance disclosures describing the steps taken by listed entity from an environmental, social and governance perspective w.r.t to 9 (nine) principle(s) of National Guidelines on Responsible Business Conduct (NGRBC) categorized into "Essential indicators" and "Leadership indicators". IRFC has also prepared BRSR disclosures as part of the Annual Report for the year 2022-23.

PART-II

OBSERVATIONS / RECOMMENDATIONS OF THE COMMITTEE

A. *Overview*

1. The Committee note that Indian Railway Finance Corporation (IRFC) is a Schedule-'A' Miniratna Central Public Sector Undertaking under the administrative control of the Ministry of Railways (MoR). The Company was incorporated as Indian Railway Finance Corporation Limited (IRFC) on December 12, 1986, as a public limited Company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies (RoC). Subsequently, IRFC was registered with RBI under Section 45-IA of the RBI Act to carry on the business of a non-banking financial institution without accepting public deposits on 16 February, 1998. IRFC was re-classified as an NBFC-ND-IFC (NBFC Non-Deposit Taking Infrastructure Finance Company) by RBI on 22 November, 2010. Currently Government of India hold 86.36% stake in the Company, the rest being held by Institutional Investors and public.

The Committee were further informed that the primary objective of IRFC is to meet the predominant portion of 'Extra Budgetary Resources' (EBR) requirement of the Indian Railways through market borrowings at the most competitive rates and terms. The Company's principal business, therefore, is to borrow funds from the financial markets to finance the acquisition/creation of assets which are then leased out to the Indian Railways. The lease agreements for rolling stock assets are being executed every year and advance lease rentals are paid by MoR on half yearly basis. The lease is for a period of 30 years. In that 30 years, 15 years is the primary lease period. During primary lease period, IRFC recovers all their investments. In balance 15 years of secondary lease period, IRFC gets a very nominal rent. IRFC's cumulative funding to Indian Railway sector has crossed ₹5.50 lakh crore mark by the end of the financial year 22-23. Indian Railways has embarked on massive investment outlay for modernization, up-gradation and growth of Indian Railway system. Correspondingly, the funding by IRFC has grown exponentially which is evident from the fact that the cumulative funding has been of the order of ₹3.20 lakh crore during the last 5 years.

The Committee further note that over the years, IRFC has played a pivotal role in facilitating the growth of one of the largest rail networks in the world and is planning to diversify its financing portfolio to make the business model of the Company more sustainable and also provide a boost to the Indian Railways ecosystem. In the succeeding paras, the Committee have put forth their Observations/Recommendations regarding the subject after having heard the views of IRFC and MoR. The Committee hope that the Company would make earnest efforts for implementation of the Observations/Recommendations in this Report to augment their overall performance.

B. Raising of funds through issuance of 54EC Bonds and Green Bonds

2. The Committee note that raising funds through issuance of 54EC bonds is one of the cheapest sources of fund mobilization for IRFC. But due to limit imposed as per the provisions of Section 54EC of Income Tax Act, 1961, a maximum limit of investment of only ₹50.00 lakh is allowed by a single investor, and enhancement in this limit will facilitate IRFC to raise low cost borrowing from the market. It has further been submitted that raising of funds through green borrowing (bonds/loans) has matured in the global marketplace and these green funds are raised at competitive rate. Whereas, the domestic market is yet to experience any significant growth and development of green funds which in turn restricts IRFC's options to raise domestic green borrowings. The Committee, therefore, desire that IRFC, alongwith the MoR, may take up with the Ministry of Finance and RBI the above issues of 54EC bonds and availability of domestic green funds, for exploring the possibility of enhancing the limit of investment by a single investor in 54EC bonds beyond ₹50.00 lakh and for taking necessary/suitable steps to make available sufficient domestic green funds, which are relatively cheaper sources of fund mobilization for IRFC. The Committee would like to be apprised of the action taken in this regard.

