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Increasing State Government Accountability: Financial Transparency is Key

- *According to the recommendation of the 15th Finance Commission, states are required to maintain their fiscal deficit within 3% of their Gross State Domestic Product, and an additional fiscal deficit limit of 0.5% is allowed if reforms are undertaken in the power sector. In FY2025, the combined fiscal deficit of Indian states was 3.2%, with 11 states exceeding the 3% limit.*
- *Energy—the sixth largest sector—accounts for around 5% of state spending, most of which goes towards subsidies and grants for DISCOMs. Yet, a sustainable business model remains elusive, eroding state accountability, and resulting in mounting losses and debt.*
- *Subsidies should be limited to the power sector, unless coupled with reforms that address structural issues leading to technical, commercial and financial losses in DISCOMs. All state debt should be accounted for on the state's balance sheet and funded on time.*
- *Consolidating all DISCOM lending and other support—including loan guarantees, bailout packages, grants and subsidies—while ensuring timely reporting of data and accounts can bring in greater transparency and strengthen accountability.*

The Sixteenth Finance Commission (FC-XVI) was constituted to make recommendations on three matters: The share of tax revenue between the central and state governments; the governance of grants-in-aid from India's consolidated funds to states; and the allocation of resources for various measures at the Panchayat and Municipality levels. The Finance Commission's role has become especially critical as large economies compete to reshape the rules of global trade.

The significant disparity in the economic development and financial health of states means that fiscal equalisation is essential to achieve balanced and inclusive goals. In this context, the design of fiscal transfers from the Centre to the states plays a pivotal role. However, the Finance Commission must also prioritise the quality of public expenditure, sound fiscal management, and regional and local development.

One of the key mandates of the Commission is to review the finances, deficit, debt and fiscal discipline of the Centre and the States, and recommend a roadmap for sound fiscal management, guided by the principles of equity, efficiency and transparency. In order to boost economic growth and channel public investment, it is necessary that government expenditure adhere to the letter and spirit of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 (as amended in 2018).

The fiscal deficit limit for states has been set at 3% of the Gross State Domestic Product (GSDP), as per the recommendation of the 15th Finance Commission. State government exposure to the power sector is capped at 3% and an additional fiscal deficit limit of 0.5% is allowed if reforms are undertaken in the power sector. IEEFA's analysis shows that for some states, the exposure is much higher if we consolidate the debt and other financial supports, including subsidies and grants received under government initiatives and schemes.

IEEFA's earlier recommendations were submitted and considered in the Fifteenth Finance Commission Report. This note is the second in a series on how state power continues to receive funding from the government and is breaching the mark. It also underscores the need for parallel improvements in the operational and financial performance of power DISCOMs.

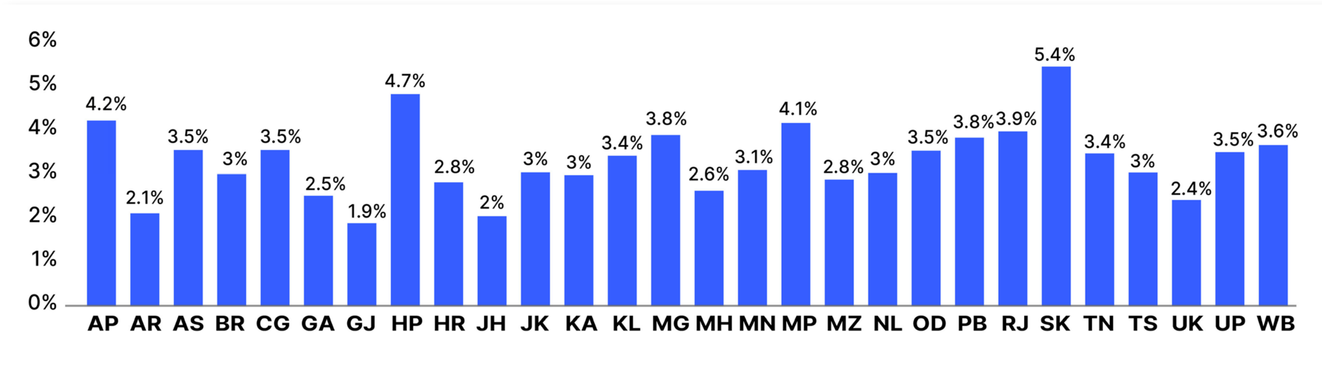
Why is Fiscal Management a must?

