

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:7078  
ANSWERED ON:18.05.2012  
ROLE OF RURAL ELECTRIFICATION CORPORATION  
Siddeswara Shri Gowdar Mallikarjunappa

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

- (a) the role of the Rural Electrification Corporation Limited (REC);
- (b) whether the role of REC has diminished progressively in the country;
- (c) if so, whether the REC is now funding private power generation plants;
- (d) if so, the details of the various non-core activities undertaken by the REC during the last three years;
- (e) whether the REC is qualified to run and operate such non-core activities like funding power plants, assessing their viability and making cost-benefit analysis, as funding power generation plants in the private sector; and
- (f) if so, the details thereof and the steps proposed to direct the REC to concentrate on rural electrification and reliable delivery of power at reasonable prices?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

- (a) : Rural Electrification Corporation (REC) is a Non-Banking Financial Institute/Company to finance all power projects in the field of Generation, Transmission, Distribution including rural electrification scheme. It is also Nodal Agency for implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and National Electricity Fund (NEF).
- (b) : No, Madam.
- (c) : Yes, Madam, REC now funding private power generation plants.
- (d) : Nil.
- (e) : Yes, Madam. As per its Memorandum and Article of Association, REC is competent to finance power generation plants including private power generation plants.
- (f) : REC continues to finance rural electrification schemes. REC is also Nodal Agency for RGGVY programme and NEF.