

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:6405
ANSWERED ON:08.05.2000
SPECIAL DISPENSATION FUND
JAYABEN B. THAKKAR

Will the Minister of POWER be pleased to state:

- (a) whether his Ministry is likely to create a special dispensation fund for providing finances for modernisation and renovation of power plants in the country;
- (b) if so, the factors which led the Union Government to create such a fund; and
- (c) the details in regard to the proposed utilisation of the fund?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : A scheme for creation of special fund for Accelerated Power Development Programme (APDP) has been initiated by the Planning Commission in order to give a fillip to the reforms process in the power sector. The scheme proposed to cover activities relating to renovation and modernisation (R&M)/Life Extension/uprating of generating stations (both thermal and hydel) and strengthening of sub-transmission and distribution system. The scheme will be made operational from the annual plan 2000-2001 and covers projects to be taken up from 1st April, 2000 onwards. An amount of Rs.1000 crores has been allocated for the year 2000-2001 under the Ministry of Finance (Demand No.30).

The modalities for implementing the scheme and the funding of the scheme through a combination of grant and loan are being finalised by the Planning Commission.

In order to avail assistance under the scheme, the State Governments/State Electricity Boards/State Utilities will have to formulate viable projects. A Committee constituted by the Planning Commission will monitor the implementation of the project.