

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:4135
ANSWERED ON:14.12.2000
RELEASING OF FUNDS BY EDCC
CHELLAMELLA SUGUNA KUMARI;SRINIVASULU KALAVA

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Export Development Corporation of Canada would release funds of Railway Projects;
- (b) if so, the funds expected from Canada; and
- (c) the terms and conditions thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) & (b) The Export Development Corporation (EDC), Canada is an Export Credit Agency and provides funds to finance procurement of goods and services of Canadian origin. It has extended a line of credit for US Dollars 52 million to Indian Railway Finance Corporation (IRFC) to partly finance the import of 21 High Horse Power Diesel Electric Freight Locomotives from General Motors Corporation, USA and related Transfer of Technology, for which contracts were placed by the Ministry of Railways. An amount of US Dollars 38 million has so far been released by Export Development Corporation to the supplier and the balance amount will be released in instalments linked to various stages of implementation of transfer of technology during the period up to December, 2005. Export Development Corporation has also offered to part-finance the import of 10 Diesel Electric Passenger Locos from General Motors Corporation, for which contract was placed by the Ministry of Railways in 1999.

(c) The credit availed from Export Development Corporation to finance import of Diesel Electric Freight Locos is repayable in semi-annual instalments over a period of 10 years and carries interest at the rate of 6 Monthly LIBOR (London Inter Bank Offer Rate) plus 30 basis points.