

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3667
ANSWERED ON:11.12.2009
SOFT LOAN BY REC
Shantha J.

Will the Minister of POWER be pleased to state:

(a) whether the Rural Electrification Corporation (REC) proposes to give soft loan to the State Government, including Karnataka for the electrification of rural households in the country; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRI BHARATSINH SOLANKI)

(a) & (b): Rural Electrification Corporation Ltd. (REC), apart from funding rural electrification projects under its normal funding schemes, is the nodal agency for Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). Under RGGVY, Government of India is providing 90% of project cost as capital subsidy. Remaining 10% of project cost is being given as loan to States as per their requirement. The rate of interest applicable for RGGVY projects is fifty basis points less than the prevailing lending rates of the Corporation for other Transmission & Distribution (T&D) projects. The details of the sanctioned projects cost comprising loan and subsidy to the State including Karnataka is at Annex.