

IDFs set to play key role in infra growth: Mayaram

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NEW DELHI: The Finance Ministry on Friday maintained that infrastructure debt funds (IDFs) are going to play a key role in financing the overall funding needs of the country's infrastructure development.

Speaking at a function organised here on the occasion of handing over 'CRISIL AAA' credit rating to Infradebt Limited (Infradebt), Department of Economic Affairs (DEA) Secretary Arvind Mayaram said the higher ratings would make an IDF competitive in the refinancing market.

Dr. Mayaram pointed out that with the country requiring about \$1 trillion for infrastructure development, of which 50 per cent or about \$500 billion has to come through private investment, the government will have to provide multiple instruments to the private sector to raise funds. In such a scenario, IDFs provide a robust instrument for this purpose, he said.

The DEA Secretary also noted that there was a great demand among foreign investors for long-term



Arvind Mayaram (right), Secretary, Department of Economic Affairs, with Chanda Kochhar (left), MD and CEO, ICICI Bank, S. S. Mundra, CMD, Bank of Baroda, at a press conference in New Delhi on Friday. — PHOTO: RAJEEV BHATT

investment in India and this was clear from their response at meetings he had with senior officials of Kuwait Investment Authority during his recent visit and with officials of Abu Dhabi Investment Authority and various other sovereign wealth funds earlier.

Infradebt, the country's first IDF under the NBFC (non-banking financial company) structure, also achieved the distinction of getting the 'CRISIL AAA' rating. According to an official statement here, the

'highest safety' credit rating awarded to Infradebt is based on its viable business model, prudent regulatory and policy structure, stringent appraisal systems, robust capital base, strong governance and the management team.

During the event, Infradebt, in turn, also awarded its first sanction letter to a project by the Jaiprakash group for refinancing of NHAI-bid road project (Zirakpur-Parwanoo section of NH22) built by Himalayan Expressway Limited.