C. Possibility of IRFC Lending to MoR at Lesser Margin

3. The Committee are happy to note that IRFC has demonstrated steady financial growth, with consistent revenue generation and profitability. IRFC funds Indian Railways by way of a Finance leasing model for Rolling Stocks and Projects. The

lease rentals are calculated by considering Weighted Average Cost of Capital (WACC) and margin. The Company is currently getting the margin of 0.40% (40 basis points) and 0.35% (35 basis points) for Rolling Stocks and Project assets respectively from MoR on the funds disbursed during the year. When the Committee desired to know whether it is feasible for the Company to operate at lesser margin to reduce the cost burden on Indian Railways, IRFC stated that Debt to Equity ratio of the Company was 9.21 as on 31st March 2023 and the decrease in margin could lower profits, affecting the Company's net worth and putting stress on the debt-to-equity ratio. It has also been stated that decreasing margin may also lead to reduced dividend payment to equity shareholders and infusion of fresh equity may be required to maintain the debt-to-equity ratio at a prudent level.

While understanding the Company's inability and compulsion towards having the reduced dividend payment to equity shareholders and maintaining the Debt to Equity ratio at prudent level, the Committee would like IRFC to examine whether it is possible to re-consider these margins and explore means for reducing the financial burden on MoR, without vitiating the financial health and viability of IRFC itself.

D. Future of IRFC in view of Decreasing Demand from MoR due to Increased GBS

4. The Committee note that yearly disbursement to MoR has been decreasing since 2020-21 in which ₹1,04,369 crore was disbursed to MoR in 2020-21, which has come down to ₹59,898.76 crore in 2021-22 and ₹32,825.12 crore in 2022-23. NIL allocations were set for both 2023-24 and 2024-25 from Extra Budgetary Resources (EBR) as per Union Budget 2023-24 and Interim Budget 2024-25 respectively. It was further noted that due to increased Gross Budgetary Support (GBS) from 2021-22 onwards, Capex of Indian Railways is majorly funded through Budgetary Support. For FY 2023-24, GBS of Indian Railways is highest ever at ₹2,40,000 crore and NIL target for EBR through IRFC and as a result, there will be no incremental increase in the lease rentals/lease income for IRFC. The Committee strongly feel that if MoR totally stops asking for funds from IRFC in future like in 2023-24 due to strong GBS, sustainability/existence of IRFC as sole EBR financier of MoR will be in question. The Committee, therefore, recommend that the Government should evolve a

mechanism through which IRFC can finance projects of other Ministries/Organisations, apart from the existing MoR and its enterprises, so that other Ministries/Organisations can leverage IRFC's good standing in the world financial market as an Indian premier NBFC owing to its quasi-sovereign status, risk free business model, strong credit ratings and diversified sources of borrowing (both India and overseas).

E. Delay in Appointment of Regular CMD and Two Independent Directors

5. The Committee note that there is no regular CMD of the Company since 15.10.2022. Moreover, out of the sanctioned four posts of non-official Independent Directors, two posts are lying vacant as on 18.09.2024. Though the Committee understand that the Company has no role to play in the appointment of CMD and the power to appoint functional/official part-time Directors/non-official part-time Directors (Independent Directors) vest with the Government of India. The Committee feel that these vacancies not only hamper the functioning of the Company, but also violate the principle of Corporate Governance. Therefore, the Committee urge upon the Government of India through MoR, being the administrative Ministry, to fill up the vacant posts of two Independent Directors and appoint a regular CMD without any further delay. Also, if the Company is discharging their functions with less number of Independent Directors, they may think of reducing the sanctioned posts of Directors in the organization.

