

The [UDAY scheme](#) has helped debt-laden [discoms](#) reduce annual losses by 70 per cent to around Rs 173.5 billion in last two years, according to the [Deutsche Bank Market Research](#) report.

The scheme for restructuring [power distribution companies](#) has also helped them cut aggregate technical and commercial losses by 5 per cent.

The report said, however, that the net results of [UDAY scheme](#) have not been keeping pace with the stringent targeted trajectory.

It also said that the gap between ACS (actual cost of supply of power) and ARR (Cost & Tariff rate) has reduced to Rs 0.24/kWh or by 57 per cent over two years.

The government had launched Uday reforms for the power distribution sector in November 2015, to turn them around from deep financial and operational losses.

At that time the accumulated losses of these [discoms](#) amounted to Rs 4.3 trillion with annual incremental losses of Rs 600 billion.

It said that electricity demand revival is partly showing up in elevated exchange tariffs as well as better health of state utilities and 'Saubhagya' household electrification led growth.

As per the study, top 5 states which saw maximum reduction in A&TC losses in 2017-18 over 2016-17 were Manipur, Jammu & Kashmir, Assam, Rajasthan and Bihar, while bottom 5 performers were Mizoram, Madhya Pradesh, Punjab, Tripura and Uttarakhand.