

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.4576  
ANSWERED ON 27.03.2025**

**ELECTRICITY DISTRIBUTION COMPANIES**

**4576. DR. THIRUMAAVALAVAN THOLKAPPIYAN:**

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

- (a) whether the Government is aware that allowing one or two Electricity distribution companies in the same area leads only to monopoly of one or two companies;**
- (b) if so, whether the Government has any plan to announce it as compulsory to have at least five companies to exist in each of such area so that the expectation of the Government to increase the efficiency is achieved; and**
- (c) if not, the reasons therefor?**

**A N S W E R**

**THE MINISTER OF STATE IN THE MINISTRY OF POWER**

**(SHRI SHRIPAD NAIK)**

**(a) to (c) : To promote competition in electricity sector, Electricity Act, 2003 does not impose any restrictions on number of licensees in a distribution area. Appropriate Electricity Regulatory Commission may grant multiple licences for distribution of electricity within the same area.**

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