

**INDIAN RAILWAY FINANCE CORPORATION  
LIMITED (IRFC)**

**MINISTRY OF RAILWAYS**

**COMMITTEE ON PUBLIC UNDERTAKINGS  
(2025-26)**

**SEVENTEENTH REPORT  
(EIGHTEENTH LOK SABHA)**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**SEVENTEENTH REPORT**

**COMMITTEE ON PUBLIC UNDERTAKINGS**

**(2025-26)**

**(EIGHTEENTH LOK SABHA)**

**INDIAN RAILWAY FINANCE CORPORATION**

**LIMITED (IRFC)**

**MINISTRY OF RAILWAYS**

**[Action Taken by the Government on the Observations/Recommendations  
contained in the Fifth Report of the Committee on Public Undertakings on Indian  
Railway Finance Corporation Limited (IRFC)]**



***Presented to Lok Sabha on 12 August, 2025***  
***Laid in Rajya Sabha on 12 August, 2025***

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

***August, 2025/ Sravana, 1947(Saka)***

**CPU No. 1073**

*Price : Rs.....*

© 2025 By LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha ( Seventeenth Edition) and Printed by Lok Sabha Secretariat, New Delhi-110001.

## CONTENTS

		<b>Page No.</b>
	COMPOSITION OF THE COMMITTEE (2025-26)	iv
	INTRODUCTION	v
<b>CHAPTER I</b>	REPORT	1
<b>CHAPTER II</b>	Observation/Recommendations which have been accepted by the Government	12
<b>CHAPTER III</b>	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies	20
<b>CHAPTER IV</b>	Observations/Recommendations in respect of which replies of Government had not been accepted by the Committee and which require reiteration	21
<b>CHAPTER V</b>	Observations/Recommendations in respect of which the Government has furnished interim replies and final replies are still awaited	23

## APPENDICES

I.	Minutes of the sitting held on 07.08.20254	27
II.	Analysis of the Action Taken by the Government on the Observations/Recommendations contained in the Fifth Report of Committee on Public Undertakings (18 <sup>th</sup> Lok Sabha) on 'Indian Railway Finance Corporation Limited (IRFC)'	29

## **COMPOSITION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2025-26)**

**Shri Baijayant Panda - Chairperson**

### **LOK SABHA**

2. Shri Tariq Anwar
3. Shri Sudip Bandyopadhyay
4. Shri Chandra Prakash Joshi
5. Smt. Kanimozhi Karunanidhi
6. Shri Kaushalendra Kumar
7. Shri Shankar Lalwani
8. Smt. Poonamben Hematbhai Maadam
9. Shri B.Y. Raghavendra
10. Shri Mukesh Rajput
11. Shri Sukhjinder Singh Randhawa
12. Shri Pratap Chandra Sarangi
13. Shri Kodikunnil Suresh
14. Shri Prabhakar Reddy Vemireddy
15. Shri Lalji Verma

### **RAJYA SABHA**

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

### **SECRETARIAT**

1. Shri Anjani Kumar - Joint Secretary
2. Shri Kulmohan Singh Arora - Director
3. Shri L. Shantikumar Singh - Executive Officer

## **INTRODUCTION**

I, the Chairperson, Committee on Public Undertakings (2025-26) having been authorized by the Committee to submit the Report on their behalf, present this Seventeenth Report on Action Taken by the Government on the Observations/Recommendations contained in the Fifth Report of the Committee on Public Undertakings (18<sup>th</sup> Lok Sabha) on 'Indian Railway Finance Corporation Limited (IRFC)'.

2. The Fifth Report of the Committee on Public Undertakings (18<sup>th</sup> Lok Sabha) was presented to Lok Sabha and laid on the Table of Rajya Sabha on 18 December, 2024. The Action taken Replies to all the six (06) Observations/Recommendations contained in the Report were received from the Ministry of Railways on 20 May, 2025.

3. The Committee considered and adopted the draft Report at their sitting held on 08 August, 2025. The Minutes of the sitting are given in Appendix-I.

4. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Fifth Report of the Committee (18<sup>th</sup> Lok Sabha) is given in Appendix -II.

**New Delhi;  
08 August, 2025  
17Sravana, 1947(S)**

**BAIJAYANT PANDA  
Chairperson  
Committee on Public Undertakings**

**REPORT**  
**CHAPTER I**

This Report of the Committee deals with the action taken by the Government on the Observations/Recommendations contained in the Fifth Report (18<sup>th</sup> Lok Sabha) of the Committee on Public Undertaking on 'Indian Railway Finance Corporation Limited (IRFC)', which was presented to Parliament on 18 December, 2024. It contained six (06) Observations/Recommendations.

