

DVC seeks central nod for bond offer

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Cash-strapped Damodar Valley Corporation (DVC) has approached the Centre for permission to raise ₹1,600 crore in the current financial year through private placement of government-guaranteed bonds.

Loan-laden DVC wants to service some of its short-term debt and fund ongoing projects. "We are looking to raise funds, subject to government approval and government guarantee," said Andrew W K Langstieh (*pictured*), chairman, without sharing details.

In 2012-13, the company had raised ₹2,400 crore through bonds. DVC had again tried to get permission after

this but was turned down. It has debt of about ₹30,000 crore. The annual cost of servicing this is ₹1,200 crore, a tenth of its annual turnover.

DVC is also working on a one-time-settlement of the large amount due to it from the Jharkhand government against electricity sales. As on March 2013, the Jharkhand government owed ₹4,300 crore to DVC, for which both parties are negotiating.

"The negotiation is progressing well. We hope to work this out soon," said Langstieh. However, there are dues after 2013 as well and the total arrears from Jharkhand exceed ₹6,000 crore.

There are three equal shareholders of DVC — the



central government and those of Jharkhand and West Bengal.

The chairman said Jharkhand had started paying for the electricity on a regular basis. "In June, we recorded the highest-ever monthly revenue of ₹1,380 crore," he said.