

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.2268
ANSWERED ON 12.02.2026**

PRIMARY OBJECTIVES OF RDSS

**2268. SMT. BHARTI PARDHI:
SHRI RAVINDRA DATTARAM WAIKAR:
SHRI NARESH GANPAT MHASKE:
SHRI SHRIRANG APPA CHANDU BARNE:
DR. SHRIKANT EKNATH SHINDE:**

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

- (a) the primary objectives of the Revamped Distribution Sector Scheme (RDSS) and manner in which it aims to reform and strengthen the distribution sector in the country;**
- (b) the expected outcomes of the scheme, particularly in terms of reducing Aggregate Technical and Commercial (AT&C) losses and bridging the Average Cost of Supply-Average Revenue Realized (ACS-ARR) gap by 2025-26;**
- (c) the key reforms being implemented under the RDSS to achieve the targets and the role of Union Government and State Governments in this process till December, 2025;**
- (d) the expected timeline for achieving the reduction in AT&C losses and ACS-ARR gap across the country and the monitoring mechanisms in place to track the progress; and**
- (e) whether any additional support or incentives are being provided to power distribution companies under the scheme to ensure its successful implementation and sustainability and if so, the details thereof?**

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) to (e) : Government of India (GoI) launched the Revamped Distribution Sector Scheme (RDSS) in July 2021 with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution Sector. The scheme has an outlay of Rs. 3,03,758 Cr. and estimated Gross Budgetary Support (GBS) from Central Government of Rs. 97,631 Cr. The sunset date of the scheme is 31.03.2028.

The scheme aims to reduce Aggregate Technical and Commercial (AT&C) losses to pan-India levels of 12-15% and the gap between the Average Cost of Supply (ACS) and Average Revenue Realized (ARR) to zero.

Under the scheme, financial assistance is being provided to the Distribution Utilities (excluding Private Sector Utilities) for loss reduction and smart metering works. Projects worth Rs. 1.53 lakh crore for loss reduction and Rs. 1.3 lakh crore for smart metering works have been sanctioned under the scheme.

The release of funds under the scheme is contingent on improvement in operational and financial performance of the utilities which, in addition to other initiatives taken by Gol, has helped in bringing discipline in payment of Government subsidies and Govt. department dues to the utilities, regular issuance of tariff order, publishing of accounts, non-creation of regulatory assets, etc.

Monitoring and review of works sanctioned under RDSS is being done by the Nodal Agencies namely PFC Ltd and REC Ltd on a regular basis. Further, an institutional mechanism at the State level i.e., Distribution Reforms Committee headed by Chief Secretary of the State concerned, and at the Central level i.e., Inter-Ministerial Monitoring Committee headed by Secretary (Power), has been put in place under the RDSS guidelines to review and monitor the implementation of the works sanctioned under the Scheme.

In addition to above, support for Project Management Agency (PMA) for distribution utilities is being provided under the scheme for covering services like planning, tendering, monitoring, and execution oversight.

As a result of various reforms undertaken under RDSS & other initiatives and with collective efforts of the Centre and States/UTs, the AT&C loss of distribution utilities at national level have reduced from 21.91% in FY21 to 15.04% in FY25 and ACS-ARR Gap has reduced from Rs. 0.69/kWh in FY21 to Rs. 0.06/kWh in FY25. It is envisaged that the overall scheme objective shall be achieved by the end of the scheme period.