2. Action Taken notes have been received from the Government in respect all the six (06) Observations/Recommendations of the Committee and since the Observation/Recommendation Sl. No. 1 was introductory, the Ministry did not offer comments on it. The six (06) Observations/Recommendations have been categorized as follows:

- |       |  |                      |
|-------|--|----------------------|
| (i)   | Observations/Recommendations which have been accepted by the Government  | <b>(Chapter II)</b>  |
|       | Sl. Nos. 1, 4 & 6  | <b>(Total: 03)</b>   |
| (ii)  | Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies                                 | <b>(Chapter III)</b> |
|       | Nil  | <b>(Total: 00)</b>   |
| (iii) | Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration | <b>(Chapter IV)</b>  |
|       | Sl. No. 3  | <b>(Total: 01)</b>   |
| (iv)  | Observations/Recommendations to which the Government has furnished interim replies and final replies are still awaited                       | <b>(Chapter V)</b>   |
|       | Sl. Nos. 2 & 5   | <b>(Total: 02)</b>   |

3. The Committee desire the Ministry of Railways to furnish final Action Taken Notes/replies in respect of observations/recommendations contained in Chapter I of the Report.

4. The Committee will now deal with the Action Taken by the Government on some of the Observations/Recommendations of the Committee in succeeding paragraphs.

### **RAISING OF FUNDS THROUGH ISSUANCE OF 54EC BONDS AND GREEN BONDS (Recommendation No. 2)**

5. The Committee, in their Sixth Report, had recommended the following with regard to raising cheaper funds:

“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.”

6. The Ministry, in their action taken reply, have stated as follows:

#### **"54EC Bonds:**

The current yearly investment limit of ₹50 Lakhs, introduced in FY 2015-16 onwards, may no longer reflect the realities of today's inflated real estate market. Given the rising costs of properties and inflation and the fact that the limit was fixed 10 years back, it is proposed to raise the limit to ₹1 crore or more, which will offer greater investment opportunities for genuine investors. This increase will also encourage compliance with tax laws, reducing revenue leakage and promoting transparency in real estate transactions. Ultimately, this would also increase the availability of low cost funding for infrastructure sector and improve viability of infrastructure project.



IRFC is taking up with Ministry of Railways (MoR)/ Ministry of Finance (MoF) for enhancement of current limit of ₹50 Lakhs.

**Green Bonds:**

Raising of funds through green borrowing (bonds/loans) has matured in the global marketplace and these green funds are raised at competitive rate. As regards the domestic market, although green framework has been put in place for sovereign green bonds, corporate green bond market is yet to experience any significant growth and development due to lack of dedicated green funds. Further, in order to encourage issuance of Green Bonds, certain large institutional investors like Pension Funds/Insurance Companies/Provident Funds should be mandated to invest upto to a certain percentage of their corpus in the green debt securities. Even if the initial mandated amount is small, it will go a long way in kick starting the issuance of these securities in the domestic debt market.

IRFC is a dedicated borrowing arm of MoR and in line with the mission of the Indian Railways, to become Net Zero Carbon emission network by 2030 for which, IRFC has tapped international markets for green borrowing. These Green Bonds or Green Loans were used for financing of rolling stock assets (i.e. Electric Locos and Passenger Coaches for electrified Rail) and electrification of Railway lines. IRFC has raised green funds of USD 2,100 million amounting to 25% of its total foreign currency borrowing portfolio of USD 8,508 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. Company is examining the domestic green bond framework also and shall tap this market at opportune time.”

**7. The Committee appreciate the response of the Ministry that IRFC intends to take up the matter regarding the enhancement of the investment limit for 54EC bonds with the Ministry of Finance. However, since the final outcome is still awaited, the Committee treat this as an interim reply and desire to be apprised of the concrete action taken by the Ministry of Finance on this proposal. The Committee also urge IRFC and the Ministry of Railways to formally pursue the suggestion of mandating institutional investment in corporate green bonds to develop a robust domestic market for such instruments.**

**POSSIBILITY OF IRFC LENDING TO MoR AT LESSER MARGIN  
(Recommendation No. 3)**

**8. The Committee, in their Report, had recommended the following with regard to lending margins:**

"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 31<sup>st</sup> 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."

9. The Ministry, in their action taken reply, has stated as follows:

"IRFC has a market capitalisation of more than ₹200000 crore. Also the investor base has significantly increased to 55 lakh+. IRFC is charging a margin of 40 bps for Rolling Stock and 35 bps for projects, which is already low as compared to Industry standard for infra financing. Decrease in margin could lower profits, affecting the investors' sentiments and 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 as IRFC is looking to expand its lending portfolio in future.

