

BALANCE SHEET AS AT 31ST MARCH, 2005

		(Rs. in lakhs)	
	Schedule No.	As at 31st March, 2005	As at 31st March, 2004
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Capital	1A	209760.38	192699.38
Share capital pending allotment	1B	501.16	2627.16
Reserves and Surplus	2	<u>36950.32</u>	<u>20858.91</u>
		247211.86	216185.45
LOAN FUNDS			
Secured Loans	3	213402.63	198587.61
Unsecured Loans		<u>77423.25</u>	<u>112367.01</u>
		290825.88	310954.62
DEFERRED TAX			
Deferred Tax Liability		68805.56	
Less: Deferred Tax Recoverable		<u>68805.56</u>	
TOTAL		538037.74	527140.07
APPLICATION OF FUNDS			
FIXED CAPITAL EXPENDITURE			
FIXED ASSETS			
Gross Block	4	458206.07	443582.46
Less : Depreciation		<u>122845.74</u>	<u>106237.33</u>
Net Block		335360.33	337345.13
Advance towards Land		885.37	1494.46
Capital Work-in-progress	5	36530.45	34512.03
Construction stores and advances	6	<u>21085.43</u>	<u>12714.04</u>
		393861.58	386065.66
Investment in State Govt. Power Bonds		95490.60	95490.60
CURRENT ASSETS, LOANS AND ADVANCES			
	7		
Inventories		8890.12	7217.60
Sundry Debtors		32838.79	30627.93
Cash and Bank balances		26189.04	18518.59
Loans and advances		<u>8451.52</u>	<u>11848.21</u>
		76369.47	68212.33
LESS : CURRENT LIABILITIES AND PROVISIONS			
	8		
Liabilities		19066.97	19824.52
Provisions		<u>10534.69</u>	<u>4800.53</u>
		29601.66	24625.05
NET CURRENT ASSETS		46767.81	43587.28
MISCELLANEOUS EXPENDITURE	9	1917.75	1996.53
(To the extent not written off or adjusted)			
TOTAL		538037.74	527140.07

Schedules 1 to 14, Balance Sheet abstract and Company's General Business Profile, Annexure 1, 2 & 3, cash flow statement, Notes on Accounts and Accounting Policies form an integral part of the Accounts.

For and on behalf of the Board of Directors

In terms of our report of even date

For S.S. Kothari & Associates
Chartered Accountants

C. Sharma
Deputy Company Secretary

M.R.Ghosh
Director (Finance)

S.C.Sharma
Chairman &
Managing Director

R.K. Roy Chaudhury
Partner
Membership No.8816

Date: 18th June 2005
Place: Kolkata

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005**(Rs. in lakhs)**

	Schedule No.	For the year ended 31st March, 2005	For the year ended 31st March, 2004
INCOME :			
SALES : Energy		79896.94	67030.59
Other Income	10	8284.20	9797.88
TOTAL INCOME		88181.14	76828.47
EXPENDITURE :			
Purchase of gas		13280.30	12563.56
Purchase of power		292.91	59.64
Lubricants, oil, etc.		16.19	53.32
Transportation charges of gas		1068.18	1009.52
Transmission charges		190.25	1271.60
Unschedule interchange charges		85.60	274.20
Incentive on Power Band		268.04	-
Electricity duty		41.50	14.18
Employees remuneration & benefits		4083.94	4373.73
Generation & administration expenses	11	9367.29	11032.26
Depreciation		14724.52	14144.86
Interest & Finance charges	11A	16333.10	17348.56
Deferred revenue expenditure written off		879.95	229.56
TOTAL EXPENDITURE		60631.77	62374.99
Profit/(Loss) for the year		27549.37	14453.48
Prior period adjustment (Net)	12	6952.20	(6356.42)
Profit before tax		20597.17	20809.90
Provision for taxation:			
Current Tax		978.62	975.79
Adjustment relating to earlier years		-	76.01
Deferred Tax Liability	2437.41	-	-
Deferred Tax Recoverable	2437.41	-	-
		978.62	1051.80
Profit after tax		19618.55	19758.10
Balance of Profit from last year		38.25	(5839.76)
Profit for the year available for appropriation		19656.80	13918.34
Transferred to Bond Redemption Reserve		3153.85	8716.03
Transferred to General Reserve		13000.00	4600.00
Interim Dividend		1500.00	200.00
Proposed Final Dividend		1500.00	300.00
Dividend Tax		392.06	64.06
Balance carried over to Balance Sheet		110.89	38.25
Earning per share		100.33	102.54

Schedules 1 to 14, Balance Sheet abstract and Company's General Business Profile, Annexure 1, 2 & 3, cash flow statement, Notes on Accounts and Accounting Policies form an integral part of the Accounts.

For and on behalf of the Board of Directors

In terms of our report of even date
 For S.S. Kothari & Associates
 Chartered Accountants

C. Sharma
 Deputy Company Secretary

M.R.Ghosh
 Director (Finance)

S.C.Sharma
 Chairman &
 Managing Director

R.K. Roy Chaudhury
 Partner
 Membership No.8816

Date: 18th June 2005

Place: Kolkata

INCIDENTAL EXPENDITURE DURING CONSTRUCTION FOR THE YEAR ENDED 31st MARCH, 2005

(Rs. in lakhs)

	Annexure No.	Schedule No.	For the year ended 31st March, 2005	For the year ended 31st March 2004
A. GENERAL ADMINISTRATION				
Employees remuneration & benefits			2508.76	2453.93
Travelling expenses			184.53	199.88
Rent			36.27	64.43
Rates & taxes			1.25	1.91
General expenses	1		1905.99	2447.68
Repairs & maintenance			70.71	53.23
Audit fees & expenses	2		4.78	2.14
Legal expenses			15.28	11.80
Insurance charges			23.98	14.81
Entertainment expenses			1.03	1.04
Advertisement expenses			28.23	14.99
Publicity expenses			45.83	19.14
Board meeting expenses			1.19	2.77
Filing fees			-	1.90
Depreciation			111.83	97.65
Wealth tax			0.14	0.06
Deferred Revenue Expenditure written off			6.08	7.60
Finance Charges			31.00	5.50
Prior period adjustment (Net)		13	4.94	156.32
			4981.82	5556.78
Less: Non operating receipts :				
i) Interest on Investment		972.64		625.13
ii) Others		145.69		50.04
			1118.33	675.17
Net expenditure			3865.49	4881.61
Expenditure charged to				
a) Profit & Loss Account			3080.75	4046.03
b) General Administration (Projects under Construction)			782.74	835.58

For and on behalf of the Board of Directors

In terms of our report of even date
For S.S. Kothari & Associates

Chartered Accountants

R.K. Roy Chaudhury
Partner

Membership No.8816

C. Sharma
Deputy Company Secretary

M.R.Ghosh
Director (Finance)

S.C.Sharma
Chairman &
Managing Director

Date: 18th June 2005
Place: Kolkata

**INCIDENTAL EXPENDITURE DURING CONSTRUCTION
 FOR THE YEAR ENDED 31st MARCH, 2005**

(Rs. in lakhs)

