

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.2109
ANSWERED ON 12.02.2026**

FINANCIAL STRESS OF DISCOMs

2109. MS KANGNA RANAUT:

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

(a) the present financial position of Power Distribution Companies (DISCOMs) in the country, including broad indicators such as Aggregate Technical and Commercial (AT&C) losses, outstanding dues and accumulated losses;

(b) the steps and schemes undertaken by the Government to address the financial stress of DISCOMs including reforms related to tariff rationalisation, loss reduction, payment discipline and operational efficiency;

(c) the progress achieved so far under these initiatives including improvements in financial performance, reduction in losses and enhancement of service delivery; and

(d) the further measures proposed by the Government to ensure long-term financial stability and viability of DISCOMs while safeguarding consumer interests?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a): As per the PFC's 14th Annual Integrated Rating and Ranking report on Power Distribution Utilities, the DISCOM-wise AT&C loss, accumulated surplus/loss and total borrowings as on 31.03.2025 are placed at Annexure.

(b) to (d): (i) Government of India has been supporting the States to improve the financial viability of their distribution utilities through various initiatives. Some of the key initiatives taken are as under:

- i. Revamped Distribution Sector Scheme (RDSS) has been launched in the year 2021 with the objective of improving the quality and reliability of supply of power through a financially sustainable and operationally efficient distribution sector. The release of funds under the scheme is linked to performance of the States/ distribution utilities against financial and operational parameters.**
- ii. Additional borrowing space of 0.5% of Gross State Domestic Product (GSDP) has been made available to State Governments, which is conditional upon them undertaking specific reforms in the power sector including financial performance of the distribution utilities.**

- iii. **Additional Prudential Norms have been laid down for sanctioning of loans to State-owned power utilities based on performance of power distribution utilities against prescribed conditions.**
- iv. **Rules for implementation of Fuel and Power Purchase Costs Adjustment (FPPCA) and cost-reflective tariff have been framed so as to ensure that all prudent costs for supply of electricity are passed through.**
- v. **Rules and Standard Operating Procedure have been issued for proper subsidy accounting and their timely payment.**
- vi. **To improve payment discipline in the power sector value chain, Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 were promulgated, 2022 which entail obligations upon the DISCOMs to clear their legacy dues as existing on 03.06.2022 in a phased manner and time bound clearance of current dues.**

(ii) With concerted efforts of Central and State Governments, the Aggregate Technical and Commercial (AT&C) losses at national level have reduced from 21.91% in FY21 to 15.04% in FY25 while the national Average Cost of Supply - Average Revenue Realized (ACS-ARR) gap has narrowed from Rs. 0.69/kWh to Rs. 0.06/kWh. These collective efforts have also resulted in DISCOMs achieving a profit after tax (PAT) of Rs 2,701 crore for the first time.

(iii) Financial liabilities of State owned distribution utilities are the contingent liabilities of the respective State Government and need to be recognized as such. In order to ensure long-term financial stability for DISCOMs while safeguarding consumer interests, various measures have been envisaged in the draft National Electricity Policy (NEP) 2026, and Electricity (Amendment) Bill 2025 such as making it mandatory for Electricity Regulatory Commissions (ERCs) to determine cost-reflective tariffs, linking tariffs to a suitable index for automatic annual revision which operates if no tariff order is passed by the State Commission, strengthening of dispute resolution mechanism to reduce burden on ERCs and enable faster dispute resolution, flexibility to State Governments to continue to support specific consumer categories by providing advance subsidies on their behalf ensuring that no consumer group is unduly burdened etc.

ANNEXURE

ANNEXURE REFERRED IN REPLY TO PART (a) OF UNSTARRED QUESTION NO. 2109 ANSWERED IN THE LOK SABHA ON 12.02.2026

DISCOM wise financial and operational parameters as on 31.03.2025

State/ DISCOM	AT&C Loss (%)	ACS-ARR Gap (Rs./kWh)	Accumulated Surplus/ (Loss) (RsCr)	Total Borrowings (Rs Cr)
State Sector	15.40	0.11	(6,77,561)	7,11,402
Andaman & Nicobar Islands	24.14	2.22	-	-
Andaman & Nicobar PD	24.14	2.22	-	-
Andhra Pradesh	7.87	(0.15)	(29,420)	77,583
APCPDCL	7.95	(0.62)	(9,688)	21,204
APEPDCL	7.70	(0.02)	(7,155)	20,693
APSPDCL	7.99	(0.01)	(12,577)	35,687
Arunachal Pradesh	46.20	0.00	-	-
Arunachal PD	46.20	0.00	-	-
Assam	15.44	(0.26)	(1,028)	1,131
APDCL	15.44	(0.26)	(1,028)	1,131
Bihar	15.51	(0.41)	(16,526)	14,002
NBPDCL	14.49	(0.57)	(4,917)	6,509
SBPDCL	16.35	(0.28)	(11,608)	7,494
Chhattisgarh	14.25	(0.19)	(10,423)	5,428
CSPDCL	14.25	(0.19)	(10,423)	5,428
Delhi	8.36	(0.86)	-	-
NDMC	8.36	(0.86)	-	-
Goa	10.39	0.20	-	-
Goa PD	10.39	0.20	-	-
Gujarat	8.25	(0.40)	7,355	258
DGVCL	4.26	(0.46)	2,507	26
MGVCL	8.37	(0.24)	877	9
PGVCL	12.73	(0.44)	2,276	208
UGVCL	6.16	(0.33)	1,695	15
Haryana	11.76	0.10	(27,915)	20,311
DHBVNL	12.20	0.03	(13,052)	12,099
UHBVNL	11.12	0.20	(14,862)	8,213
Himachal Pradesh	19.44	0.23	(3,391)	7,024
HPSEBL	19.44	0.23	(3,391)	7,024
Jharkhand	28.19	0.95	(20,512)	22,381
JBVNL	28.19	0.95	(20,512)	22,381
Karnataka	11.92	0.69	(34,980)	47,993
BESCOM	12.50	1.21	(13,819)	22,611