IRFC is also expanding its lending activities and broadening its portfolio. IRFC is exploring financing for projects that will help to decongest and expand the existing railway network. IRFC intends to use its position as the MoR's major finance partner to provide financial resources for joint ventures with State Governments and other public sector firms engaged in the development of railway infrastructure throughout India and to provide financial assistance for those activities which have a forward and backward linkages with railways.

As IRFC's primary objective is to raise Extra Budgetary Resource (EBR) for MoR, IRFC continues to focus on supporting Indian Railways funding requirement while exploring business diversification opportunities. Accordingly, IRFC needs to

maintain Debt/Equity ratio at prudent level at all times. It is pertinent to mention here that IRFC's Debt/Equity ratio is higher as compared to peer Govt. Non-Banking Financial Company (NBFC) and IRFC must keep a cushion for projects financing outside MoR. Considering this, it would not be feasible to reduce the margin for financing MoR”

**10. The Committee take note of the detailed justification provided by IRFC regarding its inability to reduce the lending margin for the Ministry of Railways. However, the Committee are not fully convinced by the assertion that it is entirely not feasible to re-examine the margins. As IRFC's business diversifies and its risk portfolio evolves, its cost of funds and operational efficiencies may improve. The Committee, therefore, reiterate their earlier recommendation that IRFC, in consultation with the Ministry of Railways, should periodically review these margins with an aim to pass on some benefit to its primary stakeholder, thereby reducing the cost burden on Indian Railways.**

#### **FUTURE OF IRFC IN VIEW OF DECREASING DEMAND FROM MoR DUE TO INCREASED GBS**

##### **(Recommendation No. 4)**

**11. The Committee, in their Fifth Report, had recommended the following for exploring a wider mandate for IRFC:**

"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).”

12. The Ministry, in their action taken reply, has stated as follows:

“IRFC is taking several steps to strengthen its business processes, so as to develop readiness for its planned business diversification and some of the notable initiatives include:

i. **Adoption of Credit Policy:** IRFC has got its Board approved Credit Policy in place. The policy provides a framework for extending credit to entities/projects with forward and backward linkages with Indian Railways, in line with the Memorandum of Association (MoA) of IRFC. Having a credit policy in place will help IRFC manage risk and ensure that the credit extended is in line with the Company's risk appetite and credit standards. This will help IRFC maintain a healthy loan portfolio and minimize the business risk.

ii. **Appointment of Appraisal Agency/ Techno-Economic Viability (TEV) Study:** IRFC has empanelled an agency to undertake TEV, commercial, financial, and environment feasibility of the proposed financing proposals of IRFC, on a case-to-case basis, in accordance with IRFC's Credit Policy.

iii. **In-House Credit Committee:** Credit Committee has been constituted, in accordance with IRFC's Credit Policy for recommendation & appraisal of financing proposals. It comprises of senior officials from Business Development, Finance, and Law departments. The said Committee is responsible for appraisal and all related activities upto the sanction stage.

iv. **Promotion of IRFC as a Potential Lender:** With the aim to promote IRFC as a potential and preferred lender, IRFC has held preliminary discussions with & also sent written communications to various entities viz. Dedicated Freight Corridor Corporation of India Limited (DFCCIL), Rail Vikas Nigam Limited (RVNL) (and its Special Purpose Vehicles (SPVs)), Container Corporation of India Limited (CONCOR), National High Speed Rail Corporation Limited (NHSRCL), Indian Railway Catering and Tourism Corporation (IRCTC), Rail India Technical and Economic Service (RITES), National Thermal Power Corporation (NTPC), Haryana Rail Infrastructure Development Corporation (HRIDC), Indian Railway Construction International Limited (IRCON), National Capital Region Transport Corporation Limited (NCRTC), Steel Authority of India Limited (SAIL), Bhartiya Rail Bijlee Company Limited (BRBCL), Chhattisgarh East Railway Limited (CERL), RailTel Corporation of India Limited (RailTel), etc. The intent is to increase visibility of IRFC as a potential lender in the railway ecosystem and create opportunities to finance projects in Railway Eco-system and have a diversified portfolio.