An analysis of state finances reveals that many state governments in India are facing a revenue gap, which has been increasing over the years. There are systemic issues in lending to some sectors, which, unless addressed, will increase state government liability in the coming years.

Below are some key points that highlight why fiscal management is necessary.

- States are required to maintain their fiscal deficit within 3% of their GSDP. In FY2025, the combined fiscal deficit of Indian states was 3.2%, with 11 states exceeding the 3% limit.
- Although COVID-19 is one of the reasons for the high fiscal deficit, some states had breached the 3% mark before the pandemic.
- The budget allowed states to borrow an additional 0.5% of the state's GDP, conditional on undertaking power sector reforms.

Figure 1: Fiscal deficit of GSDP in 2024-25



Source: Delhi, Puducherry, and Tripura not shown in chart as 2024-25 GSDP estimates are not available for these states. Figures are as reported by states in their respective budget documents.

- Market borrowings have increasingly become the major source of funds for financing fiscal deficit over the years. The economic slowdown in FY2020 and FY2021 dragged the revenue receipts of states, which pushed them to increase market borrowing. The outstanding liabilities of states stood at 27.6% of the GSDP by the end of FY2024, much higher than the prescribed limit of 20% by the FRBM committee.

- Additional contingent liabilities also arise from state governments' guarantees of their public sector enterprises' borrowing, which are not included in the outstanding liabilities. In FY2023, the combined outstanding guarantee of 27 states stood at 3.9% of their GSDP.
- In the five years up to 2024-25, states spent 52% of their revenue receipts on pensions, salaries, and interest. Higher debt servicing and staff costs constrain other spending priorities.
- Subsidies are another major reason behind the weak financial position of states, a concern that was flagged by the RBI in 2022. In FY2023, subsidies accounted for ~9% of the revenue receipts of the 26 states combined.

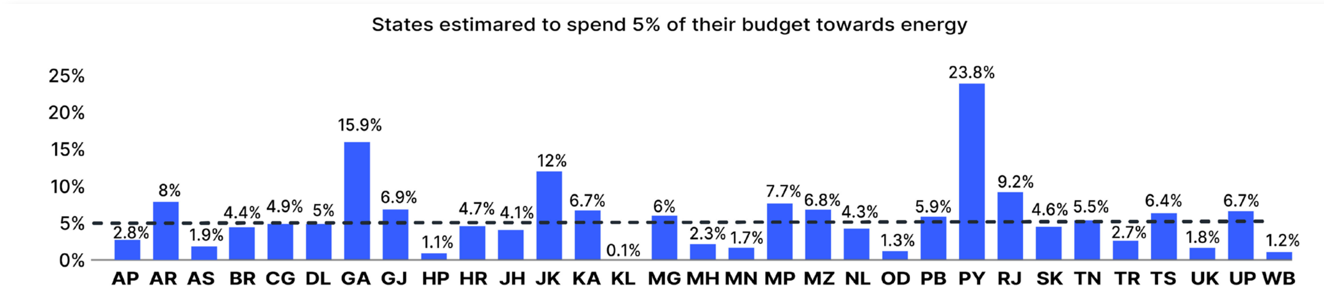
Energy—the sixth largest sector—makes up around 5% of state spending, with most of the budget directed towards subsidies and grants to DISCOMs. Yet, ongoing DISCOM reforms have neither achieved complete transparency nor consolidation of debts on state balance sheets, given the underfunding of subsidies. A sustainable business model remains elusive, eroding state accountability, resulting in mounting losses and debt.

Objective: Better fiscal management discipline

In FY2023, selected DISCOMs posted a loss of Rs61,059 crore (US$7.8 billion), but losses reduced to Rs25,553 crore in FY2024 (US$3 billion) due to a smaller gap between average revenue and cost (see Table 1). Dependence on expensive imported coal, decoupling power tariffs from the cost of purchase, and high technical losses are resulting in massive deficits, which have to be borne by the state governments. Although financial deficits decreased significantly, AT&C losses deteriorated from 15.11% in 2022-23 to 16.12% in 2023-24, while billing efficiency decreased from 86.98% to 86.91% during the same period.

During FY2023-24, states, on average, spent 5% of their budget on the energy sector. However, in Arunachal Pradesh, Goa, Jammu and Kashmir, Puducherry, Madhya Pradesh, and Rajasthan, the average expenditure was in the range of 7.7%-23.8%.