F. Shortage of Manpower and Capacity Enhancement

6. The Committee note that IRFC plans to diversify its financial portfolio and make its business model more sustainable and also provide a boost to the Indian Railway ecosystem. To achieve these, IRFC intends to undertake the following activities for future sustainability: (i) to develop a roadmap for potential funding opportunities as a business development strategy which would entail details of the potential partners and projects having linkage with Railways; and (ii) to build a strong and capable workforce within the organization to ensure that it has the talent and expertise needed to achieve its long-term goals, and to achieve that IRFC plans to enhance the capacity and skill sets of its Business Development Department. The

Committee also learnt that out of the total sanctioned posts of 47 executives, only 28 are in place. Therefore, there is a shortfall of 19 in executive category. When the Committee desired to know whether the Company is able to meet its mandate fully with the present workforce, IRFC submitted that being a listed NBFC and the business requirements are evolving, regulatory and statutory compliance and procedure have increased manifolds, and there is a need to strengthen the manpower to meet the requirements. Accordingly, the Company is in the process to increase the present workforce mainly to meet the need of regulatory compliances. The Committee feel that not only for regulatory compliances, the Company need to increase its manpower strength in order to meet the future business development strategy planned by the Company for diversifying its financial portfolio and expand its avenues in the market and therefore, recommend that the Company should suitably increase its manpower strength having the required expertise and competency, in line with its future vision and to maintain growth in its business portfolio.

The Committee are further informed that there is a need to build a strong and capable work-force within the organization to ensure that it has the talent and expertise needed to achieve its long-term goals. Thereafter, it needs to focus on building a strong in-house team having the capabilities in project appraisal to meet the organization's long-term needs. The Committee may be apprised of the action taken in this direction.

NEW DELHI;
11 December, 2024
20 Agrahayana, 1946(S)

BAIJAYANT PANDA
Chairperson
Committee on Public Undertakings

COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2024)**MINUTES OF THE EIGHTEENTH SITTING OF THE COMMITTEE**

The Committee sat on Tuesday, the 19th October, 2023 from 1100 hrs. to 1220 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Santosh Kumar Gangwar - Chairperson

MEMBERS**LOK SABHA**

2. Smt. Karunanidhi Kanimozhi
3. Shri Sri Krishna Devarayalu Lavu
4. Shri Ramdas Chandrabhanji Tadas

RAJYA SABHA

5. Dr. Radha Mohan Das Agrawal
6. Shri Syed Nasir Hussain
7. Dr. Anil Jain
8. Shri Prakash Javadekar
9. Dr. Amar Patnaik
10. Shri Binoy Viswam

SECRETARIAT

1. Shri Santosh Kumar - Director
2. Shri G.C. Dobhal - Additional Director
3. Smt. Mriganka Achal - Deputy Secretary

REPRESENTATIVES OF INDIAN RAILWAY FINANCE CORPORATION LTD. (IRFC)

1. Smt. Shelly Verma - CMD (Addl. Charge) & Director (Finance)
2. Shri Sunil Kumar Goel - GGM (Finance) & CFO
3. Shri N.H. Khannan - GM (Finance)
4. Shri Ajay Swami - GM (Finance)

2. At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have a briefing by the representatives of the Indian Railway Finance Corporation (IRFC) in connection with its comprehensive examination. The Committee

Secretariat, then, made a Power Point Presentation explaining major issues relating to the subject.

[The witnesses were, then, called in]

3. The Chairperson welcomed the representatives of IRFC to the sitting of the Committee and drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of the discussion held before the Parliamentary Committee.

4. Thereafter, the representatives of IRFC made a Power Point Presentation highlighting the Company's background, business model, key financial ratios, indicators used to assess IRFC's performance, notable achievements, its role in financing growth of Indian Railways, ratings by various credit rating agencies, financial performance and weighted average cost of borrowing for the last 5 years, etc.

5. The Members, then, sought clarifications from the representatives of IRFC on various issues related to the subject viz., high lending interest rate charged from Indian Railways as compared to interest rate paid for borrowing from the open market by IRFC, possibility of borrowing from the Middle East, improving per employee productivity, reducing cost and operating expenses, mechanism for borrowing through ECB without guarantee, Profit Before Tax and Profit After Tax, reasons for decreasing funding to Indian Railways in the last 3 years, analysis of the effectiveness of the funds provided to Indian Railways, cases of IRFC's funding stuck in litigation, court cases, etc., CSR activities of IRFC, possibility of funding Indian Railways projects on lower rate of interest by decreasing IRFC's profit margin and so on.

