

DVC plans to plug into south

ASTAFF REPORTER

Calcutta, July 10: Damodar Valley Corporation (DVC) plans to improve its financial health by offering power to the southern states from December.

The PSU is in the red on account of idle power generation capacity and under-recovery of dues from Jharkhand.

"By December, we expect the situation to improve. We can offer around 700 megawatt (MW) through the southern grid," chairman and managing director Andrew WK Langstieh said.

According to company sources, based on discussions with Power Grid Corporation, the DVC will initially start with 200MW, which can be scaled up depending on demand. Sale of the entire 700MW will fetch the cash-strapped power utility around Rs 300 crore per month.

At present, the DVC has installed capacity of 6,357MW. However, it has a contract demand of only 3,336MW as of June 30. Of this, 57 per cent are from Jhark-

NEW GAME PLAN

- DVC can offer 700MW power to southern states
- Sale of the entire amount can fetch Rs 300 crore per month
- Idle capacity and under-recovery of dues from Jharkhand have affected the company's financial condition
- Company hopes to get govt's approval to raise funds through bonds to pare debt
- Loan restructuring an option

hand and the rest from Bengal. It has so far been unsuccessful in realising dues from Jharkhand, which stood at around Rs 4,300 crore as of March 31, 2013.

Langstieh said the both parties were negotiating for a one-time settlement of dues. "The negotiation is going on and we hope this is settled soon."

However, sources said even now a

large part of a monthly bill of around Rs 180 crore was unrealised and it was adding to the outstanding dues. This is primarily on account of pilferage and power theft.

DVC officials said the company's debt burden had risen to Rs 30,000 crore. The annual interest outgo is around Rs 1,200 crore. While the accounts of 2014-15 are being prepared, the losses had run up to around Rs 1,000 crore in 2013-14.

The power utility hopes to get the Centre's approval to raise funds through bonds to pare its debt. The issue size could be around Rs 1,500-1,600 crore. The lenders of DVC are also exploring the option of loan restructuring.

Meanwhile, Langstieh denied handing over its thermal power project at Raghunathpur Purulia to NTPC, which is undertaking due diligence and evaluation of phase 1 (2x600MW) of the project.

He said the plant was progressing well and the company had got 80 acres for the rail corridor.