

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:6075
ANSWERED ON:04.05.2000
LOANS TO CONTRACTORS
A. KRISHNASWAMY

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the CONCOR grants loans/ advances to the contractors and engage the same contractors on monthly rates also;
- (b) if so, the details thereof; and
- (c) the provisions and rules/ regulations for granting such loans/ advances ?

Answer

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

(a) Yes Sir. Container Corporation of India Ltd. (CONCOR) does give advances to its existing contractors against their handling bills. These advances are given to modernise the container handling equipment in CONCOR's facilities. Generally contractors are engaged on the basis of rates for various units of work. However, some contractors are engaged on monthly rates also.

(b) A statement is attached.

(c) While considering requests for such advances, the following aspects are taken into consideration:

1. The recipient has to be an existing terminal operator with good record of service and a contract valid for a sufficient period to ensure recovery of the advance.
2. The level of activity on the terminal on which the terminal operator is working has to justify additional equipment and it is ensured that the equipment will be used in CONCOR terminal only.
3. CONCOR normally advances 80% of the cost of the equipment at market rates of interest which are much higher than the interest on bank deposits, short-term bonds etc. on which the surplus funds of CONCOR are parked as per the extant guidelines.
4. The advance with interest is recovered from the monthly handling bills of the terminal operator.
5. The equipment procured from the advance is hypothecated to CONCOR till full recoveries have been made.