

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:815  
ANSWERED ON:26.07.2001  
WORLD BANK LOAN TO POWERGRID CORPORATION  
A.P. JITHENDER REDDY;SHYAMA SINGH

**Will the Minister of POWER be pleased to state:**

- (a) whether the World Bank has agreed to provide loan to Powergrid Corporation of India Limited recently;
- (b) if so, the total amount of loan World Bank agreed to provide and the terms and conditions thereof;
- (c) the purpose for which Power Grid Corporation have decided to utilize the said loan; and
- (d) the extent to which the various States are likely to be benefited from the said loan?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRIMATI JAYAWANTI MEHTA )

(a) & (b) : World Bank has agreed, 'in principle', to finance POWERGRID's projects by providing loans to the tune of US\$ 1.2 billion in three tranches. POWERGRID has signed an agreement with World Bank on 13th June, 2001 for a loan of US\$ 450 million (PSDP-II Ln.4603 IN). This loan has a repayment period of 15 years, excluding a grace period of 5 years, with an interest rate of LIBOR Base rate plus LIBOR Total Spread on the principal amount of the loan withdrawn and outstanding from time to time.

(c) & (d) : The projects which will be funded through this loan and the States which are likely to be benefited are as given in Annex.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF LOK SABHA UNSTARRED QUESTION NO 815 TO B ANSWERED ON 26.7.2001.

Sl.NO.	Details of the Projects to be funded through World Bank Loan	States likely to be benefited
1.	East-South Interconnector-II Project (Talcher-II Transmission System) for evacuation of power from Talcher-II Thermal Power Station (2000 MW) of NTPC in Orissa.	All states in Southern Region
2.	East-North Interconnector-I Project (Sasaram HVDC back to back Project) for transfer of surplus power in Eastern Region to Northern Region.	All States in Northern Region.
3.	System Coordination and Control Projects in Eastern and Western Regions for improving quality of power supply through better control of frequency and voltage parameters, improving system security and minimizing grid disturbances and equipment damages arising out of abnormal system conditions.	All the States of Eastern and Western Regions.
4.	POWERGRID's project for diversification into Telecom business by establishment of a Backbone Telecommunication Network.	The project will help in meeting India's rapidly growing telecommunication needs.

5. Balance of projects under earlier World Bank All the states in Northern,  
loans (No.3577-IN and No.3237-IN) Western and Southern Regions.