Figure 2: State Expenditure on Energy Sector in FY2023



Note: PRS Report, 2024

This note highlights the need for state governments to take full responsibility and accountability for funding the state power sector. Subsidies should be limited to the sector unless coupled with reforms that address structural issues that lead to technical, commercial and financial losses in DISCOMs. All state debt needs to be consolidated on the state's balance sheet, and subsidies funded on time by the state.

Full consolidation and timely disclosures bring in transparency, which drives accountability.

The financial health of DISCOMs remains precarious, requiring more and more funds every year. This note expands on a few measures that the state government can adopt to ensure that funding to the power sector is accounted for and consolidated. Such transparency will also drive accountability. This is critical as the power sector financing burden on the state due to unviable tariff and operational inefficiency is crowding out state funding for other infrastructure and socio-economic development.

Fiscal management has become increasingly critical for states where liabilities have ballooned, and debt servicing and staff costs have shot up. For example, Punjab's debt/GSDP increased to 46.8% in FY2023 from 31.0% in FY2013. These increased financial costs are forcing states to curtail expenditure on infrastructure and social development.

Overview of Power Distribution Sector

The electricity sector is under the Constitution's concurrent list and is administered by both the central and state governments. The responsibility for the distribution and supply of power to rural and urban consumers rests with the states.

Power distribution is the weakest link in the value chain of the power sector. The sector faces multiple challenges—primarily, balancing affordability for consumers and profitability. DISCOMs are obligated to provide subsidised electricity to households and farmers, while charging commercial and industrial (C&I) consumers a higher rate. Rising electricity subsidies for farmers and households are rendering DISCOMs financially vulnerable, forcing regular bailout packages. DISCOMs are unable to invest in the modernisation of their distribution facilities and end up delaying payments to power generators, particularly renewable energy generators.

Ujwal DISCOM Assurance Yojana (UDAY), a flagship scheme launched in 2015, had a material positive impact in the first two years, but the failure to address cross subsidies, improve performance by reducing technical and commercial losses, and the lack of budgetary discipline in allowing tariffs to rise with inflation have led to under-funded losses and rising debt. Ailing power DISCOMs hinder the efficient functioning of the generation and transmission sectors, as well as the growth of renewables.

As of June 2025, DISCOMs owed generators Rs581,330 crore (US$6.78 billion), creating a severe liquidity crunch for independent power producers, and in turn, stifling capital flows into the sector.

Table 1: Snapshot of DISCOMs' Financial Performance

	Unit	2019-20	2020-21	2021-22	2022-23[1]	2023-24*
DISCOM Loss on Subsidy Received Basis	Rs crore	37,600	67,850	17,641	46,554	31,037
Subsidy Received	Rs crore	1,14,832	1,11,978	1,57,166	1,83,521	2,05,300
GAP (ACS-ARR) on subsidy received basis	Rs/Kwh	0.3	0.55	0.13	0.33	0.18
Accumulated Losses as per Balance Sheet	Rs crore	5,05,361	5,24,811	5,52,507	6,59,340	6,92,269

Total Outstanding Debt	Rs crore	5,00,310	5,82,547	6,59,340	6,72,282	7,52,677
AT&C Losses	%	20.78%	22.25%	16.42%	15.36%	16.12%
Payables for Purchase of Power	Rs crore	2,57,897	2,74,458	2,78,878	2,73,605	2,90,794
Payables for Purchase of Power	Number of days	166	178	163	132	132

Source: Report on Performance of Power Utilities 2023-24 and 2021-22, Power Finance Corporation

*[1]*2022-23 data corresponds to only those utilities for which data is available for 2023-24. It covers 63 power distribution utilities out of 72 for 2023-24 compared to 67 utilities in the report for FY2022-23.*

In order to help state-owned DISCOMs pare their mounting losses, the central government offers financial packages to bail out DISCOMs from time to time. However, these have achieved only limited success. The bailout package in 2002, the financial restructuring package in 2012, UDAY in 2015, the Liquidity Infusion Scheme in 2020, and the Revamped Distribution Sector Scheme in 2022, have been initiated to improve the sector's operational and commercial performance, but are yet to make a sizeable or sustained impact.

While UDAY was launched to improve the transparency, operational and financial performance of DISCOMs, it did not achieve its desired objectives. DISCOMs' gross annual losses—excluding UDAY grants and regulatory income—increased from Rs59,000 crore (US$9.64 billion) in 2014-15 to Rs75,000 crore (US$10.1 billion) in FY2020, Rs73,679 crore (US$8.93 billion) in FY2023, but reduced to Rs31,970 crore (US$3.8 billion) in FY2024.

