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High-voltage performance for 40 years

RURAL ELECTRIFICATION Corporation (REC) is a Navaratna company set up in 1969 with the objective of financing and promoting rural electrification projects. It provides funding assistance to state electricity boards, state government departments and rural electric cooperatives for projects sponsored by them. Chairman and managing director ***P. Uma Shankar*** *spoke to* ***Gaurav Choudhury****. Excerpts:*

What has been your nature of business operations?

Our initial mandate was to support village electrification, leading to pumpset energisation. REC's efforts enabled the country to improve its food-grain productivity and production in substantial measure, apart from improving the quality of life of rural India through electrification. Today, through its larger mandate and mission to facilitate availability of electricity for accelerated growth, we are in the business of financing and promoting projects covering entire electricity value chain -- generation, transmission and distribution.

Interview

P. Uma Shankar
CMD, REC

How did you perform in 2007-08?

Over the past decade, REC has witnessed sustained growth on all parameters. In financial year 2007-08, loan sanctioned increased by 85 per cent (Rs 60,768 crore in 2007-08 from Rs 32,925 in 2006-07), which reflects commitment to power sector. Profit after tax went up by 30 per cent (Rs.860 crore in 2007-08 from Rs.660 in 2006-07).

The importance of Rajiv Gandhi Grameen Vidyutikaran Yojana projects is growing. What has your role here been?

We are the nodal agency for implementing the programme. Ninety per cent of the project's cost comes as subsidy from the Centre and 10 per cent as loan from REC to the state government. which aims to provide electricity to 1.15 lakh villages without power and provide electricity connections to 23.4 million families living below poverty line (BPL) with subsidy. As on July 31, 2008, power infrastructure has been set up in around 50,000 villages. Out of 37 lakh rural house-holds provided access to electricity, around 30 thousand house-holds belong to below poverty line (BPL) families.

What is your overall exposure to the power sector?

Cumulatively, the funds sanctioned and committed to the power sector was Rs 1.8 lakh crore as on March 31, 2008, while cumulative disbursements stand at Rs 75,000 crore. We will have financed generation projects to the tune of Rs 58,000 crore till 2007-08, envisaging adding 30,000 MW capacity in the country.

Tell us your expansion and diversification plans.

We have set up two subsidiary companies — the REC Transmission Projects Company Limited (RPTCL) and the REC Power Distribution Company (RPDCL). The objective of RPTCL is to provide consultancy as well as implement transmission projects. RPDCL provides consultancy and implements projects in the distribution sector.

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