

**GOVERNMENT OF INDIA  
MINISTRY OF POWER  
LOK SABHA  
UNSTARRED QUESTION NO.2049  
ANSWERED ON 09.12.2021**

**FUNDING OF IRRIGATION PROJECTS BY PFC AND REC**

**2049. SHRI UTTAM KUMAR REDDY NALAMADA:**

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

- (a) the year of establishment of Power Finance Corporation (PFC) and Rural Electrification Corporation (REC);**
- (b) the objectives of the Government to establish PFC and REC along with the shareholding of Government in PFC and REC;**
- (c) the year in which the objectives of PFC and REC changed to fund power utilisation equipment in irrigation projects;**
- (d) the number of States which have received funding for irrigation projects from PFC and REC, State-wise;**
- (e) whether the tender process is being done in a transparent manner in the irrigation projects which are being funded by PFC and REC; and**
- (f) the details of agencies executing the works from the funds sanctioned by PFC and REC?**

**A N S W E R**

**THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY**

**(SHRI R.K. SINGH)**

- (a) : Power Finance Corporation (PFC) Ltd was established on 16.07.1986 and REC Limited (Formerly Rural Electrification Corporation Limited) was established on 25.07.1969.**
- (b) : The objectives of the Government to establish PFC and REC are furnished at Annexure-I and Annexure-II respectively. While the Government of India holds 55.99% stake in PFC, the Government does not hold any stakes in REC. However, PFC, holds 52.63% of stakes in the REC Limited.**
- (c) & (d) : PFC and REC lend to specific portions of irrigation projects (Electromechanical [EM], Hydro-mechanical components and associated civil works such as pumps, motors, pressure mains, etc.) in line with their Object clauses in the Memorandum of Association (MoA). The relevant clauses of PFC are given at Annexure-III and the relevant clauses of REC are enclosed as Annexure-IV. Two States Andhra Pradesh and Telangana have received funding for the specific portion of irrigation projects both from PFC and REC. In addition to the above, REC Ltd has recently sanctioned loans in the states of Madhya Pradesh & Kerala also.**
- (e) : PFC and REC are Non-Banking Financial Institutions engaged with the lending operations and recoveries of their loans, and do not exercise oversight or manage the Tendering processes, which is carried out by the Project companies in terms of their applicable norms. PFC and REC are expected to exercise due diligence to ensure that costs are prudent.**
- (f) : The details of agencies executing the works from the funds sanctioned by PFC and REC are given at Annexure-V and Annexure-VI respectively.**

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**ANNEXURE REFERRED TO IN REPLY TO PART (b) OF UNSTARRED QUESTION  
NO. 2049 ANSWERED IN THE LOK SABHA ON 09.12.2021**

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**Main Objectives to establish PFC are given below:**

- (i) To finance power projects, particularly thermal and hydro-electrical projects.**
- (ii) To finance the renovation and modernisation of power plants aimed at improving the availability and performance of such plants.**
- (iii) To finance system improvement and energy conservation schemes.**
- (iv) To finance maintenance and repair of capital equipment including facilities for the repair of such equipment, training of engineers and other personnel employed in generation, transmission and distribution of power.**
- (v) To finance surveys and investigations of power projects.**
- (vi) To finance studies, schemes, experiments and research activities associated with various aspects of technology in power development and supply.**
- (vii) To finance promotion and development of other energy sources including alternate and renewable energy sources.**

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**ANNEXURE REFERRED TO IN REPLY TO PART (b) OF UNSTARRED QUESTION  
NO. 2049 ANSWERED IN THE LOK SABHA ON 09.12.2021**

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**Main Objectives to establish REC are given below:**

- I. To finance rural electrification schemes in the country;**
- II. To subscribe to special rural electrification bonds that may be issued by the State Electricity Boards on conditions to be stipulated from time to time;**
- III. To promote and finance rural electric cooperatives in the country;**
- IV. To administer the amounts received from time to time from the Government of India; and**
- V. Other sources such as grants for the purpose of financing rural electrification in the country.**

**Further, objects incidental to attainment of main object permits the works for lift irrigation from rivers and for irrigation for development of sugarcane, tobacco, tea-gardens, other crops and other rural uses, including other works as per sub clause III(b)(3) of Memorandum of Association of REC.**

**In addition to above clause which was existing prior to year 2009, the objects clause was amended in year 2009 to include various activities having linkage with power projects, including financing of enabling infrastructure facilities that may be required for the speedy and effective development of power sector.**

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**ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF UNSTARRED QUESTION NO. 2049 ANSWERED IN THE LOK SABHA ON 09.12.2021**

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**Clauses for funding of Power Utilisation Equipment - PFC**

