

DVC eyes revenue uplift, debt rejig

TIMES NEWS NETWORK

Kolkata: Damodar Valley Corporation (DVC), the debt-ridden Central power utility, is pinning hopes on garnering additional revenue of Rs 4,000 crore annually from later half of this fiscal which could help the company turn around. It had a turnover of Rs 11,500 crore in 2013-14. The company has witnessed a loss of Rs 1,050 crore in 2013-14 owing to high debt servicing cost, mounting dues with the Jharkhand government and idle capacity.

The power utility possesses an unused capacity of 1,500 MW while its installed capacity is 6357 MW.

DVC chairman Andrew W K Langstieh told reporters here that it would start supplying to southern grid from De-

cember this year which would help to reduce its idle capacity. DVC will supply 700 MW to the grid which will result in additional revenue of Rs 300 crore every month. Besides, it has got the consent of West Bengal Electricity Regulatory Commission (WBERC) to hike the tariff in the state to Rs 4.90. "It would help us mop up

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an additional Rs 30 crore every year or Rs 360 crore annually," he added.

DVC currently has a debt of Rs 30,000 crore and the interest outgo is Rs 1,200 crore annually. Langstieh indicated that it is also planning to restructure the huge debt in order to reduce interest cost. "We want to retire old high-cost debts and will replace it by low-cost debt. We want to

shed the debt burden by 25%," he added.

As a part of the restructuring exercise, DVC is also planning to raise money through bonds. "We have already applied to the Centre for approval for the bond. But we do not know how much we will be allowed to raise from debt market," he added.

The DVC chairman admitted that power generation companies are facing a big challenge because the most of the state power distribution are not entering into new power purchase agreements.

Commenting on the dues with the Jharkhand government, he added that it is in talks with the state government for a settlement.

"There is a discussion to liquidate the dues up to March 31, 2013, which would be Rs 4,300 crore," he added.