6. Thereafter, the representatives of IRFC responded on some of the issues and requested for more time for answer/clarification on remaining issues. In the end, the Chairperson thanked the representatives of IRFC and directed that in respect of points for which information was not readily available, written replies thereon may be furnished to the Committee Secretariat within 10 days.

The Committee, then, adjourned.

A copy of verbatim proceedings of the sitting has been kept on record.

COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2024)**MINUTES OF THE THIRTY FOURTH SITTING OF THE COMMITTEE**

The Committee sat on Wednesday, 07 February, 2024 from 1530 hrs. to 1620 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Santosh Kumar Gangwar - Chairperson

MEMBERS**LOK SABHA**

2. Shri Janardan Mishra
3. Shri Nama Nageswara Rao
4. Shri Ramdas Chandrabhanji Tadas

RAJYA SABHA

5. Shri Syed Nasir Hussain
6. Dr. Anil Jain
7. Shri V. Vijayasai Reddy

SECRETARIAT

1. Shri Neeraj Semwal - Joint Secretary
2. Smt. Jyochnamayi Sinha - Director
3. Smt. Mriganka Achal - Deputy Secretary

REPRESENTATIVES OF INDIAN RAILWAY FINANCE CORPORATION LTD. (IRFC)

1. Smt. Shelly Verma - CMD (Addl. Charge) & Director (Finance)
2. Shri Sunil Kumar Goel - GGM (Finance) & CFO
3. Shri N.H. Khannan - GM (Finance)
4. Shri Ajay Swami - GM (Finance)
5. Shri P.K. Ojha - GM (Finance)

2. At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have an evidence by the representatives of the Indian Railway Finance Corporation (IRFC) in connection with its comprehensive examination and apprised them about the agenda for the sitting.

[The witnesses were, then, called in]

3. The Chairperson welcomed the representatives of IRFC to the sitting of the Committee and drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of the discussion held before the Parliamentary Committee.

4. Thereafter, the representatives of IRFC made a Power Point Presentation highlighting the Company's key performance indicators and ratios, key strengths, notable achievements, strategic role played by IRFC in financing growth of India Railways, cost of borrowing and diversified sources of funding, financial performance, the weighted average cost of borrowing for last five years, risk management framework, business diversification and performance in CSR, etc.

5. The Members, then, sought clarifications from the representatives of IRFC on various issues related to the subject viz., anticipated financial impact on targets of IRFC for Extra Budgetary Resources (EBR) support in view of increasing *Gross Budgetary Support (GBS) to Railways* in the fiscal year 2024-25 too, fate of business model of IFRC which thrives on lending to Indian Railways, forward and backward linkages in funding of Railway infrastructure projects and so on.

6. Thereafter, the Chairperson thanked the representatives of IRFC for their valuable suggestions/deliberations made before the Committee and directed that in respect of points for which information was not readily available, written replies thereon may be furnished to the Committee Secretariat within 10 days.

The Committee, then, adjourned.

A copy of verbatim proceedings of the sitting has been kept on record.

COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2024)**MINUTES OF THE THIRTY FIFTH SITTING OF THE COMMITTEE**

The Committee sat on Wednesday, 07 February, 2024 from 1620 hrs. to 1700 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Santosh Kumar Gangwar - Chairperson

MEMBERS**LOK SABHA**

2. Shri Janardan Mishra
3. Shri Nama Nageswara Rao
4. Shri Ramdas Chandrabhanji Tadas

RAJYA SABHA

5. Shri Syed Nasir Hussain
6. Dr. Anil Jain
7. Shri V. Vijayasai Reddy

SECRETARIAT

1. Shri Neeraj Semwal - Joint Secretary
2. Smt. Jyochnamayi Sinha - Director
3. Smt. Mriganka Achal - Deputy Secretary

REPRESENTATIVES OF MINISTRY OF RAILWAYS (RAILWAY BOARD)