**PFC has been funding irrigation projects (Only Electrical, Electro-mechanical components and associated civil works of an irrigation project) through enabling provisions in the objects of MoA. The enabling provisions under which funding of irrigation projects are being done are as under:-**

- **Main Objects to be pursued by the company:**

**Clause 1: To finance power projects, in particular thermal and hydro-electronic projects.**

**Clause 2: To Finance power transmission and distribution works.**

**Clause 11: To finance and to provide assistance for those activities having a forward and backward linkage, for the power projects, including but not limited to, such as development of coal and other mining activities for use as a fuel in power project, development of other fuel supply arrangement for power sector, electrification of Railway lines, laying of Railway lines, roads, bridges, ports and harbors & to meet such other enabling infrastructures facilities that may be required.**

- **Objects incidental or Ancillary to the attainment of the main Objects:**

**Clause 37: Generally to do all such other things as may be deemed incidental or conducive to the attainment of the objects or any of them.**

- **The other Objects for which the company is established are:**

**Clause 3: To undertake, carry out, promote and sponsor any program for development of power supply for promoting the social and economic welfare of, or the uplift of the rural population including in particular the economically weaker sections and to incur any expenditure in respect thereof and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.**

**The revised enabling provision presently applicable for funding irrigation projects (after MOA was amended in Oct, 2020 complying with Companies Act) is as given below :-**

- **“To finance projects, activities or works including electrification works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. of electrical and electromechanical systems, standalone or that are part of large projects e.g. Projects of Lift Irrigation, Sewage treatment plant, Smart City, Electrification of railway line, etc.”**

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**ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF UNSTARRED QUESTION NO. 2049 ANSWERED IN THE LOK SABHA ON 09.12.2021**

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**Clauses for funding of Power Utilisation Equipment – REC**

**REC has been funding Power utilization equipment for irrigation purposes since incorporation of Company in the year 1969. Further, REC objects incidental to attainment of main objects {clause III (b)(3)} inter-alia permits the works for lift irrigation from rivers etc. which was existing prior to year 2009. The objects clause was further amended in year 2009 to include various activities having linkage with power projects, including financing of enabling infrastructure facilities that may be required for the speedy and effective development of power sector. The gist of relevant Clause of Memorandum of Association of REC is reproduced below:**

- I. To finance rural electrification schemes in the country;**
- II. To subscribe to special rural electrification bonds that may be issued by the State Electricity Boards on conditions to be stipulated from time to time;**
- III. To promote and finance rural electric cooperatives in the country;**
- IV. To administer the amounts received from time to time from the Government of India; and**
- V. Other sources such as grants for the purpose of financing rural electrification in the country.**

**Further, the objects clause of Memorandum of Association of REC was recently amended in the year 2021, *inter-alia* which also includes power utilization equipment in irrigation projects, electrical and electro-mechanical/hydro systems, forming part of large projects including lift-irrigation projects, etc.**

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**ANNEXURE REFERRED TO IN REPLY TO PART (f) OF UNSTARRED QUESTION NO. 2049  
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**Details of Agencies executing the works from the funds sanctioned by PFC**