IRFC has not received any budgetary allocation since 2023-24 due to significant budgetary support for the Railways. Being a listed entity, it needs to keep its business model sustainable and profitable. As a result, IRFC must diversify its

operations within its mandate to stay competitive. Accordingly, IRFC is exploring the option in following sectors:

- i. Leasing of Rolling stock other than MoR
- ii. Funding of Railway Infrastructure being developed through State Joint Ventures (JVs)
- iii. Upcoming Dedicated Freight lines
- iv. Semi/High Speed Railway Corridors & High-speed train
- v. Multi-Modal Logistics Parks
- vi. Non-conventional sources of energy including Renewable Energy for railway network

Some of the initial lending initiatives taken by IRFC outside MoR to enhance and diversify its business are given below:

- i. Sanction of 20 Bogie Open Bottom Rapid (BOBR) rakes under General-Purpose Wagon Investment Scheme (GPWIS) of MoR to NTPC for an amount up to ₹700 crores under Finance Lease.
- ii. In-principle approval for financing Haryana Orbital Rail Corridor (HORC), a railway line from Palwal to Sonipat, being promoted by Haryana Rail Infrastructure Development Corporation Limited (HRIDC) (a JV of Government of Haryana and MoR).
- iii. IRFC has also entered into Memorandum of Understandings (MoUs) with RITES, NTPC, Railway Energy Management Company (REMC) and India Infrastructure Finance Company Limited (IIFCL) for strategic collaboration.
- iv. Exploring business opportunities to expand the lending portfolio and also in discussion with Infrastructure Finance Companies in the Government Sector for co-lending opportunities.

Apart from the above, the Cabinet Secretary in the meeting of the Apex Committee held on 24.01.2025 to consider the proposal of grant of Navratna status to IRFC noted that as railway infrastructure financing is now primarily supported by the Government of India's Budget, and market borrowings for railway capital expenditure expected to decline. To ensure business growth, IRFC should explore financing beyond Indian Railways and its Joint Ventures (JVs). The Cabinet Secretary emphasized the significant funding needs of Metro Rail projects in India, which currently lack domestic long-term financiers. Since these projects are backed by State Governments with very minimal credit risk, IRFC should actively consider entering the Metro Rail financing sector in India."

**13. The Committee are pleased to note the proactive steps taken by IRFC to diversify its business portfolio, including the adoption of a formal Credit Policy and outreach to various entities within the railway ecosystem. The Committee also appreciate the strategic direction provided by the Cabinet Secretary, directing IRFC to explore financing for Metro Rail projects. This aligns perfectly with the**

**Committee's recommendation and provides a clear and viable path for IRFC's long-term sustainability and growth.**

**DELAY IN APPOINTMENT OF REGULAR CMD AND INDEPENDENT DIRECTORS  
(Recommendation No. 5)**

14. The Committee, in their Fifth Report, recommended the following urging the Government to fill vacancies on the Board:

“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.”

15. The Ministry, in their action taken reply, have stated as follows:

“Composition of Board of IRFC and actual strength as on 31.03.2025 is as under:

<b>Directors</b>	<b>Sanctioned Strength</b>	<b>Actual Strength</b>
Functional Director	2	2
Government (Official) Directors	2	2
Non-official Independent Directors	4	0

Shri Manoj Kumar Dubey, Ex-Director (Finance), CONCOR has since been appointed to the post of CMD, IRFC on regular basis. Shri Dubey assumed the charge of the post of CMD/IRFC on 10.10.24 (AN) and his five-year tenure is till 10.10.29.

The appointment of four Non-Official Independent Directors is currently under consideration of Department of Public Enterprises (DPE) and is set to convene a meeting on the matter.”

**16. The Committee appreciate the appointment of a regular Chairman & Managing Director, which addresses a part of the original recommendation. However, the Committee express their grave concern over the situation the posts of four non-official Independent Directors are still lying vacant as on 31.03.2025. This complete absence of Independent Directors is a serious breach of corporate governance norms. The Committee, therefore, treat the reply as interim and strongly reiterate their recommendation that the Ministry of Railways must pursue the matter with the Department of Public Enterprises (DPE) and other concerned authorities with utmost urgency to ensure the appointment of all Independent Directors without any further delay.**

**SHORTAGE OF MANPOWER AND CAPACITY ENHANCEMENT  
(Recommendation No. 6)**

**17. The Committee, in their Fifth Report, recommended the following with regard to strengthening the workforce:**

“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."

18. The Ministry, in their action taken reply, have stated as follows:

**"IRFC Workforce Development and Expansion Initiatives**

IRFC is actively building a robust and capable workforce to strengthen internal controls, meet statutory requirements of the Reserve Bank of India (RBI), and prepare for future business growth. Key initiatives are outlined below:

**i. Recruitment Over the Past Five Years**

IRFC has recruited employees across various levels to enhance operational efficiency and strengthen its organizational structure. Details of recruitment in the past five years are as follows:

2020-21		2021-22	2022-23	2023-24	2024-25
E3:02		E1:2	E1:4	E1:4	E4:1
E5:02		E2:1	NE5:3		E9:1
E6:01		E4:2			
E7:01		E8:1			
		NE5:3			
<b>Total</b>	<b>6</b>	<b>9</b>	<b>7</b>	<b>4</b>	<b>2</b>

**ii. Personnel Recruitment for RBI Compliance**

To comply with RBI requirements, IRFC has recruited/is in the process of recruiting the following personnel on a fixed-tenure basis:

- Chief Compliance Officer
- Chief Risk Officer
- Head of Internal Audit (recruitment in progress)
- Chief Information Security Officer (recruitment in progress)

**iii. Creation of New Board-Level Positions**

To diversify its financing portfolio and ensure a sustainable business model, IRFC Board of Directors has approved the creation of two new board-level positions:

- Director (Techno-Commercial)



b. Director (Business Development)

Matter is being taken up with MoR and Department of Public Enterprise/ other nodal agencies for creation of these posts.