	Annexure No.	Schedule No.	For the year ended 31st March, 2005	For the year ended 31st March 2004
B. GENERAL ADMINISTRATION (PROJECTS UNDER CONSTRUCTION)				
Employees remuneration & benefits			2224.19	1191.49
Travelling expenses			157.86	65.60
Rents			13.95	8.33
Rates & taxes			5.01	1.54
General expenses	1		1318.73	1523.02
Repairs & maintenance			47.52	79.60
Depreciation			158.83	112.14
Legal expenses			-	0.78
Insurance charges			19.16	14.70
Prior period adjustment (Net)		14	24.57	(29.86)
Tender expenses			22.79	3.43
INTEREST & FINANCE CHARGES				
Interest on				
i) Loans from Govt. of India			443.85	840.80
ii) Loans from J.B.I.C.			253.92	197.66
iii) Bonds			502.30	338.31
iv) Structured term loan.			31.86	3.60
			1231.93	1380.37
Finance charges				
a) Guarantee fees			145.60	127.24
b) Commitment charges			1.38	5.61
c) Loan expenses			6.99	30.33
			153.97	163.18
Wealth tax			0.04	0.01
Entertainment expenses			0.19	1.20
Share of General Administration expenses			782.74	835.58
			6161.48	5351.11
Less: Non-operating receipts:				
i) Interest on advances from Suppliers/ Contractors			208.90	203.88
ii) Others			77.22	6.20
			286.12	210.08
Net Expenditure			5875.36	5141.03
Expenditure transferred to Capital Work-in-Progress			5875.36	5141.03

For and on behalf of the Board of Directors

In terms of our report of even date
 For S.S. Kothari & Associates
 Chartered Accountants
 R.K. Roy Chaudhury
 Partner
 Membership No.8816
C. Sharma
Deputy Company SecretaryM.R.Ghosh
Director (Finance)S.C.Sharma
Chairman &
Managing DirectorDate: 18th June 2005
Place: Kolkata

SCHEDULE 1A- CAPITAL

	(Rs. in lakhs)	
	As at 31st March, 2005	As at 31st March, 2004
AUTHORISED CAPITAL		
3,50,00,000 (Previous year 3,50,00,000) equity shares of Rs. 1,000/- each	350000.00	350000.00
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
2,09,76,038 (Previous year 1,92,69,938) equity shares of Rs. 1,000/- each	209760.38	192699.38
TOTAL	209760.38	192699.38

SCHEDULE - 1B CAPITAL

	(Rs. in lakhs)	
	As at 31st March, 2005	As at 31st March, 2004
Share application money pending allotment	501.16	2627.16
TOTAL	501.16	2627.16

SCHEDULE 2 - RESERVES & SURPLUS

	(Rs. in lakhs)			
	As at 31st March, 2004	Additions	Adjustments	As at 31st March, 2005
Capital Reserve	14.08	—	—	14.08
Bond Redemption Reserve	12517.62	3153.85	(4279.18)	11392.29
Grant-in-Aid	3076.46	—	(135.08)	2941.38
General Reserve	5212.50	17279.18	—	22491.68
Surplus as per Profit & Loss A/C	38.25	110.89	(38.25)	110.89
TOTAL	20858.91	20543.92	(4452.51)	36950.32

SCHEDULE 3 - LOAN FUNDS

	(Rs. in lakhs)	
	As at 31st March, 2005	As at 31st March, 2004
(A) SECURED LOANS		
I BONDS :		
MARKET BORROWING PROGRAMME (All the four series Guaranteed by the Govt. of India):		
FIRST SERIES		
12.5% (Taxable) Non Cumulative, Redeemable at par on 19th December 2004	—	5000.00
SECOND SERIES		
14% (Taxable) Non Cumulative, Redeemable at par on:		
- 1st November, 2005	1825.60	1825.60
- 17th January, 2006	1701.10	2001.10
- 12th March, 2006	<u>1173.30</u>	<u>1173.30</u>
	4700.00	5000.00
THIRD SERIES		
13.85% (Taxable) (1st Tranche) Non Cumulative, Redeemable at par on 19th August, 2006	2332.40	2332.40
13.75% (Taxable) (2nd Tranche) Non Cumulative, Redeemable at par on 20th January, 2007	<u>2667.60</u>	<u>2667.60</u>
	5000.00	5000.00
FOURTH SERIES		
12.3% (Taxable) Non Cumulative, Redeemable at par on 10th November, 2007	5000.00	5000.00
PRIVATE PLACEMENT:		
FIFTH ISSUE		
9.75% (Tax Free) Secured Non Convertible, Redeemable Bonds of Rs. 100,000 each, Redeemable at par on 1st January (2007) with a put & call option after 1st January, 2005 (Secured by negative lien on the fixed assets of Agatala Gas Turbine Project, Tripura, ranking pari-passu)	—	5000.00
*SIXTH ISSUE		
8.50% (Tax Free) Secured Non Convertible, Redeemable Tax free Bonds of Rs 10,00,000 each, Redeemable at par on 11th August 2010 with a put & call option after 11th August, 2007	5000.00	5000.00

SCHEDULE 3 - LOAN FUNDS

	(Rs. in lakhs)	
	As at 31st March, 2005	As at 31st March, 2004
*SEVENTH ISSUE		
1st Tranche		
9.00% (Tax Free)Secured Non-Convertible, Redeemable bonds of Rs. 10,00,000 each, redeemable at par on 5th March,2012 with a put & call option after 5th March 2009	1500.00	1500.00
2nd Tranche		
9.85% (Tax Free) ,Secured Non-Convertible, Redeemable bonds of Rs. 5,00,000 each, Redeemable at par on 30th March,2012 and 1st May,2012.With a put & call option after 30th March,2009 and 1st May,2009.	1830.00	<u>1830.00</u>
	3330.00	3330.00
*EIGHTH ISSUE		
7.90% (Tax free) Secured Non-Convertible,Redeemable bonds of Rs. 10,00,000 each, Redeemable at par on 7th January, 2010 with a put & call option after 7th January,2008.	9500.00	9500.00
*NINTH ISSUE		
9.75% (Taxable) Secured Non-Convertible,Redeemable bonds of Rs. 10,00,000 each Redeemable at par on 31st March, 2013 with a put & call option after 31st March,2008.	5400.00	5400.00
*10TH ISSUE		
6.25%(Tax free),Secured Non-Convertible Redeemable bonds of Rs. 10,00,000 each, Redeemable at par on 16th February, 2011 with a put & call option after 16th February, 2009.	3000.00	3000.00
* NOTE : Secured by mortgage of the landed property in the state of Gujrat alongwith fixed assets of Dayang H.E Project Viz: Dam, Water Conductor System and power house & penstock.		
Carried forward	40930.00	51230.00

