

# 14<sup>th</sup> Annual Integrated Rating & Ranking of Power Distribution Utilities Utilities

Navigating the Turning Point:  
Financial Viability and  
Operational Excellence in FY25

Released: January 2026

Coordinating Agency: Power Finance Corporation (PFC)

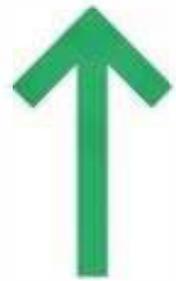
Consulting Agency: Deloitte Touche Tohmatsu India LLP

Scope: 65 Utilities Rated



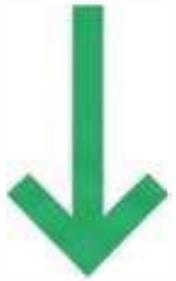
# The Indian power distribution sector has reached a historic financial turning point.

## Profitability Swing

**INR 2,701 Cr** 

Aggregate PAT FY25  
(vs. INR -27,022 Cr in FY24)

## Loss Reduction

**15.04%** 

AT&C Loss FY25  
(Down from 15.97% in FY24)

## Cost Recovery

**INR 0.07/kWh**

ACS-ARR Gap (Cash Adjusted)  
(Improved from INR 0.32/kWh)

**Key Insight:** For the first time, the sector has achieved positive profitability at an aggregate level, signaling that long-term reform programs are yielding tangible results. 31 utilities achieved 'A+' or 'A' ratings.

# A holistic scoring framework balances financial health with operational rigour.

## Financial Sustainability (75 Marks)

- ACS-ARR Gap (35 marks) **35**
- Days Payable to GenCos (10 marks) **10**
- Adjusted Quick Ratio (10 marks) **10**
- DSCR (10 marks) **10**
- Debt-to-Asset (7 marks) **7**
- Days Receivable (3 marks) **3**

## Performance Excellence (13 Marks)

- Billing Efficiency **5**
- Collection Efficiency **5**
- Distribution Loss **2**
- Corporate Governance (1 mark) **1**

## External Environment (12 Marks)

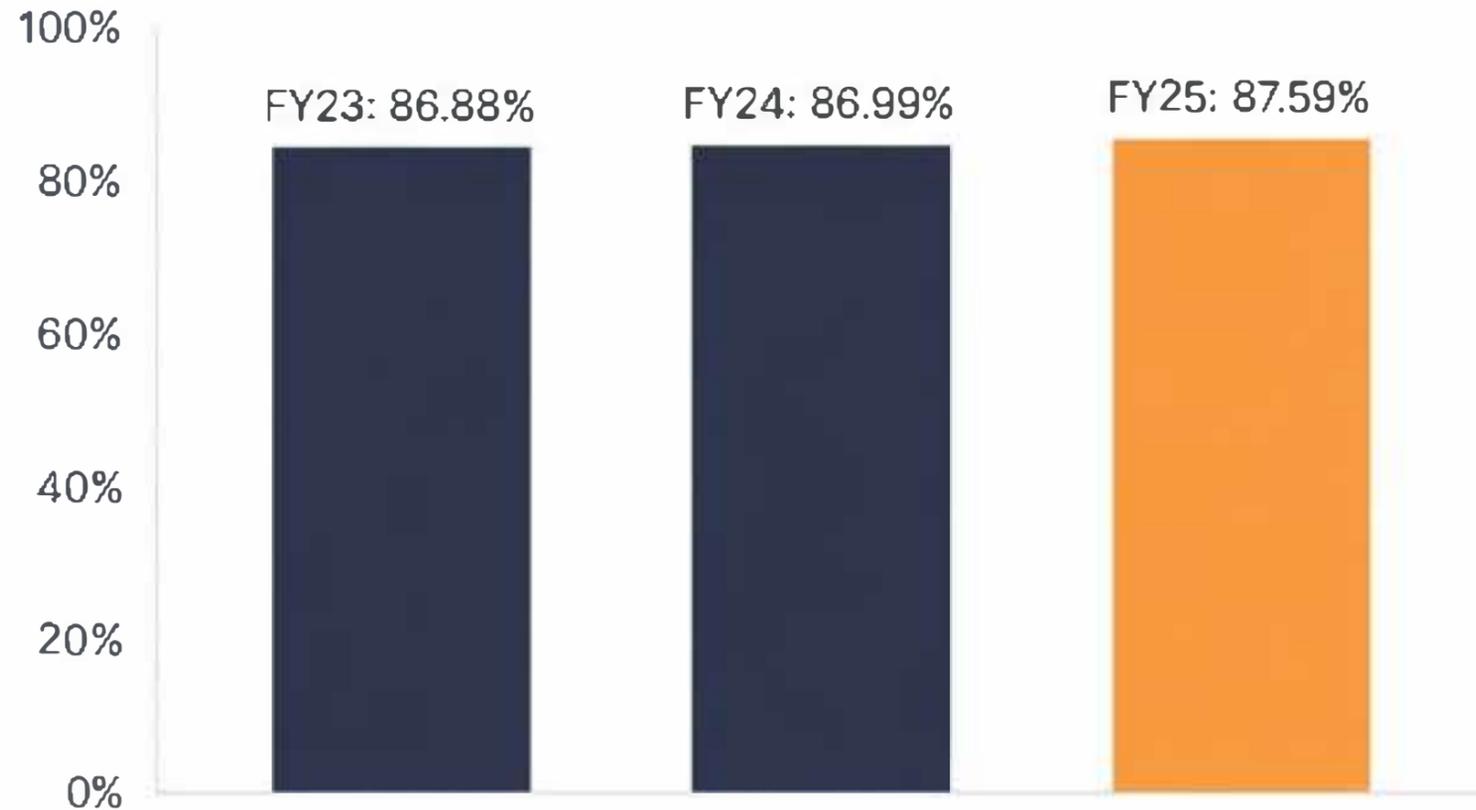
- Subsidy Realized **4**
- Loss Takeover & Govt Dues (6 marks) **6**
- Tariff Cycle & Fuel Costs (2 marks) **2**