**iv. Engagement of Experts/Consultants**

IRFC has hired consultants in key areas such as HR, Administration, and Legal. Additionally, plans are underway to engage consultants in IT and other critical domains to support organizational growth.

**v. Recruitment on Deputation**

IRFC has received approval from the Department of Public Enterprises (DPE) to recruit Nine (09) personnel on deputation. This initiative allows IRFC to onboard experienced professionals with specialized skill sets from Ministries/ CPSEs for short durations. Regular employees will also benefit from the knowledge transfer and expertise of deputationists.

**vi. Strategic Expansion of Workforce**

IRFC is planning to expand its business operations within the Ministry of Railways framework, focusing on projects with backward and forward linkages to the railways ecosystem. To align with its business growth plan, IRFC intends to increase its workforce from the current strength of 43 employees to 110 employees over the next two years."

**19. The Committee express their satisfaction with the detailed and forward-looking action plan presented by IRFC to enhance its manpower. The specific commitment to more than double the workforce to 110 employees over the next two years, along with the creation of new Director-level posts for Techno-Commercial and Business Development, directly addresses the Committee's recommendation. This strategic approach to capacity building is essential for IRFC to successfully execute its diversification plans, and the Committee commend IRFC for these proactive steps.**

## **CHAPTER II**

### **OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Overview**

#### **Recommendation (Sl. No. 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.

### **Reply of the Government**

Factual Position.

[Ministry of Railways]  
(No. 2024-BC-COPU-XVIII/5<sup>th</sup> Report dated 20.05.2025)

### **Future of IRFC in view of decreasing demand from MoR due to increased GBS**

#### **Recommendation (Sl. No. 4)**

The Committee note that yearly disbursement to MoR has been decreasing since 2020-21 in which ₹1,04,369 crores 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).

### **Reply of the Government**

IRFC is taking several steps to strengthen its business processes, so as to develop readiness for its planned business diversification and some of the notable initiatives include:

- 1. Adoption of Credit Policy:** IRFC has got its Board approved Credit Policy in place. The policy provides a framework for extending credit to entities/projects with forward and backward linkages with Indian Railways, in line with the Memorandum of Association (MoA) of IRFC. Having a credit policy in place will help IRFC manage risk and ensure that the credit extended is in line with the company's risk appetite and credit standards. This will help IRFC maintain a healthy loan portfolio and minimize the business risk.
- 2. Appointment of Appraisal Agency/ Techno-Economic Viability (TEV) Study:** IRFC has empanelled an agency to undertake TEV, commercial, financial, and environment feasibility of the proposed financing proposals of IRFC, on a case-to-case basis, in accordance with IRFC's Credit Policy.
- 3. In-House Credit Committee:** Credit Committee has been constituted, in accordance with IRFC's Credit Policy for recommendation & appraisal of financing proposals. It comprises of senior officials from Business Development, Finance, and Law departments. The said Committee is responsible for appraisal and all related activities upto the sanction stage.
- 4. Promotion of IRFC as a Potential Lender:** With the aim to promote IRFC as a potential and preferred lender, IRFC has held preliminary discussions with & also sent written communications to various entities viz. Dedicated Freight Corridor Corporation of India Limited (DFCCIL), Rail Vikas Nigam Limited (RVNL) (and its Special Purpose Vehicles (SPVs)), Container Corporation of India Limited (CONCOR), National High Speed

Rail Corporation Limited (NHSRCL), Indian Railway Catering and Tourism Corporation (IRCTC), Rail India Technical and Economic Service (RITES), National Thermal Power Corporation (NTPC), Haryana Rail Infrastructure Development Corporation (HRIDC), Indian Railway Construction International Limited (IRCON), National Capital Region Transport Corporation Limited (NCRTC), Steel Authority of India Limited (SAIL), Bhartiya Rail Bijlee Company Limited (BRBCL), Chhattisgarh East Railway Limited (CERL), RailTel Corporation of India Limited (RailTel), etc. The intent is to increase visibility of IRFC as a potential lender in the railway ecosystem and create opportunities to finance projects in Railway Eco-system and have a diversified portfolio.