SCHEDULE 3 - LOAN FUNDS

	(Rs. in lakhs)	
	As at 31st March, 2005	As at 31st March, 2004
Brought forward	40930.00	51230.00
II Loans from Deutsche Bank (Guaranteed by the Govt. of India)	5727.25	7071.44
III Loans from Power Finance Corporation Ltd. [Secured by charge on all movable assets of the Corporation (other than movable and immovable assets of the Assam Gas Based Power Plant) and excluding current assets of the Corporation]	21399.57	24493.98
IV Loans from Japan Bank for International Co-operation (Guaranteed by the Govt. of India)	12133.06	10603.12
V Loans from Life Insurance Corporation of India (Secured by the assets of Kopili HEP : Khandong Dam, Umrong Dam, Power House Khandong, Khandong Penstock, Dykes - Khandong, Tunnel-Khandong, Dyke-Umrong, Power House Khandong-Electrical Works (P&M)-Khandong, Tunnel Umrong, Steel Liner and Penstock-KoPH. Also secured by the assets of Doyang HEP; Residential & Non-Residential Buildings (permanent), Road and Bridges and Diversion Tunnel	9820.67	11228.00
VI Medium term loan from Banks	31000.00	9200.00
(a) Equitable mortgage by way of deposit of title deed of the land measuring 111.54 acres situated at Ramchandranagar, Agartala, Tripura. First charge restricted to 100.00 crores against 3(three) Gas Turbines of Agartala GTP.		
(b) Equitable mortgage by way of deposit of title deed of land situated at umrongso N.C Hills, Assam and at district Wokha, Nagaland. An exclusive mortgage on the immovable properties situated at Kopili H E P stage I extn. together with Power house Building, Temporary/Permanent/Non-Residential Buildings, Temporary Residential Building, Indoor Electrification, Arrestors; Kopili HEP Stage II extension together with Power House Building and Other Buildings and Doyang HEP together with Reservoir and spillway. Also hypothecation of movable properties of Kopili HEP stage I & II including movable plant and machinery spares, tools and accessories and other movables both present and future.		
Interest accrued and due thereon	114.11	—
VII Cash credit (Secured by Hypothecation of book debts/ receivables & stock of stores and spares)	16277.97	4761.07
VIII Structured Syndicated Term Loan [Equitable mortgage by way of deposit of title deed of Land situated at Dibrugarh District, Assam, Secured by exclusive mortgage on immovable properties and hypothecation of movable properties (both present and future) other than current assets of the Assam Gas Based Power Plant]	76000.00	80000.00
TOTAL Secured Loans (A)	213402.63	198587.61
(B) UNSECURED LOANS		
Loans from Govt. of India	69918.55	69918.55
Interest accrued and due thereon	—	28947.52
Short term loan from Banks	7500.00	13500.00
Interest accrued and due thereon	4.70	0.94
TOTAL Unsecured Loans (B)	77423.25	112367.01
GRAND TOTAL (A + B)	290825.88	310954.62

SCHEDULE 4 - FIXED ASSETS

	GROSS		BLOCK	
	As at 1st April, 2004	Additions during the year	Sales / Adjustments during the year	As at 31st March, 2005
A) ASSETS				
I HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES :				
Buildings and civil engineering works containing generation plant & equipment, main plant	23535.19	3050.78	—	26585.97
Hydraulic works including Dams Dykes, Reservoirs & Tunnels	163266.46	1443.36	—	164709.82
Plant & Machinery in Generating Station	50321.28	4013.43	9.43	54344.14
Transformer having a rating of 100 K.V. ampere and above	4683.60	113.11	—	4796.71
Sub-station equipment and other fixed apparatus	504.21	—	—	504.21
Switchgear including cable connections	11485.59	422.35	(24.21)	11883.73
Transmission Lines	707.21	—	—	707.21
II GAS PLANT :				
Gas Turbine	87178.34	2662.61	7.06	89848.01
Gas Booster Station	14947.93	780.58	—	15728.51
Gas Pipeline	36.60	—	—	36.60
Gas Steam Turbine	53261.37	—	—	53261.37
Gas Cooling Tower	3298.39	—	—	3298.39
Make-up Water System	2742.77	—	—	2742.77
	415968.94	12486.22	(7.72)	428447.44

(Rs. in lakhs)

DEPRECIATION			NET BLOCK	
As at 1st April, 2004	Depreciation for the year including adjustment	Upto 31st March, 2005	As at 31st March, 2005	As at 31st March, 2004
6111.67	759.38	6871.05	19714.92	17423.52
11082.81	3008.53	14091.34	150618.48	152183.65
5595.37	1390.19	6985.56	47358.58	44725.91
1021.04	152.83	1173.87	3622.84	3662.56
307.73	7.86	315.59	188.62	196.48
2181.14	403.95	2585.09	9298.64	9304.45
382.02	19.61	401.63	305.58	325.19
44389.19	6421.55	50810.74	39037.27	42789.15
8417.45	1295.24	9712.69	6015.82	6530.48
21.08	2.20	23.28	13.32	15.52
15083.62	1917.41	17001.03	36260.34	38177.75
894.52	118.74	1013.26	2285.13	2403.87
743.84	98.74	842.58	1900.19	1998.93
96231.48	15596.23	111827.71	316619.73	319737.46

**SCHEDULE 4 - FIXED ASSETS**

	GROSS		BLOCK	
	As at 1st April, 2004	Additions during the year	Sales / Adjustments during the year	As at 31st March, 2005
III GENERAL ASSETS (FOR PROJECTS UNDER OPERATION)				
Buildings	6305.32	190.61	21.36	6517.29
Furniture & Fixtures	295.45	7.36	0.84	303.65
Roads, Bridges, Culverts & Helipads	3078.59	5.03	17.88	3101.50
Vehicles	404.37	—	—	404.37
Railway Siding	10.65	—	—	10.65
Electrical Installation	796.55	1.48	0.44	798.47
Temporary Buildings/Erections	2410.30	5.14	(0.26)	2415.18
Hospital Equipment	8.12	0.07	—	8.19
Tools & Plants	3064.66	11.36	(11.30)	3064.72
Office Equipment	149.03	3.88	—	152.91
EDP Equipment	270.62	17.94	—	288.56
Other Equipment	363.34	2.16	0.50	366.00
Water supply, sewerage & drainage	845.61	—	5.50	851.11
Plant & Machinery in Generating Station (Diesel Power House)	489.78	—	(9.43)	480.35
Communication Equipment	109.18	—	—	109.18
Lightning Arrestor (Pole Type Magazine Building)	139.01	—	—	139.01
Telephone Line	103.69	—	—	103.69
Plantation	636.12	—	(636.12)	—
Land & Land Rights :				
Free hold	644.61	0.09	21.79	666.49
Lease hold	2883.95	146.77	632.97	3663.69
	23008.95	391.89	44.17	23445.01
TOTAL (A)	438977.89	12878.11	36.45	451892.45

(Rs. in lakhs)

DEPRECIATION			NET BLOCK	
As at 1st April, 2004	Depreciation for the year including adjustment	Upto 31st March, 2005	As at 31st March, 2005	As at 31st March, 2004
1236.74	118.88	1355.62	5161.67	5068.58
221.19	9.24	230.43	73.22	74.26
603.89	57.34	661.23	2440.27	2474.70
363.78	—	363.78	40.59	40.59
5.80	0.19	5.99	4.66	4.85
315.78	39.36	355.14	443.33	480.77
2166.10	3.96	2170.06	245.12	244.20
5.00	0.32	5.32	2.87	3.12
2243.14	154.79	2397.93	666.79	821.52
117.61	5.48	123.09	29.82	31.42
84.81	16.45	101.26	187.30	185.81
191.07	13.73	204.80	161.20	172.27
114.87	17.89	132.76	718.35	730.74
399.98	7.29	407.27	73.08	89.80
52.32	6.55	58.87	50.31	56.86
60.65	8.27	68.92	70.09	78.36
62.59	3.87	66.46	37.23	41.10
—	—	—	—	636.12
—	—	—	666.49	644.61
—	251.94	251.94	3411.75	2883.95
8245.32	715.55	8960.87	14484.14	14763.63
104476.80	16311.78	120788.58	331103.87	334501.09



