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**Impact of Restructuring of SEBs on  
Financial Performance of State Level  
Electricity Utilities in India**

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The objective of this study is to analyse empirically the impact of restructuring of State Electricity Boards (SEBs) on their financial performance during the post power reforms period. A panel data model is estimated for 19 major States in India from 2001-02 to 2006-07. We find that restructuring of State Electricity Boards (SEBs) and improvements in cost recovery significantly reduced the commercial loss of Utilities. The results also suggest that even though there is no significant influence of external interest groups, the internal interest groups still have a significant impact on the decisions of the utilities. Moreover, the existence of soft-budget constraint acted as an obstacle to the path of bringing efficiency and competition.

*Key Words/Phrases:* Electricity Utilities; Restructuring/unbundling; Commercial Loss

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