

## DVC likely to recover ₹5,000 cr dues from Jharkhand

Our Bureau



Andrew WK Langstieh, Chairman, DVC

*PFC may grant a loan to the State to repay outstanding bills*

Kolkata, September 9:

Damodar Valley Corporation (DVC) may finally recover a part of the ₹5,000 crore principle that Jharkhand owes it for electricity sales. According to a proposal mooted by the Union Power Minister Piyush Goyal, Power Finance Corporation (PFC) may grant a loan to Jharkhand to help the State repay the outstanding bills to DVC.

The loan will be repaid from the proceeds of coal block auction to the State government.

“Considering that coal block auction has opened a new revenue stream for Jharkhand, the Power Minister mooted a proposal to help the State repay its electricity dues,” DVC Chairman Andrew WK Langstieh told newsmen on Wednesday. He added that the proposal was in a nascent stage and no decision was taken as yet.

Though one of the promoters (along with West Bengal and the Centre) of DVC, Jharkhand has been a habitual defaulter in paying electricity dues. Early in the last decade, the Centre helped the State electricity board clear the slate through a debt corporatisation programme. But that clearly didn't serve any purpose as Jharkhand ended running up a huge bill once again during the last decade. Threats of deductions from the Plan allocations didn't work either.

In February 2013, the Centre asked JSEB to clear ₹2,353 crore dues in instalments of ₹250 crore a quarter or face deductions from Plan allocations. Following the agreement, Jharkhand government made budgetary provisions. But the bankrupt JSEB didn't pass on the benefits to DVC.

Langstieh, however, said that things have improved substantially in the recent past as Jharkhand paid the regular dues (worth nearly ₹200 crore a month) and ₹100 crore a month against the historic outstanding between January and June this year.

Payment against past dues was stopped from July. The State also defaulted approximately ₹20 crore a month on current dues for the last two months. Langstieh is confident the situation wouldn't deteriorate any further. “We are now discussing the new payment schedules with Jharkhand,” he said.

### **Delhi a defaulter too**

Jharkhand may be the biggest defaulter but surely not the only one that failed to pay for the electricity supplies it enjoyed from DVC.

Delhi has run up nearly ₹900 crore dues. Beginning April, the State utility is repaying a mere ₹7.5 crore a month against old dues and regularised payments against its monthly purchase of 450 MW. Madhya Pradesh cleared the account by paying ₹150 crore against past dues.

Breaking the stalemate over past dues has also helped DVC add on to its customers list.

Allowing Delhi to repay the past dues in small instalments, for example, helped DVC resume supplies to the utility. The results are reflected in capacity utilisation of DVC plants.

In a year when there is hardly any growth in demand for electricity and capacities in State sector is suffering from falling PLF compared to last year, DVC's PLF went up from 40 per cent to 47 per cent in August.

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