SCHEDULE 4 - FIXED ASSETS

	GROSS		BLOCK	As at 31st March, 2005
	As at 1st April, 2004	Additions during the year	Sales / Adjustments during the year	
B) ASSETS				
(FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES)				
Buildings	1357.06	416.12	(166.54)	1606.64
Furniture & Fixtures	252.14	83.32	(11.00)	324.46
Roads, Bridges, Culverts & Helipads	2.77	—	—	2.77
Vehicles	36.19	21.61	(7.78)	50.02
Electrical Installations	152.56	—	2.64	155.20
Temporary Buildings/Erections	268.98	109.64	53.19	431.81
Tools & Plants	869.71	106.12	0.19	976.02
Office equipment	420.76	20.00	(13.27)	427.49
EDP & WP Equipment	539.80	38.93	7.06	585.79
Water Supply, sewerage & drainage	33.63	0.60	(0.60)	33.63
Plant & Machinery in Generating Station (Diesel Power House)	78.88	11.84	(2.73)	87.99
Communication Equipment	48.31	2.30	(0.05)	50.56
Plant & Machinery	1.16	—	—	1.16
Weigh Bridge	12.15	1.19	—	13.34
Land & Land Rights	301.59	1342.16	(354.92)	1288.83
Other Equipment	228.88	54.54	(5.51)	277.91
TOTAL (B)	4604.57	2208.37	(499.32)	6313.62
GRAND TOTAL (A + B)	443582.46	15086.48	(462.87)	458206.07
PREVIOUS YEAR	435596.56	7189.48	796.42	443582.46

(Rs. in lakhs)

DEPRECIATION			NET BLOCK	
As at 1st April, 2004	Depreciation for the year including adjustment	Upto 31st March, 2005	As at 31st March, 2005	As at 31st March, 2004
228.73	26.37	255.10	1351.54	1128.33
142.15	16.61	158.76	165.70	109.99
0.20	0.05	0.25	2.52	2.57
26.67	(0.84)	25.83	24.19	9.52
106.78	9.76	116.54	38.66	45.78
88.64	97.78	186.42	245.39	180.34
638.12	69.93	708.05	267.97	231.59
248.53	24.80	273.33	154.16	172.23
89.15	33.77	122.92	462.87	450.65
7.20	0.60	7.80	25.83	26.43
34.95	4.74	39.69	48.30	43.93
38.65	0.41	39.06	11.50	9.66
1.04	—	1.04	0.12	0.12
0.61	0.85	1.46	11.88	11.54
—	—	—	1288.83	301.59
109.11	11.80	120.91	157.00	119.77
1760.53	296.63	2057.16	4256.46	2844.04
106237.33	16608.41	122845.74	335360.33	337345.13
91684.31	14553.02	106237.33	337345.13	343912.25



SCHEDULE 5 — CAPITAL WORK - IN - PROGRESS

(Rs. in lakhs)

Annexure No	As at 1st April, 2004	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31st March, 2005
Building	227.57	170.43	14.17	233.86	178.31
Temporary Buildings/ Erections	400.76	331.25	(10.57)	113.87	607.57
Roads, Bridges, Culverts & Helipads	2331.46	2306.56	(233.95)	18.70	4385.37
Electrical Installation	58.89	34.30	(0.39)	1.34	91.46
Water Supply, sewerage & drainage	357.93	214.82	—	3.86	568.89
Hydraulic works incldg Dams, Dykes etc.	7207.38	806.63	(303.54)	0.62	7709.85
Other Civil works	143.59	113.79	(2.42)	4.87	250.09
Power house	3205.33	361.15	(50.96)	3338.74	176.78
Switch Yard including cable connection	659.26	132.66	(395.70)	375.09	21.13
Plant & Machinery in generating Station (Diesel Power House)	2.04	—	—	—	2.04
Environment & Echology	1210.86	460.78	(216.61)	—	1455.03
Transmission Lines	* 16.50	3.06	393.06	—	412.62
Transformer having a rating of 100KV ampere and above	3.90	89.69	—	89.18	4.41
Survey & Investigation	1365.67	1228.19	(327.77)	8.05	2258.04
Weigh bridge under installation	—	1.18	—	1.18	—
Plant, etc. in Generating station	3159.24	170.68	—	3192.43	137.49
Deposit Works	3 645.80	—	—	—	645.80
Incidental Expenditure during Construction	13515.85	5875.36	(16.13)	1749.51	17625.57
T.O.T.A.L	34512.03	12300.53	(1150.81)	9131.30	36530.45
Previous year	25419.38	15001.05	(499.51)	5408.89	34512.03

SCHEDULE 6 — CONSTRUCTION STORES & ADVANCES

	(Rs. in lakhs)	
	As at 31st March, 2005	As at 31st March, 2004
A) CONSTRUCTION STORES		
(at cost as certified by the Management)		
i) General Stores	1223.91	4312.63
ii) Stores at sites	<u>7.33</u>	<u>6.43</u>
	1231.24	4319.06
Less: Provision for loss of stock	<u>3.12</u>	<u>3.12</u>
	1228.12	4315.94
B) ADVANCE FOR CAPITAL EXPENDITURE		
Unsecured considered good		
1. Advance to Suppliers & Contractors		
i) Against Bank Guarantee	7765.78	803.55
ii) Others	<u>11900.81</u>	<u>7526.70</u>
	19666.59	8330.25
Less: Provision against bad & doubtful advance	<u>28.00</u>	<u>28.00</u>
	19638.59	8302.25
2. Advance against Steel and Cement	345.87	95.85
Less: Provision against bad & doubtful advance	<u>127.15</u>	<u>—</u>
	218.72	95.85
TOTAL	21085.43	12714.04



SCHEDULE 7 — CURRENT ASSETS , LOANS AND ADVANCES

(Rs. in lakhs)

	As at 31st March,2005	As at 31st March,2004
A. CURRENT ASSETS		
(at cost as certified by the Management)		
1. Operational Stores		
a) Components, spare-parts and other spares	6359.22	4738.54
b) Consumable stores	176.63	4.37
c) Stores & spares against grant- in- aid	<u>2354.27</u>	<u>2481.58</u>
	8890.12	7224.49
Less: Provision for shortage of stores	—	6.89
	8890.12	<u>7217.60</u>
2. Sundry Debtors (Unsecured considered good)		
a) Debts outstanding for a period exceeding 6 months considered good	8368.66	2105.53
b) Other Debts	<u>24470.13</u>	<u>28522.40</u>
	32838.79	30627.93
3. Cash & Bank balance		
a) Short term deposits with scheduled Banks	23762.60	7729.97
b) Balance with scheduled Banks	1809.51	9663.27
c) Cash, drafts, cheques, stamps & imprest in hand	554.93	763.35
d) Remittances in transit	<u>62.00</u>	<u>362.00</u>
	26189.04	18518.59
B. LOANS & ADVANCES (Unsecured considered good unless stated otherwise by the Management)		
a) Advances recoverable in cash or in kind or for value to be received :		
(i) Accounts receivable considered good	5710.34	10345.91
(ii) Considered doubtful	<u>2.02</u>	2.02
	5712.36	10347.93
Less : Provision for bad & doubtful debts	<u>2.02</u>	<u>2.02</u>
	5710.34	10345.91
b) Advance to staff	733.31	449.06
c) Prepaid expenses	796.44	816.91
d) Deposits with other authorities	33.10	185.57
e) Other advances	2.79	0.17
f) Advance tax	1053.48	15.43
g) Tax deducted at source	<u>122.06</u>	<u>35.16</u>
	8451.52	11848.21
TOTAL	76369.47	68212.33

SCHEDULE 8 — CURRENT LIABILITIES & PROVISIONS

(Rs. in lakhs)

