

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:53
ANSWERED ON:04.12.2003
T AND D LOSSES TO SEBs
MADAN PRASAD JAISWAL;RATNA SINGH

Will the Minister of POWER be pleased to state:

- (a) whether the financial condition of the State Electricity Boards are in a precarious position with total Transmission and Distribution losses accounting for more than Rs.30,000 crores annually;
- (b) if so, the measures initiated by the Government to mitigate the situation;
- (c) whether the Government proposes to launch an incentive scheme to help States to minimize the T&D losses; and
- (d) if so, the details of the schemes and the States which have so far qualified for the incentive along with the action taken in this regard?

Answer

THE MINISTER OF POWER (SHRI ANANT GANGARAM GEETE)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 53 TO BE ANSWERED IN THE LOK SABHA ON 04.12.2003 REGARDING T AND D LOSSES TO SEBs.

(a) : Yes, Sir.

(b) to (d) : To improve the financial viability of the State Electricity Boards (SEBs), the Government have launched the Accelerated Power Development and Reforms Programme (APDRP). The Programme has two components, namely, investment component and incentive component. Under investment component, the Central Government provides assistance to the tune of 50% of the project cost for the upgradation and modernization of distribution system in the form of 50% grant and 50% loan to SEBs in the case of non-special category States. In case of special category States (States of North-eastern region, Jammu & Kashmir, Himachal Pradesh, Uttaranchal and Sikkim), Government of India provides 100% of the project cost as financial assistance in the ratio of 90% grant and 10% loan.

Under incentive component of the Programme, the States are given 1:2 grant for actual cash loss reduction by the SEBs/Utilities, i.e. for every Rs.2 of cash loss reduction, Rs.1 is given as grant. During the financial year 2002-03, four States viz. Maharashtra, Gujarat, Haryana and Rajasthan have shown cash loss reduction to the tune of Rs.579.74 crore, Rs.1072.30 crore, Rs.210.98 crore and Rs.275.42 crores respectively and have become eligible for incentive of Rs.289.87 crore, Rs.536.15 crore, Rs.105.49 crore and Rs.137.71 crores respectively. An interim release of incentive to Maharashtra, Gujarat and Haryana amounting to Rs.137.89 crore, Rs.236.37 crore and Rs.5.01 crore respectively has been made on March 31, 2003. Balance incentive to Maharashtra, Gujarat and Haryana and incentive to Rajasthan will be made during the current year.