Meanwhile, another partial bailout package of Rs90,000 crore (US$12.1 billion) was approved for DISCOMs in 2020 for the Power Finance Corporation (PFC) and the Rural Electrification Corporation. The goal was to allow DISCOMs to cover their dues and effectively infuse liquidity in the sector.

In 2023, the Revamped Distribution Sector Scheme was announced by the central government with an outlay of Rs3,03,758 crore (US$38.6 billion) and an estimated Gross Budgetary Support of Rs97,631 crore (US$13.1 billion) over FY2021-26.

Despite these initiatives, DISCOMs continue to incur financial losses, driven by performance challenges and the political necessity of high subsidies, which are largely off-balance sheet and only partly funded by state governments. Factors like the absence of competition, non-cost-reflective tariffs, unsustainable cross-subsidies, economically inefficient tariff setting processes, expensive thermal power PPAs, and the lack of modern technology and infrastructure add to the losses.

DISCOMs need to identify high-loss and high-volume zones and focus on improving their performance to yield faster and better results. The key reform measures that need to be prioritised in such areas are:

- Privatisation or adoption of a hybrid franchisee model.
- Ensuring all consumers have operational prepaid or smart meters.
- Enforcing regulatory discipline through timely tariff revisions, management of regulatory assets and subsidy delivery, and stronger corporate governance.
- Undertaking power sector reforms by creating a national pool market.

- Pursuing market reforms like time-of-day pricing, private sector participation in transmission, and the rollout of market coupling and forward markets in entirety.
- Adopting advanced digital tools to enhance demand forecasting, grid planning, and operational efficiency.

While there is no silver bullet to improve the financial sustainability and viability of DISCOMs, there is a need to strengthen state-level regulatory frameworks and prioritise state-level transition plans and trajectories for broad-based progress towards electricity transition at a subnational level. States must also improve accountability and tighten budgetary allocation to the power sector.

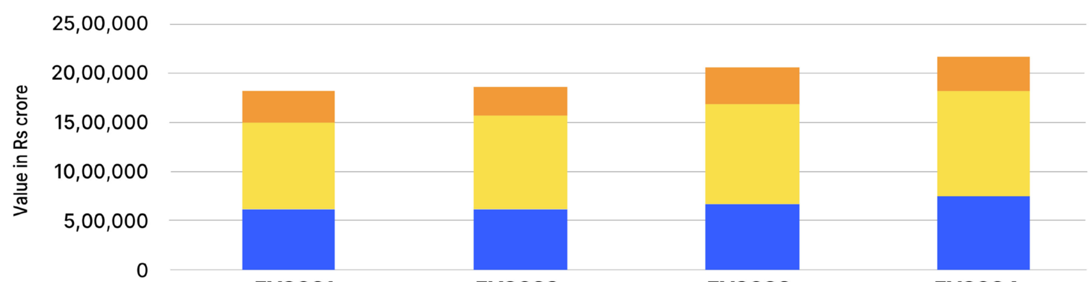
Improving Accountability and Limiting State Budget Exposure to Power Sector

The state government can borrow up to 3% of its GSDP to fund its fiscal deficit. The limit was increased temporarily to 5% in light of shrinking revenues on account of the COVID-19 pandemic. In subsequent years, the limit was again reduced to 3%, but with an additional 50 basis points, conditional on undertaking power sector reforms.

State governments have been lending to the power sector, especially to fund the capital expenditure of transmission and DISCOMs, plus to cover the mounting financial losses accrued by them. In addition to direct lending, states have been supporting DISCOMs with grants and subsidies. State governments also provide guarantees for the borrowings of state DISCOMs from financial institutions. The RBI has noted that these contingent liabilities are a risk to state governments, owing to the large outstanding debt and increasing losses of DISCOMs, given that state governments act as guarantors for them. For example, the Supreme Court's recent directive to state electricity DISCOMs to clear regulatory assets within three years is an example of a sudden increase in state governments' liabilities.

Further, the state government provides off-budget financing directly or through the incorporation of specially incorporated entities. Given that this money is not directly borrowed by the government, it does not reflect in the budget, and thus, does not get included in the state's debt and fiscal deficit (See Figure-5). However, since the state government provides a guarantee, this becomes a real liability that it will have to honour if DISCOMs fail to make repayments.