	As at 31st March, 2005	As at 31st March, 2004
A) CURRENT LIABILITIES		
Sundry Creditors		
For Capital Expenditure	6129.73	7018.78
Operation and Maintenance	5996.88	4896.17
Other Liabilities	<u>216.17</u>	313.34
	12342.78	12228.29
Deposits, retention money from contractors and others	1088.30	1317.93
Interest accrued and due on cash credit & short term loan	2.75	0.59
Interest accrued but not due on :		
a) Loans from Govt. of India	3624.79	3803.95
b) Loans from Life Insurance Corporation of India	194.26	272.39
c) Bonds	1349.47	1655.01
d) Loans from Japan Bank for International Co-operation	30.58	26.73
e) Loans from Deutsche Bank	49.03	60.42
f) Loans from Power Finance Corporation Ltd.	385.01	459.21
	5633.14	6277.71
TOTAL (A)	19066.97	19824.52
B) PROVISIONS		
For Gratuity	2192.84	1704.29
For Wealth Tax	0.49	0.35
For Guarantee Fees	314.32	312.10
For Leave Encashment	1423.53	1367.86
For Medical Benefits for Retired Employees	214.87	76.08
For Proposed Dividend	1500.00	300.00
For Dividend Tax	196.03	64.06
For Minimum Alternate Tax	978.62	975.79
For Incentive on Power Bonds	3713.99	—
TOTAL (B)	10534.69	4800.53
GRAND TOTAL (A + B)	29601.66	24625.05

SCHEDULE 9 - MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

	As at 1st April, 2004	Additions	Deductions	(Rs. in Lakhs) As at 31st March, 2005
A. Preliminary expenses	113.56	124.73	(12.23)	226.06
B. Deferred revenue expenditure	1882.97	1557.43	(1748.71)	1691.69
TOTAL	1996.53	1682.16	(1760.94)	1917.75

SCHEDULE 10- OTHER INCOME

	For the year ended 31st March, 2005	(Rs. in Lakhs) For the year ended 31st March, 2004
Miscellaneous receipts	32.42	25.57
Interest on sale of power	—	1366.66
Interest on investment (State Govt. Bond)	8116.70	8116.70
Other income (Grant-in-aid)	135.08	288.95
TOTAL	8284.20	9797.88

SCHEDULE 11 - GENERATION AND ADMINISTRATION EXPENSES**(Rs. in Lakhs)**

	Annexure No.	For the year ended 31st March, 2005	For the year ended 31st March, 2004
GENERATION EXPENSES			
Repairs & maintenance :			
a) Roads & buildings		202.65	215.70
b) Power house		1917.17	2110.75
c) Hydraulic works		184.86	282.58
d) Line & sub-stations		0.52	2.75
e) Others		140.84	205.81
f) Stores & spares (against Grant-in-Aid)		135.08	288.95
		2581.12	3106.54
ADMINISTRATION EXPENSES			
1. Travelling expenses		157.86	160.97
2. Advertisement expenses		4.09	2.21
3. Insurance charges		1094.77	1080.58
4. Rents		1.72	2.32
5. Rates & taxes		1.69	7.38
6. Entertainment expenses		2.36	2.09
7. General expenses	1	2297.01	2565.51
8. Publicity expenses		9.62	6.64
9. Wealth tax		0.31	0.28
10. Legal charges		1.06	10.08
11. Filing fees to CERC		25.80	0.30
12. Amortisation of leasehold land		59.13	41.33
13. Donation		50.00	—
14. Share of General establishment (as per statement of incidental expenditure during construction)		3080.75	4046.03
		6786.17	7925.72
TOTAL		9367.29	11032.26

SCHEDULE 11 A. — INTEREST AND FINANCE CHARGES

	(Rs. in Lakhs)	
	For the year ended 31st March, 2005	For the year ended 31st March, 2004
Interest on :		
i) Loans from Government of India	437.23	3538.13
ii) Loans from Life Insurance Corporation of India	981.12	1470.90
iii) Bonds	4503.48	4883.26
iv) Loans from Deutsche Bank	182.38	235.70
v) Loan from Power Finance Corporation Ltd	1967.24	2273.95
vi) Loan from Housing Urban Development Corpn, Ltd	—	3349.25
vii) Structured term loan	5749.39	176.40
viii) Medium/Short Term Loan	1640.85	—
	15461.69	15927.59
Finance charges :		
i) Guarantee fees	118.73	134.86
ii) Commitment fees	2.01	3.30
iii) Rebate to customers	672.83	998.11
iv) Others	77.84	284.70
	871.41	1420.97
TOTAL	16333.10	17348.56

SCHEDULE 12 — PRIOR PERIOD ADJUSTMENT (OPERATION & MAINTENANCE)

(Rs. in Lakhs)

	For the year ended 31st March, 2005	For the year ended 31st March, 2004
A) INCOME :		
Purchase of Gas	587.83	29.65
Interest on loan from PFC	—	11.33
Penal interest	—	9561.61
Employer's contribution to PF	—	5.87
Maintenance of power house	1.61	11.75
Maintenance of Plant and Machinery	154.06	—
Maintenance of Building	5.82	—
Interest on bonds	—	11.09
Loss of Stock	0.66	—
Hire Charges	0.43	—
Managers Fees	14.58	—
Rent	9.29	—
TOTAL INCOME	774.28	9631.30
B) EXPENDITURE :		
Rebate against sale of power	5.27	32.85
Depreciation	1344.53	178.10
Incentive against power bond	3713.99	1392.68
Interest on GOI Loans	—	1.94
Sale of Power	0.89	101.82
Deferred Revenue Expenditure written off	—	17.29
Communication expenses	—	0.91
Interest on Bond	0.28	4.39
Share of corporate office	—	31.99
Interest on LIC Loan	—	2.61
Interest on overdraft	—	2.86
Interest on cash credit	—	5.21
Repair & Maintenance of Roads & building	2.08	3.22
Amortisation of lease hold land	34.37	117.10
Contribution to PF	0.49	20.59
Trusteeship fees	0.26	76.19
Hire charges	—	0.77
Purchase of gas	1531.24	1023.79
Repair & Maintenance of plant	—	0.64
Arranger fees for PSU bonds	—	14.58
Guarantee fees	—	100.00
Purchase of power	945.03	145.35
Dividend Tax	0.96	—
Security Expenses	125.49	—
Interest on Loan from HUDCO	21.60	—
TOTAL EXPENDITURE	7726.48	3274.88
NET EXPENDITURE/ (INCOME)	6952.20	(6356.42)

SCHEDULE 13 — PRIOR PERIOD ADJUSTMENT (GENERAL ADMINISTRATION)

	(Rs. in Lakhs)	
	For the year ended 31st March, 2005	For the year ended 31st March, 2004
A) INCOME :		
Consultancy charges	—	3.72
TOTAL INCOME	—	3.72
B) EXPENDITURE :		
Rent	—	0.29
Conveyance Allowance	—	0.43
Communication expenses	1.50	9.92
IEDC	—	106.76
Depreciation	—	42.64
Consultancy charges	3.19	—
Audit fees	0.25	—
TOTAL EXPENDITURE	4.94	160.04
NET EXPENDITURE/ (INCOME)	4.94	156.32

SCHEDULE 14 - PRIOR PERIOD ADJUSTMENT (PROJECTS UNDER CONSTRUCTION)

	(Rs. in Lakhs)	
	For the year ended 31st March, 2005	For the year ended 31st March, 2004
A) INCOME :		
Interest on PFC loan	—	4.35
Interest on bonds	—	4.39
Interest on LIC loans	—	2.61
Communication expenses	—	0.19
Interest on Central Govt. Loan	—	1.94
IEDC	—	31.99
TOTAL INCOME	—	45.47
B) EXPENDITURE :		
Depreciation	24.57	0.22
Communication expenses	—	0.08
Advertisement expenses	—	15.25
Interest on overdraft	—	0.06
TOTAL EXPENDITURE	24.57	15.61
NET EXPENDITURE/ (INCOME)	24.57	(29.86)

ANNEXURE 1 — GENERAL EXPENSES

(Rs. in Lakhs)

