

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.844
ANSWERED ON 04.12.2025**

MEASURES TO ENHANCE TRANSPARENCY IN DISCOMS FINANCIAL REPORTING

844. SHRI YADUVEER WADIYAR:

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

(a) the specific measures introduced under the Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024 to enhance transparency and accountability in the financial reporting of Electricity Distribution Companies (DISCOMs); and

(b) the manner in which the new reporting requirements for Average Cost of Supply (ACS) and Aggregate Technical and Commercial (AT&C) losses are expected to impact regulatory oversight and the financial sustainability of power distribution companies?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) & (b): Government of India has been supplementing the efforts of States/ UTs through various policy interventions for a financially sustainable and operationally efficient distribution Sector. In this direction, Ministry of Power has promulgated Electricity Distribution (Accounts & Additional Disclosure) Rules, 2025 so as to make uniform provisions for accounting in distribution sector. The rules will come into effect from April 1, 2026. The rules require electricity distribution utilities to enhance financial transparency by making additional disclosures alongside their financial statements.

Key requirements include following:

- i. Improved accounting practices for regulatory deferral accounts,**
- ii. Mandatory provisioning for unrecovered claims based on age, and**
- iii. Reporting on the gap between the cost of supply and revenue (ACS vs. ARR) and Aggregate Technical and Commercial (AT&C) losses.**

Additional disclosure statements (ADS) have been mandated to be annexed under notes to accounts of the financial statements so as to help determine the operational and financial health of the distribution utilities.