Figure 3: Fiscal deficit of GSDP in 2024-25



	FY2021	FY2022	FY2023	FY2024
Government Support	3,00,323	2,91,672	3,72,497	3,55,152
Other Liabilities	8,89,435	9,48,500	10,16,998	10,74,738
Borrowings	6,15,729	6,17,928	6,72,282	7,52,677

Source: PFC, Note: Tariff subsidy data in government support is for FY2024; other data is cumulative.

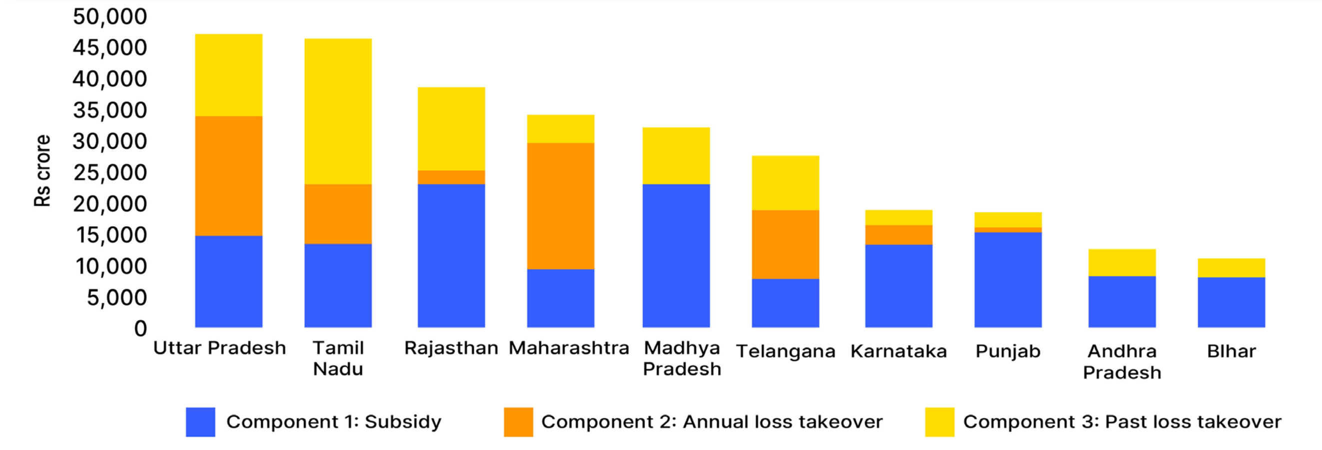
Table 2: Consolidation of DISCOM Liabilities for States in FY2023-24

Values in Rs crore FY2024		Andhra Pradesh	Bihar	Delhi	Gujarat	Haryana	Jhar-khand	Karn-ataka	Madhya Pradesh	Maha-rashtra	Rajas-than	Uttar Pradesh	Tamil Nadu
	Borrowing												
1	State Government Loans	34	633	0	255	196	15,620	1,952	35,874	7	0	0	3,993
2	Other Borrowings	65,676	13,376	3,821	16	16,960	2,972	37,533	14,970	84,164	92,226	67,937	1,69,528
3	**Total Borrowings (1+2)**	**65,710**	**14,009**	**3,821**	**271**	**17,156**	**18,592**	**39,485**	**50,844**	**84,171**	**92,226**	**67,937**	**1,73,521**
	Other Liabilities												
4	Regulatory Asset			28,661				1,013		39,001			
5	Loss with Tariff Subsidy received excluding Regulatory Income and Revenue Grant under UDAY for loan takeover	2,747	-837	-401	-4,119	-276	2,601	10,083	1,662	4,891	3,520	7,058	1,196
6	Payment Owed to Generators*	3,793	278		1,424	307	0	2,201	2,166	1,663	1,314	4,395	363
7	**Total Other Liabilities (4+5+6)**	**6,540**	**-559**	**28,260**	**-2,695**	**31**	**2,601**	**13,297**	**3,828**	**45,555**	**4,834**	**11,453**	**1,559**
8	**Total DISCOM Outstanding Liabilities (3+7)**	**72,250**	**13,450**	**32,081**	**-2,424**	**17,187**	**21,193**	**52,782**	**54,672**	**1,29,726**	**97,060**	**79,390**	**1,75,080**
	Government Support including subsidies & grants												
9	Tariff Subsidy Received	14,427	13,301	18	10,537	6,029	2,300	23,389	26,859	11,715	23,770	16,479	14,976
10	Revenue Grant under UDAY	95							753	992	12,000	465	5,339
11	Other Revenue Grants												
12	Grants towards Capital Assets	9,921	13,423	22	3,723	2,036	9,571	1,629	4,736	11,741	8,963	8,000	3,547
13	**Total Government Support (9+10+11+12)**	**24,443**	**26,724**	**40**	**14,260**	**8,065**	**11,871**	**25,018**	**32,348**	**24,448**	**44,733**	**24,944**	**23,862**
14	**Total DISCOM Liabilities including subsidy & grants (8+13)**	**96,693**	**40,174**	**32,121**	**11,836**	**25,252**	**33,064**	**77,800**	**87,020**	**1,54,174**	**1,41,793**	**1,04,334**	**1,98,942**
15	**State GSDP (2023-24)**	**14,22,094**	**8,52,621**	**11,12,905**	**24,25,804**	**10,85,510**	**4,61,010**	**25,57,241**	**13,53,809**	**40,55,847**	**15,21,510**	**25,62,792**	
16	**Total DISCOM Liabilities including support /GSDP (14/15)**	**6.80%**	**4.70%**	**2.90%**	**0.50%**	**2.30%**	**7.20%**	**3.00%**	**6.40%**	**3.80%**	**9.30%**	**4.10%**	**7.30%**
17	**Outstanding Liabilities/GSDP (8/15)**	**5.10%**	**1.60%**	**2.90%**	**-0.10%**	**1.60%**	**4.60%**	**2.10%**	**4.00%**	**3.20%**	**6.40%**	**3.10%**	**6.40%**

