

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:6737
ANSWERED ON:08.05.2003
SHORT TERM LOAN TO PSUS
PRIYA RANJAN DASMUNSI

Will the Minister of RAILWAYS be pleased to state:

- (a) whether on the one hand the Railways is short of funds to complete even their prioritised projects and on the other hand they are granting short term loans to PSUs out of the funds raised through I.R.F.C.;
- (b) if so, whether it is cost effective for the Railways to do so; and
- (c) if so, the reasons for granting these loans to the P.S.U.s. under the Ministry of Railways?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA)

- (a) Railways have not granted any short term loan to Public Sector Undertakings (PSUs) out of the funds raised through Indian Railway Finance Corporation (IRFC). However, term loans have been given to Railway PSUs by IRFC out of their resources, without in any way affecting Railways' Plan funding.
- (b) The loans given to PSUs by IRFC have been cost effective.
- (c) The loans were granted to the PSUs at their request to meet immediate funding needs of Railway projects being executed by them.