	Operation & Maintenance		General Administration		Project (Under Construction)		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31st March, 2005	31st March, 2004	31st March, 2005	31st March, 2004	31st March, 2005	31st March, 2004	31st March, 2005	31st March, 2004
Leave travel concession	77.76	61.77	42.31	35.05	29.02	10.99	149.09	107.81
Leave encashment	53.35	212.85	94.77	102.56	96.14	134.80	244.26	450.21
Transport expenses	418.17	417.72	217.51	172.63	318.11	200.59	953.79	790.94
Printing & stationery	25.57	22.18	61.37	54.50	17.06	15.49	104.00	92.17
Postage & telegram	1.66	1.86	6.32	4.51	0.95	0.42	8.93	6.79
Medical expenses	273.12	200.87	182.01	135.93	110.78	28.46	565.91	365.26
Licence & registration	5.53	8.44	1.02	0.09	0.37	0.09	6.92	8.62
Paper & periodicals	23.72	10.69	17.10	6.15	10.25	1.68	51.07	18.52
Uniforms & liveries	6.56	8.44	2.78	19.40	0.22	0.12	9.56	27.96
Honorarium	0.15	0.14	0.56	0.22	—	—	0.71	0.36
Electric & water charges	67.99	145.73	42.21	45.50	59.76	59.74	169.96	250.97
Bank charges	4.12	4.54	15.76	18.44	1.98	1.59	21.86	24.57
Social welfare	187.57	180.58	73.57	16.61	9.85	7.22	270.99	204.41
Consultancy charges	0.98	3.23	12.03	66.60	390.09	988.82	403.10	1058.65
Security arrangement	761.07	480.03	63.00	9.38	37.90	27.54	861.97	516.95
Training expenses	0.74	0.27	2.37	3.52	0.05	—	3.16	3.79
Staff recruitment expenses	—	—	1.50	1.28	1.60	0.06	3.10	1.34
Hospital facilities	11.49	30.29	—	—	0.06	—	11.55	30.29
Subscription & membership fees	0.02	—	11.38	9.75	—	—	11.40	9.75
Communication expenses	28.70	31.09	74.50	57.43	42.62	7.70	145.82	96.22
Office furnishing	0.44	1.41	12.25	14.92	4.20	2.62	16.89	18.95
Miscellaneous expenses	18.43	14.21	60.13	33.55	27.46	11.23	106.02	58.99
I.B. expenses	5.69	7.00	26.22	15.93	28.19	19.02	60.10	41.95
Laboratory & meter testing charges	0.20	0.20	—	—	1.07	2.86	1.27	3.06
Photographic records	1.42	1.44	—	—	0.52	—	1.94	1.44
Interest on Overdraft/ MTL/STL	296.66	654.71	855.79	1592.95	—	—	1152.45	2247.66
Loss of Stock/Advance written off	12.87	9.79	—	—	127.15	—	140.02	9.79
EDP Expenses	6.23	11.96	29.53	30.16	2.93	1.98	38.69	44.10
Loss on sale of fixed Assets	—	—	—	0.08	0.40	—	0.40	0.08
Compensation	6.80	5.55	—	—	—	—	6.80	5.55
Provision for Loss/shortage of stores	—	10.52	—	0.54	—	—	—	11.06
Provision for bad & doubtful advance	—	28.00	—	—	—	—	—	28.00
TOTAL	2297.01	2565.51	1905.99	2447.68	1318.73	1523.02	5521.73	6536.21

ANNEXURE 2 -AUDIT FEES & EXPENSES

(Rs. in Lakhs)

	For the year ended 31st March,2005	For the year ended 31st March,2004
Audit fees	1.00	0.75
Tax audit fees	0.12	0.12
Other expenses	3.66	1.27
TOTAL	4.78	2.14

ANNEXURE 3 -DEPOSIT WORKS

(Rs. in Lakhs)

	As at 1st April,2004	Additions	Adjustments	Capitalised	As on 31st March,2005
1. Dikrang Inv. Scheme	204.12	—	—	—	204.12
2. Damwee Inv. Scheme	254.61	—	—	—	254.61
3. Kameng Inv. Scheme	45.73	—	—	—	45.73
4. Papumpam Inv. Scheme	68.93	—	—	—	68.93
5. Ranganadi (Stage - II) Inv. Scheme	38.80	—	—	—	38.80
6. Tuivai Inv. Scheme	15.01	—	—	—	15.01
7. Papu Inv. Scheme	18.60	—	—	—	18.60
TOTAL	645.80	—	—	—	645.80

ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

- 1.1 The Accounts are prepared on Historical Cost Basis.
- 1.2 Income and Expenses are accounted for on Mercantile Basis.
- 1.3 Prepaid expenses and prior period expenses/income of items of Rs. 20000/- and below are charged to natural head of accounts.
- 1.4 Contingent liabilities are generally not provided for in the accounts and are separately shown in the Notes on Accounts.

2. FIXED ASSETS

- 2.1 Fixed Assets are stated at cost. Cost includes purchase price and any directly attributable cost of bringing the assets to working condition for the intended use. Assets and systems common to more than one generating unit are capitalized in the ratio of installed capacity.
- 2.2 In the case of commissioned assets, where final settlement of bill with the contractors is yet to be effected, capitalization is made on provisional basis subject to necessary adjustment in the year of final settlement.
- 2.3 The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on test runs and experimental production is capitalized as an indirect element of the construction cost. However, after commencement of commercial production, the expenditure incurred is charged to Revenue expenditure although the contract stipulation provides for final taking over of the plant after satisfactory completion of the guarantee period.
- 2.4 Net pre-commissioning income/ expenditure is adjusted directly in the cost of related assets and systems.
- 2.5 Capital expenditure not represented by Assets and Capital expenditure on land not belonging to the Corporation is allocated to other capital assets that are directly or indirectly benefited by such expenditure.

3. CAPITAL WORK IN PROGRESS

- 3.1 Net expenditure common to Operation and Construction including Corporate Office expenses and Depreciation on General Assets are allocated to Operating Expenses and Incidental Expenditure during Construction in proportion of Sales to Capital outlay during the year. Common Expenditure of an Operating Project and its extension is being apportioned on the basis of the cost as provided in the approved Project Cost Estimate.
- 3.2 Common expenditure of a project, which is partially in operation and partially under construction, is being apportioned on the basis of the installed capacity.
- 3.3 Incidental expenditure during construction including depreciation and interest are allocated / apportioned to the project/works forming part of work-in-progress on the basis of accretion thereto during the year.
- 3.4 The approved pattern of financing of Govt. of India was 1:1 for Equity and Debt in respect of the commissioned projects till 31/03/2005, the element of Equity being released first. The pattern of financing of Government of India in respect of projects under construction is as per the approved cost estimates of the projects. Interest during construction is also capitalized in the same approved pattern. The interest on loan for capital works chargeable to P/L account and IEDC is ascertained on the same basis of approved debt equity ratio.

4. DEPRECIATION

- 4.1 Depreciation is charged as per Electricity Act, 2003 on straight line method following the rates notified by Central Electricity Regulatory Commission constituted under the Act. Where prescribed rate has not been laid down under the aforesaid Act, depreciation is being provided at the rates followed by the Electricity Boards/ other PSUs/Power Utilities on straight line method.

- 4.2 Leasehold lands of the Corporation would be amortized over the period of lease commencing from the date of commercial operation or the effective date of starting the lease whichever is later.
- 4.3 The depreciation as a result of the foreign-exchange gain/loss adjusted to the assets is charged prospectively as per Accounting Standard 11 of the Institute of Chartered Accountants of India.

5. INVENTORY

- 5.1 Stores and spares are valued at or under cost on weighted average method.
- 5.2 Value of scrap is adjusted in the account as and when sold.
- 5.3 Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are capitalized and depreciated over the residual useful life of that related assets.

