

**GOVERNMENT OF INDIA
DEVELOPMENT OF NORTH EASTERN REGION
LOK SABHA**

UNSTARRED QUESTION NO:320
ANSWERED ON:20.11.2001
MISUTILISATION OF LOAN ASSISTANCE IN NORTH EASTERN STATES
RAMSINH PATALIYABHAI RATHWA

Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

- (a) whether Rural Electrification Corporation (REC) has sanctioned loan assistance in the North-Eastern States for procurement of energy meters for village electrification;
- (b) if so, the details of loan assistance provided during the last three years of North Eastern States under the scheme 'Special Loan Portfolio-Capital SL(meters)';
- (c) whether loan assistance provided to North Eastern States has been diverted, misutilised and misappropriated and not disbursed to the SSI manufacturers;
- (d) if so, the action taken by the Union Government in this regard; and
- (e) the steps taken by the Government to ensure full utilisation of loan assistance by the SSI manufacturers?

Answer

MINISTER, DEPARTMENT OF DEVELOPMENT OF NORTH EASTERN REGION (ARUN SHOURIE)

(a) to (e): Rural Electrification Corporation (REC) provides loan assistance to the State Electricity Boards/State Power Utilities/State Power Departments for various schemes including procurement and installation of meters. During 1999-2000, REC sanctioned a scheme for a loan assistance of Rs. 5.16 crore to the Electricity Department of Manipur. The funds for energy meters schemes are released by REC partly on their procurement and partly on their installation. REC has released Rs.3.4 crore during 1999-2000 and about Rs. 1.0 crore during 2000-01 against the sanctioned loan assistance of Rs. 5.16 crores on the basis of procurement of meters by the State Electricity Department of Manipur and claims submitted by them. REC does not procure meters or any other equipment and, therefore, the question of release of funds to the suppliers by REC does not arise. The State Electricity Board/State Power Department who procure materials make payments to the suppliers as per terms of their contract.