## Specific Disincentives & Red Cards

- Auditor's Adverse Opinion (-15 marks)
- Non-availability of Audited Accounts (-15 marks)
- Default to Banks/FIs (-15 marks)
- Regulatory Assets (-5 marks)

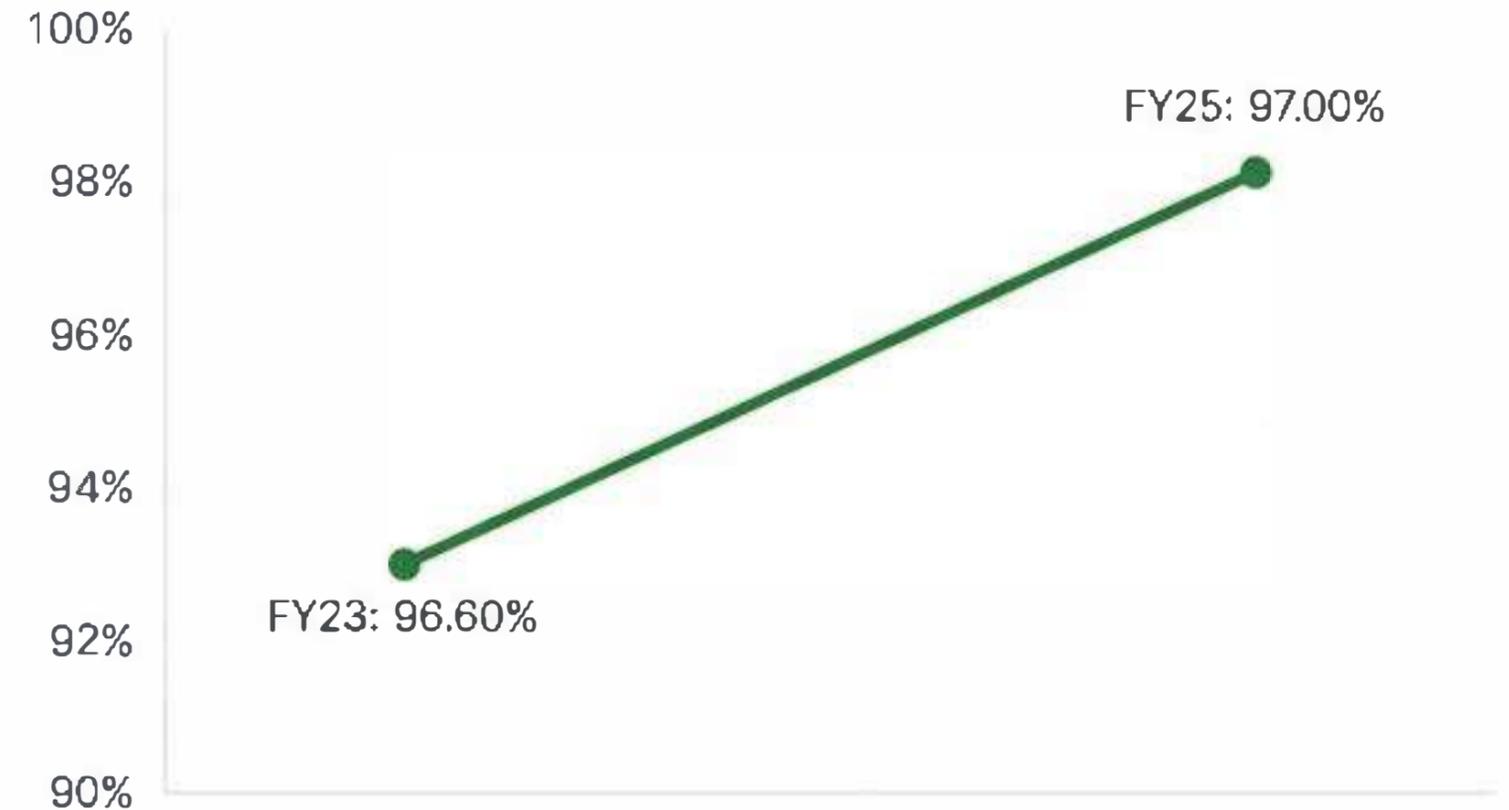
# Operational efficiency is tightening across the board, driven by better billing practices

## Billing Efficiency Trend



13 utilities improved by >2%, including PGVCL, TPNODL, and JDVVNL.