6. GRANT-IN-AID

- 6.1 Grant-in-aid received from Central Government through North Eastern Council towards capital expenditure on survey and investigation, for setting up seismological observatories, for training in diamond core drilling etc. are being shown as Grant-in-aid under Reserves & Surplus.
- 6.2 Grant-in-aid received from the Central Govt. for procurement of spares are treated initially as reserve and subsequently adjusted as other income to the extent of utilisation of such spares.

7. INVESTMENT

Investment are intended for long term and carried at cost.

8. BORROWING COST

Borrowing cost attributable to the Fixed Assets during construction/renovation/modernization are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

9. RETIREMENT BENEFIT

Provision for gratuity, leave encashment and post-retirement medical benefits are made on actuarial basis.

10. DEFERRED REVENUE EXPENDITURE

- 10.1 Expenses on training, recruitment etc. are charged to revenue in the year of incurrence. Expenses on training for Plant Operations prior to the commissioning of a Project are treated as Deferred Revenue Expenditure to be written off within 5 (five) years after commissioning of the Project.
- 10.2 The premium paid for restructuring the loan availed from Financial Institutions for reduction in interest rate is treated as Deferred Revenue Expenditure (DRE) and the same is written off over the balance tenure of loan. However in case any loan is repaid in full in a year, prepayment charges paid is written off in the year of repayment itself.
- 10.3 Expenditure on remedial and strengthening of units, which were under operation, is being treated as Deferred Revenue Expenditure to be written off in five accounting years.

11. REVENUE RECOGNITION

- 11.1 Sale of energy is accounted for based on tariff rates approved by the Central Electricity Regulatory Commission. In case of Power Station where the tariff rates are yet to be approved/agreed with the beneficiaries, provisional rates are adopted.
- 11.2 The incentives/disincentives are recognized based on norms notified/approved by the Central Electricity Regulatory Commission. In case of power station where tariffs have not been notified, incentives/disincentives are accounted for on provisional basis.

- 11.3 Interest on Debtors (post securitisation) on account of sale of power is accounted for on cash basis.
- 11.4 Interest on amount involved in consequent securitisation of sundry debtors duly confirmed by all the States is accounted for on accrual basis.

12. FOREIGN EXCHANGE FLUCTUATION

- 12.1 Transactions in foreign currency related to assets and corresponding liabilities are accounted for at the prevailing year-end exchange rate. The difference, if any, arising out of Foreign Exchange Rate fluctuation between the actual transaction date and the year-end rate is adjusted to the concerned assets, capital works in progress and liabilities accordingly and in case of Current Assets, is adjusted against Profit & Loss/ I.E.D.C.
- 12.2 The capitalization of assets procured under foreign exchange contracts is effected by applying an average exchange rate to the foreign exchange value of individual assets. The average exchange rate is derived from the actual foreign exchange rates applicable on the dates of transactions together with the year-end rate of exchange applicable for the purpose of providing outstanding liabilities. The difference arising out of the foreign exchange rate fluctuation on the outstanding liabilities is adjusted to the concerned assets together with adjustment towards depreciation and other consequential impact, if any.

13. MISCELLANEOUS

- 13.1 Interest on advances to contractors are accounted for on due basis.
- 13.2 Claims, liquidated damage, interest on advance to staff, co-operative societies, interest subsidy etc., are accounted for on receipt basis.
- 13.3 Claims for price variation / Bonus in case of contracts/supply/consultancy etc., are accounted for on acceptance of the bills.
- 13.4 Arbitration award for and against the Corporation is accounted for in the year of final settlement.
- 13.5 Expenditure on leave travel concession to employees is recognized in the year of availment due to uncertainties in accrual.

For and on behalf of the Board of Directors

C. Sharma
Deputy Company Secretary

M.R.Ghosh
Director (Finance)

S.C.Sharma
Chairman &
Managing Director

In terms of our report of even date

For S.S. Kothari & Associates
Chartered Accountants

R.K. Roy Chaudhury
Partner
Membership No.8816

Date: 18th June 2005
Place: Kolkata

NOTES ON ACCOUNTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for is **Rs.97609.66 lakhs** (previous year Rs. 26297.71 lakhs).
- In the opinion of the Management, the value on realisation of current assets, loans and advances in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- Balances shown under Loans from Japan Bank for International Co-operation, Government of India, Advances to Contractors, Staff Advances, Creditors, Materials in transit / with contractors / issued on loan are subject to confirmation/reconciliation and consequential adjustment, if any.
- (A) Employees' remuneration and benefits include the following for the Directors including the Chairman & Managing Director.

(Rupees in lakhs)

	<u>Current year (2004-05)</u>	<u>Previous year(2003-04)</u>
Salary and allowances	18.48	19.67
Contribution to Provident Fund and other funds	1.98	2.10
Other benefits	9.96	4.98

(B) The remuneration of employees and of Directors are exclusive of contribution under Group Insurance Scheme which is not ascertainable separately. In addition to the above remuneration, the whole-time Directors have been allowed the use of Corporation's car including for private journey on payment of a fixed monthly amount in accordance with the provisions of B.RE.'s Circular as amended from time to time/terms of their appointment.

- A sum of **Rs.885.37 lakhs** (Previous year Rs. 1494.46 lakhs) spent in connection with acquisition of land including land compensation and rehabilitation expenses has been booked under "Advance towards land" and has been exhibited under "Fixed Capital Expenditure" under separate sub-head pending completion of legal formalities. The land is in the possession of the Corporation.
- The fiscal and financial progress report of the Garo Hills Thermal Project -improvement of road from Dudnoi to Nangalbibra and Damra to Nangalbibra ; received from the BRDB for an amount of Rs 99.83 lakhs has been returned back to NEC since the expenditure is not related to NEEPCO. NEC has been requested to withdraw the sanction order for the amount of Rs. 83.00 lakhs given as Advance towards Share Capital for this project. As against Rs.83.00 Lakhs received from the Council , a sum of Rs.78.39 lakhs including 78.00 lakhs paid as advance to BRDB has been utilised. On receipt of the NEC order , the balance amount of Rs 4.61 lacs will be refunded to NEC and the advance and expenditure will be withdrawn from the books of accounts.
- (a) Sales include **Rs.57.72 lakhs** (previous year Rs. 99.97 lakhs) being the cost of internal consumption of electricity.
(b) Pending approval of tariff with respect to Kopili HEP 2nd stage extension Project, commissioned in 2004-05, capacity charges could not be billed.However energy charges has been billed for supplies of power from this Project.
- In anticipation of rescheduling of equity and loan as per approved pattern of financing of 1:1 for equity and debt in respect of RHEP, the equity being released first, the equity and debt has been accounted for as per approved pattern of financing.
- The restructuring of capital cost of Doyang HEP involving reschedulement of loan & equity as per approved pattern of financing and moratorium on payment of interest on Govt. loan is under active consideration of the Govt. of India. Accordingly interest on remaining Govt. loan after giving effect of reschedulement has not been provided for.