**Kaleshwaram Project: Implementing Agency (Kaleshwaram Irrigation Project Corporation Ltd.)**

<b>Engineering, procurement and construction (EPC) Package</b>	<b>Name of the Contractor</b>
<b>Package 6 (tunnel/canals from Sripada Yellampally Reservoir to Medaram Tank, Pump House and Associated works)</b>	<b>M/s. NAVAYUGA-PATEL BHEL (Consortium)</b>
<b>Package 8 (tunnel/canals from Medaram Tank to Midmainair reservoir, Pump House and Associated works )</b>	<b>M/s. MEIL-SEW-MAYTAS BHEL (Consortium)</b>
<b>Package 9 (tunnel/canals from Midmainair reservoir to Upper Manair Reservoir, Malkapet Reservoir, Pump House and Associated works )</b>	<b>M/s. IVRCL-BATPASCO-WPIL-MHI (JV)</b>
<b>Package 10 (tunnel/canals from Midmainair reservoir to Anantagiri Reservoir, Pump House and Associated works)</b>	<b>M/s. HCC-MEIL-BHEL (JV)</b>
<b>Package 11 (tunnel/canals from Anantagiri Reservoir to Sri Ranganayaka Sagar, Pump House and Associated works)</b>	<b>M/s. SEW-MEIL-BHEL (JV)</b>
<b>Package 12 (tunnel/canals from Sri Ranganayaka Sagar to Sri Komaravelly Mallana Sagar Reservoir, Pump House and Associated works)</b>	<b>M/s. MEIL-SEW-ABB-AAG (JV)</b>
<b>Package 14 (canal upto Konda Pochamma Reservoir, Pump House and Associated works)</b>	<b>M/s. Megha Engineering Infrastructure Ltd</b>
<b>Package 20 (tunnel/canals from SRSP Foreshore to Masani Tank,Pump House and Associated works)</b>	<b>M/s. IVRCL-BATPASCOP-WPIL-MHI (JV)</b>
<b>Package 21 (tunnel/canals from Masani Tankto Kondem Cheruvu, Pump House and Associated works)</b>	<b>M/s. NAVAYUGA-AAG-ABB (JV)</b>
<b>Package 22 (tunnel/canals from Kondem Cheruvu to Bhumapally Reservoir ,Pump House and Associated works)</b>	<b>M/s. SCL-INDU-KBL-WEG (JV)</b>
<b>Package 27 (Canal System from Sriram Sagar to Dilwapur Village)</b>	<b>M/s. SUSHEE-ZVS-FLOWMORE (JV)</b>
<b>Package 28( Canal System from Sriram Sagar to Hangarga Village Village)</b>	<b>M/s. MEIL-ZPS-PVSRSN-ITT (Consortium)</b>
<b>Package 21A ( Pressurized Pipe System)</b>	<b>M/s. MEIL-HES (JV)</b>
<b>Medigadda barrage</b>	<b>M/s. L&amp;T PES (JV)</b>
<b>Medigadda Lift</b>	<b>M/s. MEIL NCC (JV)</b>
<b>Annaram Barrage</b>	<b>M/s. AFCONS VIJETA PES</b>
<b>Annaram Lift</b>	<b>M/s. Megha Engineering Infrastructure Limited, HYD</b>
<b>Sundilla Barrage</b>	<b>M/s. NAVAYUGA GMW (JV)</b>
<b>Sundilla Lift</b>	<b>M/s. Megha Engineering Infrastructure Limited, HYD</b>

**Palamuru Rangareddy Lift Irrigation Project: Implementing Agency (Kaleshwaram Irrigation Project Corporation Ltd.)**

<b>EPC Package</b>	<b>Name of the Contractor</b>
<b>Package 1 Pump House at Narlapur and associated works</b>	<b>M/s Navayuga Engineering Company Ltd.,</b>
<b>Package 5 Pump House at Yedula and associated works</b>	<b>M/s MEIL-BHEL (JV)</b>
<b>Package 8 Pump House at Vattam and associated works</b>	<b>M/s MEIL-BHEL (JV)</b>
<b>Package 16 Pump House at Udandapur and associated works</b>	<b>M/s Navayuga - RVR (JV)</b>
<b>Substation and Transmission lines</b>	<b>TSTRANSCO</b>

**Rayalseema Drought Mitigation Project: Implementing Agency: Andhra Pradesh Rayalseema Drought Mitigation Projects Development Corporation Limited**

<b>Project work</b>	<b>Name of the Contractor</b>
<b>Rayalaseema Lift Scheme to draw and utilize 3 TMC per day from Sangameswaram to SRMC at Km 4 from Pothireddypadu Head Regulator</b>	<b>M/s SPML- NCC- MEIL (JV)</b>
<b>Formation of Rajoli Reservoir across Kundu River on upstream side of existing Rajoli Anicut for a total storage capacity of 2.95 TMC of water</b>	<b>M/s MRKR- RITHWIK (JV), HYD</b>
<b>Construction of Joladarasi Reservoir with 0.80 TMC capacity across Kundu River at Joladarasi (V), Koilakuntla (M), Kurnool Dist.</b>	<b>M/s MRKR- RITHWIK (JV), HYD</b>
<b>Improvements of GNSS FFC : Widening of GNSS FFC from Owk Reservoir to Gandikota Reservoir</b>	<b>M/s MRKR Constructions &amp; Industries Pvt Ltd, Hyderabad</b>
<b>Additional Gandikota Tunnel to carry 10,000 cusecs for feeding to Gandikota reservoir.</b>	
<b>Errabali Lift Irrigation Scheme to supplement UCIL affected villages including Formation Reservoir at Giddangivaripalli</b>	
<b>Kundu Lift Irrigation scheme</b>	<b>M/s Megha Engineering Infrastructures Ltd, Hyderabad</b>
<b>Upgradation of Gandikota CBR Lifts &amp; Gandikota Paidipalem Lift Scheme</b>	
<b>Development of Micro Irrigation under PBC, CBR Right Canal and GLI Systems</b>	
<b>GNSS to HNSS Lift Irrigation Scheme</b>	<b>M/s PLR Projects Private limited, &amp; Navayuga Engineering Company Limited (JV), Hyderabad</b>
<b>Package-I : Improvements of HNSS Main canal from - 4.806 Km to 88.00 Km</b>	<b>Under Tendering Stage</b>
<b>Package-2 : Improvements of HNSS Main canal from 88.00 Km to 216.3 Km</b>	<b>Under Tendering Stage</b>
<b>Enhancing the carrying capacity of Punganuru Branch Canal under HNSS P-II to feed upto Kuppam including irrigation network</b>	<b>Documents for Tendering under preparation</b>
<b>Formation of three balancing reservoirs near Mudivedu, Netiguttapalli and Avulapalli</b>	<b>M/s NECL-RRCIPL (Joint Venture), Hyderabad,</b>
<b>Widening of Somasila Kandaluru Flood Flow Canal (SKFF)</b>	<b>M/s VPR-GDR-MRGR (JV)</b>