**As on 25 August 2025, Source: PFC Report (2025), PRAAPTI Portal and India Climate and Energy Dashboard (Niti Aayog)*

The figure below shows how government support is provided in the form of subsidies, annual loss takeover, and past loss takeover at the country level. While some states need direct subsidies, others need support in the form of annual and past loss takeovers. For example, Tamil Nadu needs assistance to cover past losses, Maharashtra for annual losses, and Rajasthan for subsidies.

Figure 4: Component-wise State Support Required



Source: National Institute of Public Finance Policy (NIPFP, 2024)

Below are some recommendations to improve the accountability of state governments in lending to the power sector and tightening support mechanisms linked to the financial performance of state DISCOMs. DISCOMs are able to survive financial challenges as state governments have been bailing them out from time to time. If systemic issues in the distribution sector are not addressed, DISCOMs will continue to incur financial losses, thereby increasing fiscal risk for the state government.

The state government will have to be at the centre of the reform process. Unless state governments are made directly responsible and accountable for improving the flow of finance in the distribution sector, the sector will continue to incur financial losses. Stronger oversight and consequences for non-performance by DISCOMs may be necessary. Government funding needs to be tied to compliance and, as a condition precedent, for the release of any central government funds like grants, subsidies or loans.

Full Consolidation of State Lending to DISCOMs

As highlighted above, state governments have been lending to DISCOMs in multiple ways, which are not accounted for in their books, and thus, overall lending exceeds the limit prescribed by the FRBM. State governments should consolidate overall lending—loan guarantees, bailout packages, grants and subsidies—offered to state DISCOMs. Often, grants and subsidies given by the state government are not accounted for while deciding the lending limit.

A borrowing limit for the power sector should be determined based on the overall share of GSDP after accounting for all forms of state support. This is critical as funding to the power sector is crowding out funds for infrastructure and socio-economic development.

Improve Transparency and Timely Reporting of Data

For monitoring and evaluating state DISCOM finances and lending by the state government to the power sector, improving transparency, and timely reporting of data and accounts are important.

Timely data transparency, in line with Indian Accounting Standards, will allow state governments to take prompt action to limit their exposure to loss-making sectors and utilise funds in sectors that help the government advance social, economic and equity goals. The Power Finance Corporation's Report on the Performance of State Power Utilities was last published for 2023-24, covering 104 utilities. The absence of timely and transparent reporting, along with the lack of consolidation of losses and debt, indicate that state governments lack accountability.

Subsidising Agriculture is Necessary, but it Strains DISCOMs and the C&I Sector

The combination of exceptionally high AT&C losses (~16.12% in FY2023-24), the fact that DISCOMs on average nationally sell electricity materially below their cost of delivery and the massive cross-subsidy from C&I sectors to the agricultural sector (agriculture used ~18% of electricity volume in FY2021) create an unsustainable DISCOM business. When products or solutions are subsidised and provided virtually for free, it weakens the business case for energy efficiency solutions and cost-competitive distributed solar (e.g. solar-powered agricultural pumps). India has long considered Direct Benefit Transfer (DBT) for electricity subsidies as a way to strengthen DISCOM finances. By transferring subsidies directly to consumers, DBT reduces revenue gaps, prevents subsidy arrears, and improves transparency, making the power sector financially sustainable and investment friendly.