CHESCOM	8.76	0.36	(4,064)	5,410
GESCOM	13.48	0.10	(5,661)	6,147
HESCOM	12.14	0.23	(11,398)	12,251
MESCOM	10.02	(0.00)	(37)	1,575
Kerala	6.61	(0.17)	(38,648)	17,638
KSEBL	6.61	(0.17)	(38,648)	17,638
TCED	6.94	(0.13)	-	-
Ladakh	26.82	(0.89)	-	-
Ladakh PD	26.82	(0.89)	-	-
Madhya Pradesh	22.76	(0.04)	(71,394)	49,239
MPMaKVVCL	29.60	0.22	(30,900)	18,176
MPPaKVVCL	12.78	(0.36)	(12,503)	14,184
MPPoKVVCL	26.66	0.02	(27,992)	16,878
Maharashtra	17.69	0.56	(35,671)	90,659
BEST	5.07	0.60	-	-
MSEDCL	18.09	(0.70)	(35,671)	90,659
Manipur	12.90	(0.20)	(290)	745
MSPDCL	12.90	(0.20)	(290)	745
Meghalaya	17.52	0.13	(4,962)	1,474
MePDCL	17.52	0.13	(4,962)	1,474
Mizoram	32.31	(0.34)	-	-
Mizoram PD	32.31	(0.34)	-	-
Nagaland	48.86	(0.50)	-	-
Nagaland PD	48.86	(0.50)	-	-
Puducherry	14.72	(0.64)	-	-
Puducherry PD	14.72	(0.64)	-	-
Punjab	19.21	(0.30)	(3,404)	17,411
PSPCL	19.21	(0.30)	(3,404)	17,411
Rajasthan	15.18	(0.04)	(90,303)	98,488
AVVNL	9.22	(0.45)	(25,563)	26,126
JdVVNL	21.42	0.02	(34,689)	36,793
JVVNL	13.75	0.18	(30,052)	35,569
Sikkim	21.84	0.33	-	-
Sikkim PD	21.84	0.33	-	-
Tamil Nadu	10.96	(0.19)	(1,19,153)	1,01,782
TNPDCL	10.96	(0.19)	(1,19,153)	1,01,782
Telangana	19.84	0.27	(69,741)	59,230
TSNPDCL	23.22	0.53	(21,399)	21,885
TSSPDCL	18.51	0.17	(48,342)	37,345
Tripura	29.61	1.40	(991)	842
TSECL	29.61	1.40	(991)	842
Uttar Pradesh	19.54	0.73	(1,00,858)	61,395

DVVNL	19.70	1.03	(33,974)	16,412
KESCO	14.29	1.09	(5,232)	2,243
MVVNL	17.70	1.11	(25,236)	14,338
PaVVNL	11.91	(0.29)	(8,782)	6,562
PuVVNL	30.70	1.30	(27,634)	21,840
Uttarakhand	15.08	0.06	(5,482)	1,729
UPCL	15.08	0.06	(5,482)	1,729
West Bengal	17.17	(0.03)	174	14,658
WBSEDCL	17.17	(0.03)	174	14,658
Private Sector	10.05	(0.64)	30,351	14,975
Delhi	6.48	(1.13)	22,184	2,914
BRPL	6.70	(0.89)	12,892	894
BYPL	7.15	(0.95)	5,650	701
TPDDL	5.70	(1.58)	3,642	1,319
Gujarat	3.63	(0.42)	3,892	3,562
Torrent Power Ahmedabad	3.80	(0.30)	3,206	3,354
Torrent Power Surat	3.24	(0.67)	686	208
Maharashtra	4.99	(2.04)	1,245	3,818
AEML	4.99	(2.04)	1,245	3,818
Odisha	17.81	0.18	1,263	4,531
TPNODL	12.51	(0.06)	480	1,006
TPSODL	23.36	0.82	219	1,498
TPWODL	17.64	0.36	301	1,093
TPCODL	19.11	(0.09)	262	933
Uttar Pradesh	8.48	(0.15)	1,561	0
NPCL	8.48	(0.15)	1,561	0
West Bengal	4.68	0.19	205	151
IPCL	4.68	0.19	205	151
Grand Total	15.04	0.06	(6,47,210)	7,26,378