1. Smt. Jaya Varma Sinha - Chairman & CEO, Railway Board
2. Smt. Roopa Srinivasan - Member (Finance), Railway Board
3. Smt. Usha Venugopal - Principal Executive Director, Ministry of Railways
4. Smt. Shelly Verma - CMD, IRFC (Additional Charge) & Director (Finance), IRFC

2. At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have an evidence by the representatives of the Ministry of Railways in connection with comprehensive examination of Indian Railway Finance Corporation (IRFC) and apprised them about the agenda for the sitting.

[The witnesses were, then, called in]

3. The Chairperson welcomed the representatives of Ministry of Railways to the sitting of the Committee and drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of the discussion held before the Parliamentary Committee.

4. Thereafter, the representatives of Ministry of Railways made a Power Point Presentation highlighting the IRFC's historical perspective, Organisational structure, mandate & vision, business overview, future roadmap, key roles and responsibilities discharged by the Ministry in managing the affairs of IRFC during the last five years, long-term strategic plans made by the Government for diversification of borrowing portfolio, broadening financial portfolio, technology upgradation, and market expansion, responsibility of the Ministry in appointment of the Board of Directors of IRFC, areas where IRFC needs to improve, role of Ministry with reference to IRFC's human resource management policy viz., reservation policy, industrial relations, recruitment, safeguard management for women, etc.

5. The Members, then, sought clarifications from the representatives of IRFC on various issues related to the subject viz., the status of enquiry of former CMD of IRFC, Shri Amitabh Banerjee, case of one project executed by Angul Sukinda Railway Limited which is delayed by 11 years and how Railways manage such kind of a situation, advantages IRFC's unique leasing approach offer compared to traditional financing methods and how it contributes to the long-term sustainability of Indian Railways' projects, expectations of the Ministry from IRFC to reduce their financial burden, fate of business model of IRFC in view of the increasing Gross Budgetary Support (GBS) to Railways and so on.

6. Thereafter, the Chairperson thanked the representatives of Ministry of Railways for their valuable suggestions/deliberations made before the Committee and directed that in respect of points for which information was not readily available, written replies thereon may be furnished to the Committee Secretariat within 10 days.

The Committee, then, adjourned.

A copy of verbatim proceedings of the sitting has been kept on record.

COMMITTEE ON PUBLIC UNDERTAKINGS (2024-25)

MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 05 December, 2024 from 1530 hrs. to 1545 hrs. in Committee Room No. 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Baijayant Panda - **Chairperson**

MEMBERS

Lok Sabha

2. Shri Tariq Anwar
3. Shri R.K. Chaudhary
4. Shri Chandra Prakash Joshi
5. Shri Kaushalendra Kumar
6. Shri Shankar Lalwani
7. Smt. Poonamben Hematbhai Maadam
8. Shri Mukesh Rajput
9. Shri Sukhjinder Singh Randhawa
10. Shri Pratap Chandra Sarangi

Rajya Sabha

11. Shri Neeraj Dangi
12. Shri Narain Dass Gupta
13. Shri Debashish Samantaray
14. Shri Arun Singh

SECRETARIAT

1. Shri Neeraj Semwal - Joint Secretary
2. Smt. Jyochnamayi Sinha - Director
3. Smt. Mriganka Achal - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members of the Committee and apprised them about the agenda for the sitting. The Committee then took up for consideration the draft Report on the subject "Indian Railway Finance Corporation Limited

(IRFC)” in connection with its comprehensive examination. After deliberations, the Committee adopted the draft Report without any changes/modifications. The Committee also authorised the Chairperson to finalise the Report on the basis of factual verification by the concerned Ministry/Department and consider for presenting the Report to Parliament during the current Winter Session of Parliament.

3. xxx xxx xxx
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The Committee, then, adjourned to take up the agenda of the next sitting.

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