Creating Incentives for Improvement

The Ministry of Power comes out with integrated ratings of state power distribution utilities based on:

- Operational and reform parameters such as AT&C losses, efficiency of power purchase cost, digital payment facility, etc,
- Financial parameters such as profitability and working capital management, availability of audited accounts; and
- Regulatory environment and subsidy support forms.

An index can be created for exposure of lending under direct borrowing, grants, subsidies and guarantees, and linked to the state DISCOM credit rating.

The fiscal debt limit should be linked to the performance rating of DISCOMs. Access to central government funds should be linked to improvement in the DISCOM rating. If the DISCOM fails to improve its rating, fiscal access from the central government should be restricted.

For better-performing utilities, the state government should not exceed the prescribed limit, including lending in various forms.

Green Budgeting for DISCOM Debt Reduction

Green budgeting offers a systematic fiscal framework to reduce the long-term liabilities of DISCOMs by integrating climate and clean energy objectives into state budgeting processes. By adopting green budgeting, state governments can rationalise budgetary support by prioritising allocations for renewable energy integration, demand-side management, and grid modernisation. This approach ensures that subsidies are progressively redirected from supporting inefficient power distribution operations to investments that reduce the structural cost base of the power sector, thereby lowering the fiscal risks of recurring DISCOM bailouts.

Green budgeting also enables governments to tag and track climate-related expenditure. It improves transparency in fiscal management and brings clarity on the impact of public spending on long-term power sector liabilities. Over time, institutionalising green budgeting can help DISCOMs achieve financial viability by embedding climate considerations in subsidy design, incentivising efficiency, and aligning fiscal resources with the energy transition.

Annexure 1: DISCOM Liabilities for States in FY2023-24

	Values in Rs crore FY2024	Andhra Pradesh	Assam	Bihar	Chhattis-garh	Delhi	Gujarat	Haryana	Himachal Pradesh	Jhar-khand	Karna-taka	Kerala	Madhya Pradesh
	Borrowing												
1	State Government Loans	34	7	633	64	0	255	196	829	15,620	1,952	0	35,874
2	Other Borrowings	65,676	1,098	13,376	5,334	3,821	16	16,960	5,947	2,972	37,533	18,293	14,970
3	**Total Borrowings (1+2)**	**65,710**	**1,105**	**14,009**	**5,398**	**3,821**	**271**	**17,156**	**6,776**	**18,592**	**39,485**	**18,293**	**50,844**
	Other Liabilities												
4	Regulatory Asset					28,661					1,013		
5	Loss with Tariff Subsidy received excluding Regulatory Income and Revenue Grant under UDAY for loan takeover	2,747	-389	-837	-900	-401	-4,119	-276	567	2,601	10,083	-220	1,662
6	Payment Owed to Generators*	3,793	72	278	138		1,424	307	57	3	2,201	167	2,166
7	**Total Other Liabilities (4+5+6)**	**6,540**	**-317**	**-559**	**-762**	**28,260**	**-2,695**	**31**	**624**	**2,604**	**13,297**	**-53**	**3,828**
8	**Total DISCOM Outstanding Liabilities (3+7)**	**72,250**	**788**	**13,450**	**4,636**	**32,081**	**-2,424**	**17,187**	**7,400**	**21,196**	**52,782**	**18,240**	**54,672**
	Government Support including subsidies & grants												
9	Tariff Subsidy Received	14,427	265	13,301	6,028	18	10,537	6,029	926	2,300	23,389	386	26,859
10	Revenue Grant under UDAY	95											753
11	Other Revenue Grants												
12	Grants towards Capital Assets	9,921	7,404	13,423	1,175	22	3,723	2,036	1,167	9,571	1,629	4,519	4,736
13	**Total Government Support (9+10+11+12)**	**24,443**	**7,669**	**26,724**	**7,203**	**40**	**14,260**	**8,065**	**2,093**	**11,871**	**25,018**	**4,905**	**32,348**
14	**Total DISCOM Liabilities including subsidy & grants (8+13)**	**96,693**	**8,457**	**40,174**	**11,839**	**32,121**	**11,836**	**25,252**	**9,493**	**33,067**	**77,800**	**23,145**	**87,020**
15	**State GSDP (2023-24)**	**14,22,094**	**5,70,944**	**8,52,621**	**5,12,107**	**11,12,905**	**24,25,804**	**10,85,510**	**2,10,662**			**11,39,945**	**13,53,809**
16	**Total DISCOM Liabilities including support /GSDP (14/15)**	**6.80%**	**1.50%**	**4.70%**	**2.30%**	**2.90%**	**0.50%**	**2.30%**	**4.50%**	**7.20%**	**3.00%**	**2.00%**	**6.40%**
17	**Outstanding Liabilities/GSDP (8/15)**	**5.10%**	**0.10%**	**1.60%**	**0.90%**	**2.90%**	**-0.10%**	**1.60%**	**3.50%**	**4.60%**	**2.10%**	**1.60%**	**4.00%**

