

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA**

**UNSTARRED QUESTION NO.4422  
ANSWERED ON 19.03.2026**

**PROFIT RECORDED BY DISCOMS**

**4422. SHRI VISHALDADA PRAKASHBAPU PATIL:**

**SMT. SHAMBHAVI:**

**SHRI RAJESH VERMA:**

**DR. LATA WANKHEDE:**

**SHRI MUKESHKUMAR CHANDRAKAANT DALAL:**

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

**(a) the total profit recorded by Distribution Companies (DISCOMs) during the Financial Year-2025 and the manner in which this reflects improvements in operational and financial performance;**

**(b) the key factors that contributed to the improved profitability of DISCOMs including tariff reforms, loss reduction measures and efficiency enhancements;**

**(c) whether targeted support from Government schemes incentives and performance linked initiatives has played a role in strengthening the finances of DISCOMs, if so, the details thereof and if not, the reasons for the same;**

**(d) the manner in which the Government monitors and supports DISCOMs to sustain positive financial outcomes while ensuring affordable power supply; and**

**(e) whether these developments align with long term objectives of financial viability and reliable electricity delivery across all regions, if so, the details thereof and if not, the reasons for the same?**

**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) has been supporting the distribution utilities to improve their operational performance and financial viability 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. Financial support is provided under the scheme for strengthening distribution infrastructure and smart metering works. The release of funds under this scheme for loss reduction works is contingent upon performance of the utilities against various operational and financial parameters. This has helped in timely release of subsidy and Government department dues to the utilities. It has also nudged the utilities for regular issuance of tariff orders, timely publishing of accounts, non-creation of regulatory assets, improve billing by reducing leakages and improve collection against energy billed.**

**.....2.**

**(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, which entail obligations upon the distribution utilities to clear their legacy dues as existing on 03.06.2022 in a phased manner and time bound clearance of current dues.**

**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 distribution utilities achieving a profit after tax (PAT) of Rs. 2,701 crore for the first time.**

\*\*\*\*\*