IRFC has not received any budgetary allocation since 2023-24 due to significant budgetary support for the Railways. Being a listed entity, it needs to keep its business model sustainable and profitable. As a result, IRFC must diversify its operations within its mandate to stay competitive. Accordingly, IRFC is exploring the option in following sectors:

- i. Leasing of Rolling stock other than MoR
- ii. Funding of Railway Infrastructure being developed through State Joint Ventures (JVs)
- iii. Upcoming Dedicated Freight lines
- iv. Semi/High Speed Railway Corridors & High-speed train
- v. Multi-Modal Logistics Parks
- vi. Non-conventional sources of energy including Renewable Energy for railway network

Some of the initial lending initiatives taken by IRFC outside MoR to enhance and diversify its business are given below:

- i. Sanction of 20 Bogie Open Bottom Rapid (BOBR) rakes under General-Purpose Wagon Investment Scheme (GPWIS) of MoR to NTPC for an amount up to ₹700 crores under Finance Lease.
- ii. In-principal approval for financing Haryana Orbital Rail Corridor (HORC), a railway line from Palwal to Sonipat, being promoted by Haryana Rail Infrastructure Development Corporation Limited (HRIDC) (a JV of Government of Haryana and MoR).
- iii. IRFC has also entered into Memorandum of Understandings (MoUs) with RITES, NTPC, Railway Energy Management Company (REMC) and India Infrastructure Finance Company Limited (IIFCL) for strategic collaboration.

iv. Exploring business opportunities to expand the lending portfolio and also in discussion with Infrastructure Finance Companies in the Government Sector for co-lending opportunities.

Apart from the above, the Cabinet Secretary in the meeting of the Apex Committee held on 24.01.2025 to consider the proposal of grant of Navratna status to IRFC noted that as railway infrastructure financing is now primarily supported by the Government of India's Budget, and market borrowings for railway capital expenditure expected to decline. To ensure business growth, IRFC should explore financing beyond Indian Railways and its Joint Ventures (JVs). The Cabinet Secretary emphasized the significant funding needs of Metro Rail projects in India, which currently lack domestic long-term financiers. Since these projects are backed by State Governments with very minimal credit risk, IRFC should actively consider entering the Metro Rail financing sector in India.

[Ministry of Railways]  
(No. 2024-BC-COPU-XVIII/5<sup>th</sup> Report dated 20.05.2025)

### **Comments of the Committee**

**(Please see para 13 of Chapter I of the Report)**

### **Shortage of Manpower and Capacity Enhancement**

#### **Recommendation (Sl. No. 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.

### **Reply of the Government**

#### **IRFC Workforce Development and Expansion Initiatives**

IRFC is actively building a robust and capable workforce to strengthen internal controls, meet statutory requirements of the Reserve Bank of India (RBI), and prepare for future business growth. Key initiatives are outlined below:

##### **i. Recruitment Over the Past Five Years**

IRFC has recruited employees across various levels to enhance operational efficiency and strengthen its organizational structure. Details of recruitment in the past five years are as follows:

<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
E3:02	E1:2	E1:4	E1:4	E4:1

E5:02	E2:1	NE5:3		E9:1
E6:01	E4:2			
E7:01	E8:1			
	NE5:3			
<b>Total</b>	<b>6</b>	<b>9</b>	<b>7</b>	<b>4</b>
			<b>4</b>	<b>2</b>

## ii. Personnel Recruitment for RBI Compliance

To comply with RBI requirements, IRFC has recruited/is in the process of recruiting the following personnel on a fixed-tenure basis:

- Chief Compliance Officer
- Chief Risk Officer
- Head of Internal Audit (recruitment in progress)
- Chief Information Security Officer (recruitment in progress)

## iii. Creation of New Board-Level Positions

To diversify its financing portfolio and ensure a sustainable business model, IRFC Board of Directors has approved the creation of two new board-level positions:

- Director (Techno-Commercial)
- Director (Business Development)

Matter is being taken up with MoR and Department of Public Enterprise/ other nodal agencies for creation of these posts.

## iv. Engagement of Experts/Consultants

IRFC has hired consultants in key areas such as HR, Administration, and Legal. Additionally, plans are underway to engage consultants in IT and other critical domains to support organizational growth.

## v. Recruitment on Deputation

IRFC has received approval from the Department of Public Enterprises (DPE) to recruit Nine (09) personnel on deputation. This initiative allows IRFC to onboard experienced professionals with specialized skill sets from Ministries/ CPSEs for short durations. Regular employees will also benefit from the knowledge transfer and expertise of deputationists.

