

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
STARRED QUESTION NO.541
ANSWERED ON 02.04.2026**

PROVISIONS OF ELECTRICITY ACT, 2003

**†*541. ADV. CHANDRA SHEKHAR:
SHRI HANUMAN BENIWAL:**

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

- (a) whether any instructions have been issued by the Government through a notification in 2021 for installation of smart meters in prepaid mode for all electricity consumers across the country and if so, the details thereof, State-wise along with the provisions of the Electricity Act, 2003 under which the said notification was issued;**
- (b) whether under Section 47(5) of the said Act, consumers have been provided the option to choose prepaid meters and if so, the details thereof;**
- (c) whether making prepaid mode mandatory without the consent of consumers is contrary to the basic objective of the said Act and if so, the details thereof;**
- (d) whether the Government proposes to keep the option of postpaid open for the consumers who do not opt for the prepaid option or to issue explicit guidelines in this regard; and**
- (e) if so, the details thereof along with the time by which it is likely to be done and if not, the reasons therefor?**

A N S W E R

THE MINISTER OF POWER

(SHRI MANOHAR LAL)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 541 FOR REPLY ON 02.04.2026 REGARDING PROVISIONS OF ELECTRICITY ACT, 2003 ASKED BY ADV. CHANDRA SHEKHAR AND SHRI HANUMAN BENIWAL

(a) to (e): (i) Section 47(5) of the Electricity Act, 2003 provides that where a consumer so requests, the distribution licensee shall provide the consumer with a pre-payment meter and no security shall be required for the same.

(ii) Further, Government has issued the Electricity (Rights of Consumers) Rules, 2020, which mandate that new connections shall be provided only with smart pre-payment meters or pre-payment meters and any exception to the smart meter or prepayment meter shall have to be duly approved by the State Electricity Regulatory Commission.

(iii) As per the Central Electricity Authority (Installation and Operation of Meters) (Amendment) Regulations, 2022, as amended, all consumers in areas with communication network shall be supplied electricity with Smart Meters conforming to relevant Indian Standards (IS), within the timelines as provided by the Central Government. It also provides that all Advanced Metering Infrastructure shall include prepayment functionality and shall be interoperable in accordance with guidelines issued by the Central Electricity Authority.

(iv) The Government of India launched the Revamped Distribution Sector Scheme (RDSS) in July 2021 with the objective of improving the quality and reliability of power supply to consumers. One of the key interventions under RDSS is the installation of smart meters for consumers, Distribution Transformers (DTs) and feeders. It is envisaged that the smart meters deployed should have prepayment functionality and the approach of the Government is to incentivise consumers for adoption of prepaid smart meters based on the benefits offered by these meters.

(v) Post paid service has traditionally been the default mode for installed smart meters. However, considering the benefits offered to both consumers and distribution utilities, deployment of smart prepaid meters has been undertaken under the Revamped Distribution Sector Scheme (RDSS) and State schemes. Under RDSS, smart metering works covering 19.79 Cr consumer meters in prepaid mode, 52.53 lakh Distribution Transformers (DTs) and 2.05 lakh feeders have been sanctioned based on the proposals submitted by States/UTs and 4.69 Cr smart meters have been installed. Smart meters have also been installed under other schemes including State schemes. A total of 6.13 Cr smart meters have been installed across the country under various schemes of which 2.25 cr are working in prepaid mode.

(vi) The following benefits of prepaid smart meters have been envisaged for consumers:

- i. Convenience of recharge with small recharges**
- ii. Emergency credit in meter to avoid disconnection on zero balance**
- iii. Tracking of consumption**
- iv. Error free billing**

Besides the consumers, prepaid smart metering helps improve the billing and collection efficiency of the Distribution Utility while providing benefits like Automatic Energy accounting, improved Load forecasting, use of data analytics for demand side management and facilitates an enabling ecosystem for energy transition. The benefits, accruing to the distribution utilities, eventually gets passed on to the consumers in the form of better services and lower costs.

(vii) Initially, there were some challenges in the implementation of smart metering works due to inadequate consumer awareness regarding the benefits of smart meters. To improve consumer engagement and enhance confidence, the Ministry has issued various advisories/Standard operating Procedures (SoPs). These include:

- Prioritizing installation of prepaid smart meters in Government Establishments, Commercial and Industrial consumers and subsequently for other consumers based on demonstration of benefits.**
- Incentivizing consumers for prepaid meter installation through rebate in bill;**
- No penalty on consumer based on maximum demand recorded by smart meter;**
- Mechanism for recovery of past arrears in easy instalments;**
- Installation of check meters for enhancing confidence in accuracy of smart meters.**
- Smart meter mobile apps are being made available to allow for regular tracking of consumption of electricity and for easy recharge;**
- Advance alerts for balance and emergency credit to consumers**

The sunset date of the scheme is 31stMarch, 2028.
