

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:1309
ANSWERED ON:26.11.2009
TAX FREE BONDS
Reddy Shri Mekapati Rajamohan

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways propose to raise up to Rs. 9,170 crore from the market through tax-free bonds in the current financial year; and

(b) if so, the details in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS(SHRI K.H. MUNIYAPPA)

(a) & (b) Yes, Madam. The targetted amount of Rs. 9,170 crore would be raised through various financial instruments including tax free bonds. The Indian Railway Finance Corporation (IRFC), a Public Sector Undertaking under the Ministry of Railways, has been mandated to raise market borrowings to the tune of Rs. 9,170 crore in the current financial year to mainly finance acquisition of rolling stock. A part of the borrowing is expected to be raised through issue of tax free bonds by IRFC. Issue of notifications to authorize IRFC to issue the tax free bonds is under process in the Ministry of Finance.