

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.2594
ANSWERED ON 22.12.2022**

AGGREGATE TECHNICAL AND COMMERCIAL LOSSES

2594. SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:

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

- (a) whether it is a fact that Aggregate Technical and Commercial (AT&C) losses of power distribution utilities declined to 17 per cent in 2021-22 from 22 per cent a year earlier;**
- (b) if so, the details thereof;**
- (c) whether it is also true that the said reduction in AT&C losses helped to improve the finances of utilities to maintain the system and buy power as per requirement and providing benefit to the consumers and if so, the details thereof;**
- (d) whether it is also true that the Government took a number of steps to improve the performance of power distribution utilities and if so, the details thereof;**
- (e) whether it is a fact that the Government has taken a decision that any future assistance to strengthen distribution systems will be available to a loss-making discoms only if it undertakes to bring AT&C losses gap down to specified levels within the specific time-frame and if so, the details thereof;**
- (f) the details of the Discoms that made losses during the year 2021-22, State/UT-wise; and**
- (g) the steps taken by the Discoms to realize their outstanding dues from all clients?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) & (b) : The preliminary analysis of data for FY 2022 of 56 DISCOMs contributing to more than 96% of input energy, indicates that the AT&C losses of DISCOMs have declined to ~17% in FY 2022 from ~22% in FY 2021.

(c) : The AT&C Loss is one of the key indicators of DISCOM's performance. The losses directly impact the cash flow position of DISCOMs and further worsen their financial position. High losses force the Discoms to supply costly electricity to consumers. Reduction in AT&C losses improves the finances of the utilities, which will enable them to better maintain the system and buy power as per requirements; benefitting the consumers.

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(d) : Government of India have been implementing various performance linked and result oriented schemes, with the objective to have a financially secure, viable and sustainable power sector (distribution segment in particular). Various initiatives undertaken by Ministry of Power (MoP) includes Revamped Distribution Sector Scheme (RDSS), Electricity (Late Payment Surcharge and Related Matters) Rules 2022, Additional Borrowing space of 0.5% of GSDP to the States linked to power sector reforms, Corporate Governance Guidelines, Additional Prudential Norms for lending by Power Finance Corporation (PFC) Limited and Rural Electrification Corporation (REC) Limited, based on the performance of the utilities, Liquidity Infusion Scheme (LIS) and PM KUSUM Scheme. These initiatives have been designed to tackle financial and operational issues to bring in the desired financial discipline in Discoms and State Governments.

(e) : MoP has decided that any future assistance under any scheme for strengthening of the distribution system by the DISCOMs will be available to a DISCOM, which is making losses only if it undertakes to bring its AT&C losses / ACS-ARR Gap down to specified levels, within a specific timeframe and gets their State Government's commitment to it. The RDSS lays down that funding under the scheme will be available only if the DISCOM commits to an agreed loss reduction trajectory. Other initiatives like Additional Borrowing space of 0.5% of GSDP to States linked to power sector reform; Additional Prudential Norms for lending by PFC Limited and REC Limited also have a similar provision.

(f) : The final "Report on Performance of Power Utilities" for the FY 2021-22 is awaited.

(g) : The RDSS envisages implementation of prepaid smart metering. This will ensure timely payment of electricity dues. Coverage of agricultural consumers has been left to the discretion of the States. Further, the pre-qualifying criteria of the RDSS, inter-alia, include timely payment of subsidy and clearing outstanding Government Departments dues.
