Indian Railways Maintains Stable Debt Servicing; Consistent Principal Repayment and Declining Interest Share of Lease Charges Reflect Financial Discipline Over the Last Five Years

Growing Gross Budgetary Support for Infrastructure and Rolling Stock Reducing Dependence on Extra Budgetary Resources

प्रविष्टि तिथि: 07 AUG 2026 4:32PM by PIB Delhi

Indian Railway Finance Corporation (IRFC) is dedicated market borrowing arm of the Indian Railways (IR). Its primary business is financing of Rolling Stock Assets, Railway Infrastructure Projects and leasing them to Indian Railways. Moreover, IRFC has the mandate of lending to other entities which have a forward and backward linkages for the Railways such as power generation and transmission, mining, fuel, coal, warehousing, telecom, hotels and catering, etc.

However, during the recent years, the Government of India has given adequate support to Indian Railways from Gross Budgetary Support, which has been utilized for infrastructure projects and Rolling Stocks which were previously financed through Extra Budgetary Resources.

The details of principal repayment and interest payment of lease charges paid to IRFC and MoF by IR during the last 5 years is as under:

(Rupees in crore)

F.Y.	Principal Repayment	Interest Payment	Total
2021-22	14,192	14,510	28,702
2022-23	16,922	17,267	34,189
2023-24	20,084	17,946	38,030
2024-25	23,938	21,630	45,568
2025-26	24,853	21,685	46,538

Debt servicing has stabilized over last few years despite the shock of Covid.

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