## vi. Strategic Expansion of Workforce

IRFC is planning to expand its business operations within the Ministry of Railways



framework, focusing on projects with backward and forward linkages to the railways ecosystem. To align with its business growth plan, IRFC intends to increase its workforce from the current strength of 43 employees to 110 employees over the next two years.

[Ministry of Railways]  
(No. 2024-BC-COPU-XVIII/5<sup>th</sup> Report dated 20.05.2025)

### **Comments of the Committee**

**(Please see para 19 of Chapter I of the Report)**

### **CHAPTER III**

#### **OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES**

**- Nil -**

## **CHAPTER IV**

### **OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION**

#### **Possibility of IRFC Lending to MoR at lesser margin**

##### **(Recommendation No. 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 reconsider these margins and explore means for reducing the financial burden on MoR, without vitiating the financial health and viability of IRFC itself.

#### **Reply of the Government**

IRFC has a market capitalisation of more than ₹200000 crores. Also the investor base has significantly increased to 55 lakh+. IRFC is charging a margin of 40 bps for Rolling Stock and 35 bps for projects, which is already low as compared to Industry standard for

infra financing. Decrease in margin could lower profits, affecting the investors sentiments and 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 as IRFC is looking to expand its lending portfolio in future.

IRFC is also expanding its lending activities and broadening its portfolio. IRFC is exploring financing for projects that will help to decongest and expand the existing railway network. IRFC intends to use its position as the MoR's major finance partner to provide financial resources for joint ventures with State Governments and other public sector firms engaged in the development of railway infrastructure throughout India and to provide financial assistance for those activities which have a forward and backward linkages with railways.

As IRFC's primary objective is to raise Extra Budgetary Resource (EBR) for MoR, IRFC continues to focus on supporting Indian Railways funding requirement while exploring business diversification opportunities. Accordingly, IRFC needs to maintain Debt/Equity ratio at prudent level at all times. It is pertinent to mention here that IRFC's Debt/Equity ratio is higher as compared to peer Govt. Non-Banking Financial Company (NBFC) and IRFC must keep a cushion for projects financing outside MoR. Considering this, it would not be feasible to reduce the margin for financing MoR.

[Ministry of Railways]  
(No. 2024-BC-COPU-XVIII/5<sup>th</sup> Report dated 20.05.2025)

### **Comments of the Committee**

**(Please see para 10 of Chapter I of the Report)**

## **CHAPTER V**

### **OBSERVATIONS/RECOMMENDATIONS TO WHICH THE GOVERNMENT HAS FURNISHED INTERIM REPLIES AND REPLIES ARE STILL AWAITED**

#### **Raising of funds through issuance of 54EC Bonds and Green Bonds**

##### **Recommendation (Sl. No. 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 market place 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 Ministry of Railways (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.

#### **Reply of the Government**

##### **54EC Bonds:**

The current yearly investment limit of ₹50 Lakhs, introduced in FY 2015-16 onwards, may no longer reflect the realities of today's inflated real estate market. Given the rising costs of properties and inflation and the fact that the limit was fixed 10 years back, it is proposed to raise the limit to ₹1 crore or more, which will offer greater investment opportunities for genuine investors. This increase will also encourage compliance with tax laws, reducing revenue leakage and promoting transparency in real estate transactions. Ultimately, this would also increase the availability of low cost funding

for infrastructure sector and improve viability of infrastructure project. IRFC is taking up with Ministry of Railways (MoR)/ Ministry of Finance (MoF) for enhancement of current limit of ₹50 Lakhs.

**Green Bonds:**

Raising of funds through green borrowing (bonds/loans) has matured in the global marketplace and these green funds are raised at competitive rate. As regards the domestic market, although green framework has been put in place for sovereign green bonds, corporate green bond market is yet to experience any significant growth and development due to lack of dedicated green funds. Further, in order to encourage issuance of Green Bonds, certain large institutional investors like Pension Funds/Insurance Companies/Provident Funds should be mandated to invest upto to a certain percentage of their corpus in the green debt securities. Even if the initial mandated amount is small, it will go a long way in kick starting the issuance of these securities in the domestic debt market.

IRFC is a dedicated borrowing arm of MoR and in line with the mission of the Indian Railways, to become Net Zero Carbon emission network by 2030 for which, IRFC has tapped international markets for green borrowing. These Green Bonds or Green Loans were used for financing of rolling stock assets (i.e. Electric Locos and Passenger Coaches for electrified Rail) and electrification of Railway lines. IRFC has raised green funds of USD 2,100 million amounting to 25% of its total foreign currency borrowing portfolio of USD 8,508 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. Company is examining the domestic green bond framework also and shall tap this market at opportune time.

