

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:6692  
ANSWERED ON:08.05.2003  
DEBT AT LOWER COST TO PGC  
UMMAREDDY VENKATESWARLU

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

- (a) whether Power Grid Corporation of India Ltd. plans to prepay high cost debt to the tune of Rs.1,400 crores;
- (b) if so, the details of this plan;
- (c) whether debt at lower cost is available for Power Grid Corporation;
- (d) if so, the extent to which the Power Grid Corporation save funds through such a strategy; and
- (e) the details thereof?

**Answer**

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

(a) & (b) : As on 31.3.2003, POWERGRID has outstanding loans from Government of India amounting to Rs.1660 crore, which carry interest ranging from 12.25% to 17% per annum. POWERGRID intends to prepay these loans during the Financial Year 2003- 04 through borrowings from the domestic market.

(c) to (e) : POWERGRID expects to avail borrowings from the domestic market at an interest rate lower than that applicable to outstanding loans from the Government. POWERGRID have informed that based on the present market, saving is likely to be around 5% per annum over the residual life of the debt.