## Collection Efficiency Trend

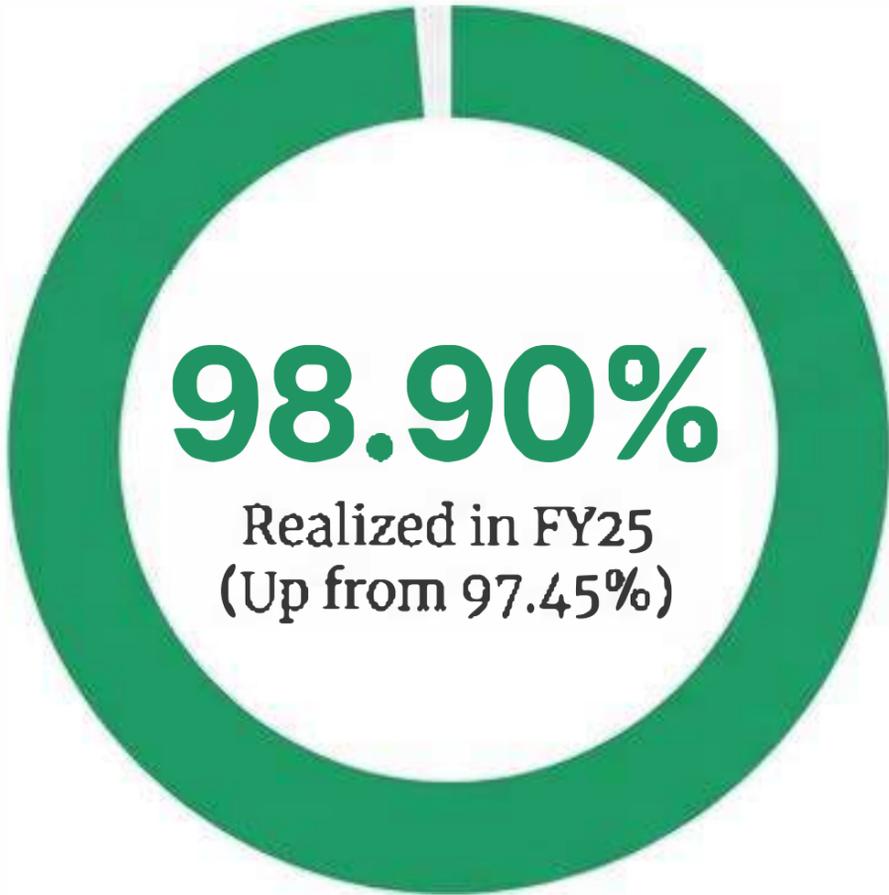


17 utilities achieved a perfect 100% Collection Efficiency.

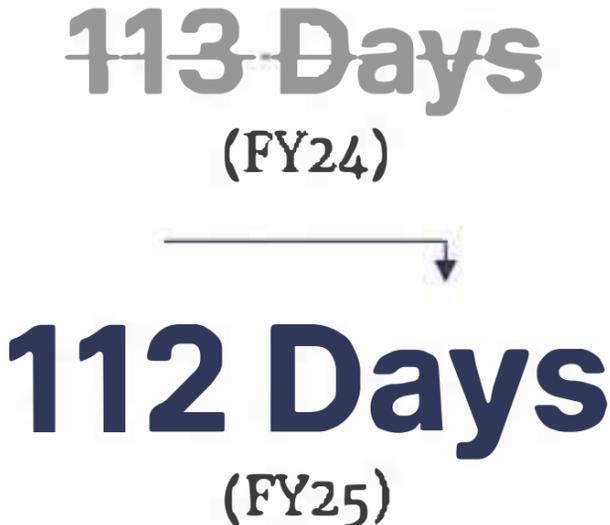
**Systemic Improvement: 30 state regulators have now implemented automatic pass-through of fuel costs, narrowing the gap between cost and recovery.**

# Cash flow management has strengthened, reducing the liquidity crunch

## Subsidy Realization



## Days Receivable



26 DISCOMs achieved <60 days (Full Marks).

## Days Payable (to GenCos)



Significant reduction in payment delays to generators.

**The Divide:** While 20 DISCOMs pay within 60 days, 23 DISCOMs still lag with >90 days payable, signaling persistent liquidity stress in the bottom tier.