

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.2542
ANSWERED ON 10.08.2026

FINANCIAL AUDIT AND RECOVERY IN RDSS SMART METER ROLLOUT

2542 DR. LAXMI KANT BAJPAI:

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

- (a) whether the Central Government has reviewed the compliance of state discoms, particularly in the State of Uttar Pradesh, under the Revamped Distribution Sector Scheme (RDSS) following severe public grievances, overcharging, and the subsequent reversal of prepaid meters to postpaid mode;
- (b) the Ministry's monitoring mechanism over the amount of several crores sanctioned to the State under RDSS to ensure central funds are not misutilized through inflated project tenders or vendor overpricing; and
- (c) the Central guidelines or enforcement actions are being deployed to audit contracts awarded to blocklisted infrastructure vendors, the details thereof?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a): Electricity being a concurrent subject, supply and distribution of electricity to consumers, including metering, billing and the mode of metering, falls within the purview of the respective distribution utility, which functions under the guidance of the State Government and State Electricity Regulatory Commission. However, Government of India supplements the efforts of the States through various schemes to help them improve the performance of the distribution utility.

Government of India launched the Revamped Distribution Sector Scheme (RDSS) in July 2021 with the objective of improving the quality of power supply through a financially sustainable and operationally efficient distribution sector. Under the scheme, smart metering works for 19.79 crore consumers, 52.53 lakh Distribution Transformers and 2.05 lakh feeders have been sanctioned based on the proposals submitted by the States/ distribution utilities, and 5.73 crore smart meters have been installed as on 30th June 2026. A total of 7.24 Cr smart meters have been installed under various schemes including State plans.

For the State of Uttar Pradesh, projects amounting to Rs. 21,782 crore for loss reduction infrastructure works and Rs. 18,956 crore for smart metering works have been sanctioned under the scheme.

Government of India has issued guidelines, advisories and Standard Operating Procedures (SoPs) to enhance consumer confidence in smart meters, which, inter alia, include the following:

- i. Smart meters to adhere to the relevant technical and quality standards as per the BIS (Bureau of Indian Standards) certification.
- ii. Installation of check meters to verify the readings of smart meters on a random basis and mandatory installation in case of consumer complaints which provides consumers the option of independent meter testing.
- iii. No penalty on consumers based on maximum demand recorded by smart meters; and a mechanism for recovery of past arrears in easy instalments.
- iv. Smart meter mobile applications for consumption monitoring, convenience of recharge in small denominations, and advance alerts for low balance and emergency credit.
- v. Provisions for multiple recharge options, consumer feedback mechanism, effective complaint resolution mechanism and comprehensive consumer engagement campaigns.

(b) & (c): The implementation of the scheme, including in the State of Uttar Pradesh, is reviewed at the State level through the Distribution Reforms Committee headed by the Chief Secretary and monitored by the Nodal Agencies, namely PFC Ltd and REC Ltd, for their respective States on a regular basis. The Inter-Ministerial Monitoring Committee headed by Secretary (Power) monitors the overall implementation of the scheme at the national level. Further, the release of funds under the scheme is contingent on improvement in the operational and financial performance of the distribution utilities and is linked to the physical and financial progress of the sanctioned works as per the guidelines.

Standard Bidding Documents (SBDs) have been issued under RDSS for loss reduction infrastructure and smart metering works. The selection of vendors/ implementing agencies on competitive basis and award of contracts under the scheme is carried out by the respective State distribution utilities based on the SBD issued and the applicable procurement rules of the State Government. These, inter-alia, provide for verification of credentials, past performance and eligibility of bidders, including their debarment/ blacklisting status.
