

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:4706

ANSWERED ON:18.12.2009

LOSSES OF SEBS

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

- (a) whether several State Electricity Boards (SEBs) and the department of power of Dadar and Nagar Haveli are incurring heavy financial losses;
- (b) if so, the details thereof, State/UTwise;
- (c) whether the Government has started any scheme to give incentives to the States/UTs to minimize losses of power sector;
- (d) if so, the details thereof; and
- (e) the incentives given by the Government under the said scheme during each of the last three years and the current year?

**Answer**

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

(a) & (b): PFC publishes the 'Report on Performance of State Power Utilities'. The Report covers State Power Utilities (SEBs/unbundled utilities/Power Departments) and private distribution Companies created as a result of reform measures (DISCOMs in Delhi & Orissa) in all the States, NCT of Delhi as well as Union Territory of Puducherry.

The Report is compiled on the basis of data given in the annual accounts (audited / provisional) of SEBs/unbundled utilities and Annual Resource Plans submitted to the Planning Commission by State Power Departments and utilities not preparing annual accounts. The 6th Report covering the Performance of State Power Utilities for the years 2005-06 to 2007-08 has been published by PFC.

Based on the above Report, the details of profit/(losses) on accrual basis incurred by the State Electricity Boards during the years 2005-06 to 2007-08 are enclosed at Annex-I. The details of subsidy booked and received by the State Electricity Boards during the years 2005-06 to 2007-08 are enclosed at Annex-II.

As informed by Electricity Department, Dadra & Nagar Haveli (D&NH) a loss of Rs.182.11 Crores occurred during the financial year 2008-2009 due to excessive increase in power purchase cost and due to reasons as provided in Annex-III.

D&NH incurred a deficit of Rs.182.11 Crores during 2008-09 which was beyond the control of the UT Administration. However, due to a number of measures taken by the Electricity Department, constant monitoring and increasing the tariff by holding detailed consultative meetings with the industries Association and representatives, the Electricity Department has recovered the entire deficit incurred during 2008-2009 and earned considerable profit during the current financial year. At present the Electricity Department is having surplus power and earning good profit.

(c) to (e): Ministry of Power, Government of India (GOI) launched Restructured- APDRP (R-APDRP) in July 2008 as a central sector scheme for XI Plan. The scheme comprises of two parts-Part-A & B. Part-A of the scheme is dedicated to establishment of IT enabled system for achieving reliable & verifiable baseline data system in all towns with population greater than 30,000 as per 2001 census (10,000 for Special Category States). Part-B deals with regular T&D system strengthening & upgradation projects. The focus for Part-B is on loss reduction on sustainable basis. Power Finance Corporation has been appointed as nodal agency for operationalising the scheme.

The entire amount of Gol loan (100%) for Part-A of the project shall be converted into grant after establishment of the required Base-Line data system within a stipulated time frame and duly verified by monitoring agency. Up-to 50% (90% for special category States) loan provided by Gol for Part-B projects shall be converted into grant progressively on achievement of AT&C loss reduction targets.

Till date, loan amount of Rs.4730 crore has been sanctioned for 1283 towns (covering 22 states) out of 1420 eligible towns for funding under Part-A of R-APDRP. An amount of Rs.977 crore has already been disbursed to utilities. The details are enclosed at Annex-IV.