My Dear Valued Colleagues,

How time flies! I joined the Damodar Valley Corporation (DVC) on 1st September last year and before one could realise it, a year has passed. It has truly been a great privilege and an enriching experience to join the band of DVCians and to count on all of you as my valued colleagues.

This is also perhaps a fitting occasion to review what we, Team DVC, have accomplished in the past 12 months. The power sector in our country is facing challenges on many fronts. It is also no secret that a year ago our organization was in the throes of an existential crisis. Against this backdrop, it is therefore, particularly satisfying for me to tell you that DVC today has emerged stronger and healthier than it has ever been in the recent past. Make no mistake - we still have a long way to go but I am confident that given the level of commitment and hard work I have seen so amply displayed by every member of Team DVC these past months, the future for DVC is full of promise.

So what have we together accomplished in the preceding 12 months? Here is a record of what Team DVC achieved on the operational front:

- **PLF:** PLF in 2014-15 was 47%. Compared to this PLF in 2015-16 for the period April to July 2015 was 54%. PLF in August 2015 was 49% as against 40% in August 2014.
- **Generation:** Power generation is on a continuous upward trend. It was 6402 MU in October-December 2014; 6467 MU in January-March 2015; and 7435 MU in April-June 2015. DVC in its 67 year history achieved its highest all time ex-bus peak generation of 4504 MW on 26 May 2015 (22.39 hrs) and in the same month, highest ever monthly generation of 2780 MU.
- **Sale of power:** DVC aggressively sought customers within and outside the DVC command area as a result of which demand for DVC power increased by 466 MW. DVC also proactively engaged with Madhya Pradesh and Delhi DISCOMS and resumed supply of 903 MW of power to these entities. DVC also sold power on short-term basis to Assam, Uttar Pradesh, Punjab, West Bengal and Railways. Two power traders have been engaged to market DVC's surplus power.
- **Collection of power dues:** DVC performed exceptionally with regard to recovery of its dues. 48% of the total dues collected from customers over the last 24 months was collected in the immediate preceding 6 months. The revenue collection of Rs. 1350 crore in May 2015 was the highest ever in DVC’s history.
- **Operational efficiency:** DVC thermal power plants are running more efficiently as can be measured from the following parameters:
  - Heat Rate of DVC plants has come down from 2460 kcal/kwh in Q1 of 2014-15 to 2409 kcal/kwh in Q1 of 2015-16.
  - SOC of DVC plants has come down from 0.89 ml/kwh in Q1 of 2014-15 to 0.58 ml/kwh in Q1 of 2015-16.
  - APC has come down from 8.75% in Q1 of 2014-15 to 8.11% in Q1 of 2015-16.
  - The average demurrage hours per coal rake has reduced drastically from 4.36 hours in Q1 of 2014-15 to 2.15 hours in Q1 of 2015-16.
- **Fuel issues:** DVC’s Bermo Mine which was closed for almost two years was reopened in November 2014 and its 140-odd employees once again gainfully employed. From its reopening till August 2015, the mine has produced 2.60 Lakh MT of coal. In June 2015 it achieved its highest ever production of 57139.57 MT since the opening of the mine in 1950. Fuel linkages to DVC thermal power stations have been rationalised which will result in huge cost savings.
- **Execution of works:** Team DVC has demonstrated that it can accomplish tasks on time. The construction of the second ash pond at Durgapur Steel thermal power station commenced in October 2014 and was completed on time in March 2015. Major repairs of a generator at Chandrapura thermal power station were completed before time.

We have also progressed on other fronts as well. A robust Management Information System has been established to ensure that every activity of our Corporation is closely monitored at all levels. In November 2014 we undertook to review our huge stock inventory (which is still ongoing) and as a result DVC earned Rs 16.45 crore through the sale of scrap items. DVC earned another Rs. 22.32 crore through sale of coal mill rejects. We initiated action to evict encroachers, demolish unauthorised structures and unhook illegal electricity connections in our project areas. This drive in Maithon alone saved DVC Rs. 1.59 crore in energy costs in just three months (April to June 2015). Promotions across various cadres in DVC had not taken place in years. Since April this year 1402 DVCians (executives: 755; non-executives: 647) have been promoted and a system is now in place to ensure that career advancements at every level in future are awarded on time. In addition, enormous time and effort has gone into finding solutions to the numerous legacy HR issues in DVC which I am confident, will be resolved soon.

In my New Year message to you I had said that we needed to change the way we do things and business as usual can no longer be an acceptable strategy. It is my assessment that we have, as an organization, begun to move in this direction - our report card for the last 12 months is an indicator of this. Given the spirit demonstrated by Team DVC, I am confident that even better days are in store for our Corporation.

Jai Hind!

Yours Sincerely,

(Andrew WK Langstieh)
Chairman