[Ministry of Railways]  
(No. 2024-BC-COPU-XVIII/5<sup>th</sup> Report dated 20.05.2025)

**Comments of the Committee**  
**(Please see para 7 of Chapter I of the Report)**

## **Delay in Appointment of Regular CMD and Two Independent Directors**

### **Recommendation (SI No. 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.

### **Reply of the Government**

Composition of Board of IRFC and actual strength as on 31.03.2025 is as under:

<b>Directors</b>	<b>Sanctioned Strength</b>	<b>Actual Strength</b>
Functional Director	2	2
Government (Official) Directors	2	2
Non-official Independent Directors	4	0

Shri Manoj Kumar Dubey, Ex-Director (Finance), CONCOR has since been appointed to the post of CMD, IRFC on regular basis. Shri Dubey assumed the charge of the post of CMD/IRFC on 10.10.24 (AN) and his five-year tenure is till 10.10.29. The

appointment of four Non-Official Independent Directors is currently under consideration of Department of Public Enterprises (DPE) and is set to convene a meeting on the matter.

[Ministry of Railways]  
(No. 2024-BC-COPU-XVIII/5<sup>th</sup> Report dated 20.05.2025)

**Comments of the Committee**

**(Please see para 16 of Chapter I of the Report)**

**New Delhi;**  
**08 August, 2025**  
**17 Sravana, 1947(S)**

**BAIJAYANT PANDA**  
**Chairperson**  
**Committee on Public Undertakings**

-----



**COMMITTEE ON PUBLIC UNDERTAKINGS (2025-26)**

**MINUTES OF THE SIXTH SITTING OF THE COMMITTEE**

The Committee sat on Friday, 08 August, 2025 from 1500 hrs. to 1520 hrs. in Room No.'147', Samvidhan Sadan (Chairperson's Office, CoPU).

**PRESENT**

**Shri Baijayant Panda** - **Chairperson**

**MEMBERS**

**Lok Sabha**

2. Shri Tariq Anwar
3. Shri Chandra Prakash Joshi
4. Shri Kaushalendra Kumar
5. Shri Shankar Lalwani
6. Smt. Poonamben Hematbhai Maadam
7. Shri Sukhjinder Singh Randhawa
8. Shri Pratap Chandra Sarangi
9. Shri Kodikunnil Suresh
10. Shri Lalji Verma

**Rajya Sabha**

11. Shri John Brittas
12. Shri Neeraj Dangi
13. Dr. Bhagwat Karad
14. Shri Surendra Singh Nagar

**SECRETARIAT**

- |    |                      |   |                  |
|----|----------------------|---|------------------|
| 1. | Shri Anjani Kumar    | - | Joint Secretary  |
| 2. | Smt. Mriganka Achal  | - | Director         |
| 3. | Shri Tenzin Gyaltzen | - | Deputy Secretary |

2. The Hon'ble Chairperson briefly apprised the Members about the draft Report on Action Taken by the Government on the Observations/Recommendations contained in the Fifth Report of the Committee on Public Undertakings (18<sup>th</sup> Lok Sabha) on 'Indian Railway Finance Corporation Limited (IRFC)' and Memorandum No. 2 reg. selection of additional subjects for examination by the Committee on Public Undertakings (2025-26). The Committee then considered and adopted the draft Report without any changes/modifications.

3. The Committee authorized the Chairperson to finalize the draft Report on the basis of factual verification as suggested by the concerned CPSU and Ministry/Department and present the Report during the ongoing session of Parliament.

4. The Committee then considered the Memorandum No. 2 and decided to select the following two additional subjects for examination during the current term of the Committee:

- (i) Inventory Management in select CPSUs (for Horizontal examination); and
- (ii) C&AG Report No. 10 of 2025 Performance Audit (Commercial) on Inventory Management in Steel Authority of India Limited (Audit-based examination).

***The Committee, then, adjourned.***

## APPENDIX II

(Vide para 4 of the Introduction)

### **ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE FIFTH REPORT OF COMMITTEE ON PUBLIC UNDERTAKINGS (18<sup>TH</sup> LOK SABHA) ON INDIAN RAILWAY FINANCE CORPORATION LIMITED (IRFC)**

I.	Total number of recommendations	06
II.	Observations/Recommendations which have been accepted by the Government: Sl. Nos. 1, 4 & 6 Percentage of total:	03 50.00%
III.	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies: NIL Percentage of total:	00 00.00%
IV.	Observations/Recommendations in respect of which replies of Government had not been accepted by the Committee and which require reiteration: Sl. No. 3 Percentage of total:	01 16.67%
V.	Observations/Recommendations in respect of which the Government has furnished interim replies and final replies are still awaited: Sl. Nos. 2 & 5 Percentage of total:	02 33.33