

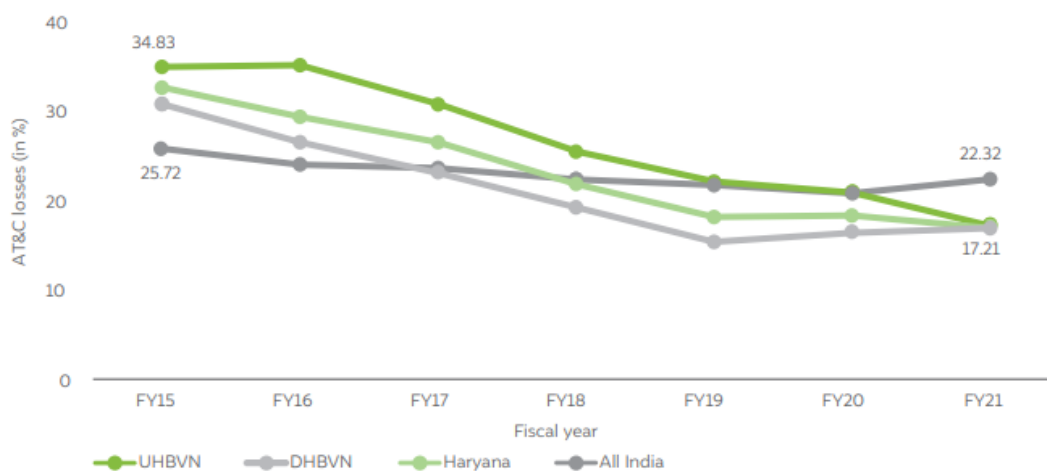
**PRESS RELEASE**

**North Haryana power discom cuts losses by half in 6 yrs, improves billing efficiency to over 80%: CEEW report**

**31 October 2023, New Delhi:** The Uttar Haryana Bijli Vitran Nigam (UHBVN) is one of the few public power distribution companies (discoms) in India that has gone from high-loss making to financially healthy, according to an independent report released by the Council on Energy, Environment and Water (CEEW) today. The discom reduced its aggregate technical and commercial (AT&C) losses by half—from 34 per cent to 17 per cent—between FY 2015 and FY 2021. AT&C losses are a reflection of the financial health of power discoms. The report also found that in these six years, billing efficiency improved from ~69 per cent to ~83 per cent due to measures such as near-universal metering of consumer connections, efforts to create a unified billing database to ensure timely bill delivery, and special initiatives like *Mhara Goan Jagmag Goan* for high-loss rural areas.

Achieving India’s commitment of 50 per cent non-fossil fuel capacity by 2030 and a net-zero economy by 2070 requires a fiscally sound power distribution sector. But the majority of Indian discoms have been reeling under huge losses, with national AT&C losses at 22.3 per cent in FY 2021. The report uses UHBVN as a case study as it has cut losses at a significantly higher pace than all-India trends, ranked among the top 10 discoms since FY 2019, and is among the few public discoms in India with a revenue surplus. However, there are several gaps that need to be plugged.

**Figure 1 AT&C losses in Haryana have reduced by half since FY 2015 – much faster than the all-India average**



Source: Authors’ compilation using data from PFC (2022a).

**Shalu Agrawal, Senior Programme Lead, CEEW,** said, "The past decade witnessed India cross the significant milestone of universal household electrification. This decade will be about fixing the health of our power distribution companies and digitalising them so that they can ensure clean, reliable and affordable electricity. The financial turnaround of UHBVN is an inspiring success story of systemic and concerted efforts from discoms and regulators. The latest numbers from the Power Finance Corporation also point to the progress of UHBVN. For FY2022, UHBVN losses further dropped to 14 per cent, while all Indian AT&C losses reduced to 16.43 per cent."

The CEEW report also found that despite tremendous progress, there are several areas where UHBVN could improve further. On the discom side, the report found delays in bill distribution, inequitable workload, and inadequate incentives for meter readers impeding progress, particularly in

rural areas. There is also a prevalence of electricity theft, which has been a challenge to address. On the consumer side, the report, which surveyed ~1,600 consumers in four high-loss-making circles of UHBVN, found that ~70 per cent of consumers who had filed complaints the year before the survey had their complaints resolved. However, issues such as irregular payments and under-recovery of bills from financially capable consumers still persist.

**Bharat Sharma, Programme Associate, CEEW**, said, “The financial recovery of Indian state discoms hinges on improved operational efficiency and enhanced consumer trust and engagement. The Revamped Distribution Sector Scheme can address the former through smart meter installation and infrastructure upgrades. However, fostering consumer trust requires targeted actions, like the *Mahra Gaon Jagmag Gaon* initiative by UHBVN. MGJG reduced losses in rural areas and incentivised villages collectively by linking collection efficiency with supply hours. The UHBVN also institutionalised *Bijli Panchayat* platform for consumer engagement and awareness. These initiatives offer valuable insights for discoms seeking to build consumer trust and improve revenue recovery.”

A key factor that will underpin the success of India’s leap to a clean and just energy future is the financial health of power distribution companies. To cut their losses, the CEEW report recommends digitalising the power distribution network through smart meters as stipulated under the Revamped Distribution Sector Scheme (RDSS), undertaking a concerted drive to replace faulty meters on priority, improving consumer trust through proactive complaint redressal and introduction of door-to-door payment collection in rural areas combined with a GoDigital campaign.

**Read the full study, *Improving Discoms’ Financial Viability: Learnings from Uttar Haryana Bijli Vitran Nigam*, [here](#).**

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#### **About CEEW**

The Council on Energy, Environment and Water (CEEW) is one of Asia’s leading not-for-profit policy research institutions and among the world’s top climate think tanks. The Council uses data, integrated analysis, and strategic outreach to explain — and change — the use, reuse, and misuse of resources. The Council addresses pressing global challenges through an integrated and internationally focused approach. It prides itself on the independence of its high-quality research, develops partnerships with public and private institutions, and engages with the wider public. CEEW has a footprint in over 20 Indian states and has repeatedly featured among the world’s best-managed and independent think tanks.

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