<b>Improvements to GKN Canal from Somasila to feed Rallapadu Reservoir</b>	<b>VPR-GDR-MRGR (JV) Hyd Pvt Ltd</b>
<b>Improvements to GNSS Canal from Km.0.00 to Km.56.00</b>	<b>Under Tendering stage</b>
<b>Alavalapadu Lift Irrigation Scheme</b>	<b>M/S SLR Infra Pvt. Ltd, Hyderabad</b>
<b>Galivedu Lift Irrigation Scheme</b>	<b>M/S KCCL- NAR Joint venture, Hyderabad</b>

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**Details of Agencies executing the works from the funds sanctioned by REC**

Sl. No.	Project Name	Agencies executing the works from the funds sanctioned by REC
<b>Andhra Pradesh</b>		
<b>Borrower- Andhra Pradesh Water Resources Development Corporation (APWRDC)</b>		
1.	Chintalapudi Lift irrigation scheme	M/s MEIL & RVR
2.	Kondaveetivagu Lift scheme – Flood relief Scheme	M/s. Megha Engineering & Infrastructures Ltd
3.	Purushottapatnam Lift irrigation scheme	M/s. Megha Engineering & Infrastructures Ltd
4.	Interlinking of Godavari-Penna Rivers Phase 1 Project	M/s MEIL & RVR
<b>Telangana</b>		
<b>Borrowers:-</b>		
<b>(i) Telangana State Water Resource Infrastructure Development Corporation Ltd. (TSWRIDCL)</b>		
<b>(ii) Kaleshwaram Irrigation Project Corporation Ltd. (KIPCL)</b>		
1.	Indiramma Flood Flow Canal (IFFC)	M/s Navayuga Engineering Company Limited; M/s Megha Engineering & Infrastructures Ltd.; M/s MEIL-RATNA-KBL (J.V), M/s Integrated Engineering; M/s Navayuga Engineering Company Limited, Hyderabad
2.	Sita Rama Lift Irrigation Project	M/s Megha Engineering & Infrastructures Ltd; M/s NCC-PRATHIMA-AMRUTHA (JV); M/s Megha Engineering & Infrastructures Ltd.; M/s SDC-KAVERI
3.	PV Narasimha Rao – Kanthanapally Sujala Sravanthi scheme at Thupakulagudem	M/s SEW-RITHWIK
4.	J. Chokkarao – Devadula Lift Irrigation project Already executed E&M works under Devadula & Other works	M/s. Coastal Projects Pvt. Ltd., Patel Engineering Ltd., Jyoti Ltd., CBE Consortium; M/s. HCC SEW-MEIL-AAG(JV); M/s. NCC-MEIL-ZVS-SIGMA Consortium; M/s. MEIL-PRASD-KBL (JV); M/s. Megha Engineering & Infrastructures Limited
5.	E&M, H&M and associated Civil works for lifting capacity enhancement of existing system by 1.1 TMC (Thousand Million Cubic Feet) water per day from Sripada Yellampally Project (SYP) to Mid Mannair Reservoir under Link 2	M/s Megha Engineering & Infrastructures Ltd
6.	E&M, H&M and associated Civil works for lifting of additional 1 TMC water per day from Medigadda Barrage on Godavari River to Reservoir at Sripada Yellampally Project (SYP) under Link-1	M/s MEIL-NCC (JV); M/s Megha Engineering & Infrastructures Ltd
7.	E&M, H&M and associated Civil works For lifting of additional 1 TMC water per day from Mid Manair Reservoir to Sri Komaravelli Mallana Sagar Reservoir under Link-4	M/s Pratima-NCC-NECL (JV); M/s Megha Engineering & Infrastructures Ltd.; M/s KNR-NAVAYUGA-NCC (JV)

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