**As on 25 August 2025, Source: PFC Report (2025), PRAAPTI Portal and India Climate and Energy Dashboard (Niti Aayog)*

	Values in Rs crore FY2024	Mahar-ashtra	Manipur	Megh-alaya	Odisha	Punjab	Rajas-than	Tamil Nadu	Telang-ana	Tripura	Uttar Pradesh	Uttarakhand	West Bengal
	Borrowing												
1	State Government Loans	7	0	196		0	0	3,993	27	200	0	313	244
2	Other Borrowings	84,164	730	1,454		20,164	92,226	1,69,528	46,100	530	67,937	1,651	15,360
3	**Total Borrowings (1+2)**	**84,171**	**730**	**1,650**		**20,164**	**92,226**	**1,73,521**	**46,127**	**730**	**67,937**	**1,964**	**15,604**
	Other Liabilities												
4	Regulatory Asset	40,572			16						-164		21577
5	Loss with Tariff Subsidy received excluding Regulatory Income and Revenue Grant under UDAY for loan takeover	4,891	-56	300		-1,447	3,520	1,196	6,351	326	7,058	147	946
6	Payment Owed to Generators*	1,663	54	0	315	1,055	1,314	363	1937	78	4,395	337	145
7	**Total Other Liabilities (4+5+6)**	**47,126**	**-2**	**300**	**331**	**-392**	**4,834**	**1,559**	**8,288**	**404**	**11,289**	**484**	**22,668**
8	**Total DISCOM Outstanding Liabilities (3+7)**	**1,31,297**	**728**	**1,950**	**331**	**19,772**	**97,060**	**1,75,080**	**54,415**	**1,134**	**79,226**	**2,448**	**38,272**
	Government Support including subsidies & grants												
9	Tariff Subsidy Received	11,715	310	-	-	18,277	23,770	14,976	8,796	64	16,479	0	1,739
10	Revenue Grant under UDAY	992					12,000	5,339			465		
11	Other Revenue Grants												
12	Grants towards Capital Assets	11,741	2,343	1,363	1,741	1,195	8,963	3,547	422	1,947	8,000	1,733	15,559
13	**Total Government Support (9+10+11+12)**	**24,448**	**2,653**	**1,363**	**1,741**	**19,472**	**44,733**	**23,862**	**9,218**	**2,011**	**24,944**	**1,733**	**17,298**
14	**Total DISCOM Liabilities including subsidy & grants (8+13)**	**1,55,745**	**3,381**	**3,313**	**2,072**	**39,244**	**1,41,793**	**1,98,942**	**63,633**	**3,145**	**1,04,170**	**4,181**	**55,570**
15	**State GSDP (2023-24)**	**40,55,847**	**46,710**	**53,057**	**8,62,658**	**7,45,820**	**15,21,510**	**27,21,571**	**14,64,378**	**82,205**	**25,62,792**	**3,32,998**	**16,51,374**
16	**Total DISCOM Liabilities including support /GSDP (14/15)**	**3.80%**	**7.20%**	**6.20%**	**0.20%**	**5.30%**	**9.30%**	**7.30%**	**4.30%**	**3.80%**	**4.10%**	**1.30%**	**3.40%**
17	**Outstanding Liabilities/GSDP (8/15)**	**3.20%**	**1.60%**	**3.70%**	**0.00%**	**2.70%**	**6.40%**	**6.40%**	**3.70%**	**1.40%**	**3.10%**	**0.70%**	**2.30%**

As on 25 August 2025, Source: PFC Report (2025), PRAAPTI Portal and India Climate and Energy Dashboard (Niti Aayog)

About IEEFA

The Institute for Energy Economics and Financial Analysis (IEEFA) examines issues related to energy markets, trends and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy. www.ieefa.org

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