10. Expenditure of **Rs. 23619.34** lakhs incurred for pre construction activity of Turial Hydro Electric Project in Mizoram. Due to some adverse external factors and anticipated increase in cost of project, the continuity of the project is being reviewed in totality in the Ministry of Power. All construction activities has been kept suspended till a decision received from the Government.
11. Expenditure of **Rs. 1707.56** lakhs incurred for Tuivai Hydro Electric Project in Mizoram. In View of Govt. of Mizoram's intention to take back the project for execution in the State sector, all construction activities for the project has been suspended. Necessary modalities are being worked to hand over the project to the State Government.
12. Quantitative information in respect of generation & sales:

	<i>Current year (2004-2005)</i>	<i>Previous year (2003-2004)</i>
Licensed Capacity	Not Applicable	Not applicable
Installed Capacity :-		
(a) Commercial Units	1130.00 MW	1105.00 MW
(b) Design Energy	5665.85 MU	5580.00 MU
Actual Generation	5195.46 MU	4148.20 MU
Sales including internal consumption but excluding free supply of Power, Auxiliary consumption and transmission losses.	4860.26 MU	3859.36 MU

13. Contingent liabilities :

	<i>As on 31.3.2005</i>	<i>As on 31.03.2004</i>
Claims against the Company not acknowledged as debt	7998.44	6024.19

- 14.

	<i>Current year(2004-05)</i>	<i>Previous year (2003-04)</i>
(a) Value of imports calculated on C.I.F. basis:		
Spares	1602.60	461.82
(b) Expenditure in foreign currency :		
i) Interest	193.76	266.29
ii) Others(TA/ Consultancy)	Nil	14.68

15. The required information with respect to Related Party Disclosure is given as under:

(a) Whole time Directors

1.	Sri S. C. Sharma	Chairman & Managing Director
2.	Sri M. R. Ghosh	Director (Finance)
3.	Sri R. P. Sharma	Director (Technical) up to 31.08.2004
4.	Sri Jayanta Barkakati	Director (Technical) with effect from 10.09.2004
5.	Sri Mohan Singh	Director (Personnel) with effect from 27.10.2004

- (b) Related party transaction has already mentioned vide note no. 4 (A)

16. In compliance of AS-22 on "Accounting for Taxation on Income" provision for Deferred Tax Liability as on 1st April 2004 (year of implementation) and for the year ended 31.03.2005 has been made as under:-

	(Rs. in lacs)
(a) Deferred Tax Liability as on 01.04.2004	66368.15
Less: Deferred Tax Recoverable	66368.15
Net Deferred Tax Liability as on 01.04.2004	Nil
Deferred Tax Liability for the year	2437.41
Less: Deferred Tax Recoverable	2437.41
Net Deferred Tax for the year	Nil
(b) The item wise details of Deferred Tax Liability (Net) are as under	
Deferred Tax Liability(Difference of Book depreciation and Tax depreciation)	68805.56

17. The difference between physical stores, stores ledger balances and financial ledgers are under process of continuous reconciliation and due effect, if any, is given progressively.
18. Stores include stores in transit of Rs. **116.40 lakhs** (previous year Rs. 136.88 lakhs).
19. (a) Electricity generation is the principal activity of the Corporation. Other operation like interest income do not form a reportable segment as per the Accounting Standard 17. Interest income earned by the Corporation in respect of bonds issued to the Corporation by various Electricity Board in liquidation of the debts owed by them against energy supplied is attributable to the generation activity only.
- (b) The Corporation has power stations located within the country and therefore geographical segments are inapplicable.
20. In compliance of Accounting Standard -20 on "Earning Per Share" issued by The Institute of Chartered Accountants of India the elements considered for calculation of earning per share are as under:

	31.03.2005	31.03.2004
Profit After Tax (Rs. in lakhs)	19618.55	19758.10
Weighted Average number of equity shares	19554315	19269338
Earning Per Share (Basic) (Rupees)	100.33	102.54
Face value per share (Rupees)	1,000.00	1,000.00

21. For spares purchased out of Grant-in-aid received from the Central Govt. and utilised during the current year, i.e., FY 2004-2005, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of **Rs 135.08 lakhs**. Again, the amount has been transferred from Grant-in-aid to Profit & Loss Account.
22. The effect of foreign exchange fluctuations during the year is as under :
- a) The amount of exchange difference adjusted by increase of loan liability of M/s Deutsche Bank, Germany with corresponding increase in the carrying amount of Fixed Asset is **Rs 337.01 lakhs** in respect of Agartala Gas Turbine Project.
- b) In case of Turrial Hydro Electric Project the amount of difference adjusted by decrease of loan liability of M/S JBIC, Japan with corresponding decrease in the IEDC of **Rs.299.81 lakhs**.
23. In compliance with the Accounting Standard 28 issued by the Institute of Chartered Accountants of India, the company have assessed the earning capacity of all its fixed assets in comparison to their carrying cost and observed no impairment loss. Accordingly no provision has been made.
24. Pending final decision, interest on delayed payment to Gas Authority of India Limited has been accounted for @ 13.25% in line with the model of Oil India Ltd. and the interest claimed in excess of 13.25% amounting to Rs. 2050 lakhs has been shown as contingent liability.
25. Interest and finance charge amounting to **Rs. 1385.90 lacs** related to construction projects has been capitalised.

26. The Company has taken all known ascertainable liabilities pertaining to the year upto 31.03.2005 taking into consideration 30th April 2005 as the cut-of date.
27. The Corporation has changed accounting policy with respect to prior period and prepaid expenses by exceeding the limit to **Rs. 20000/-** during the year compared to Rs. 5000/- in previous year. However this change has no material impact on Profit and Loss Account.
28. Previous year's figures have been regrouped, recast and re-arranged wherever possible and considered necessary.

For and on behalf of the Board of Directors

In terms of our report of even date

For S.S. Kothari & Associates

Chartered Accountants

R.K. Roy Chaudhury
Partner

Membership No.8816

C. Sharma

Deputy Company Secretary

M.R.Ghosh

Director (Finance)

S.C.Sharma

Chairman &
Managing Director

Date: 18th June 2005
Place: Kolkata



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2004-05

(Rs. in Lakh)

	2004-05		2003-04	
A) Cash Flow From Operating Activities:				
Net Profit before Tax		20597.17		20809.90
ADD:				
Depreciation	16162.55		14481.39	
Interest	15461.97		15936.53	
Provision for Rebate/Incentive	678.10		116.14	
DRE Amortized	879.95	33182.57	246.85	30780.91
LESS:				
Non-cash receipts, if any				
Intt. on Power Bond	8116.70		8116.70	
Penal Interest & Others (Sch-12)	—		9584.03	
Grant-in-Aid	135.08	5251.78	288.95	17989.68
Cash Flow From Operating Activities before working capital adjustments:		45527.96		33601.13
Working Capital Changes:				
(Increase)/ Decrease in Inventories	(1672.52)		(1429.64)	
(Increase)/ Decrease in receivables	5691.03		85484.47	
Increase/(Decrease) in trade & other payables	3050.50	7069.01	(20065.35)	63989.48
Extra Ordinary Items				
Cash Flow From Operating Activities before taxes		52596.97		97590.61
Less: Tax paid for earlier year		0.00		76.01
Net Cash Flow From Operating Activities		52596.97		97514.60
B) Cash Flow From Investing Activities				
Purchase of fixed assets	(5046.45)		(2505.38)	
Expenditure on construction projects	(17680.09)		(14291.09)	
Investments	—		(95490.60)	
Misc. Exp.	(801.17)		(1854.76)	
Net Cash Flow From Investing Activities		(23527.71)		(114141.83)
C) Cash Flow From Financing Activities				
Proceeds from issue of share capital (including pending allotment)	14935.00		2126.00	
Dividend paid	(1800.00)		(200.00)	
Proceeds from borrowings (net)	8818.78		24645.95	
Interest paid	(46285.99)		(16511.20)	
Interest/Grant received	4058.35		11019.24	
I.T. Paid/Refund Received	(1124.95)	(21398.81)	241.35	21321.34
Net increase/(decrease) in cash and cash equivalents		7670.45		4694.11
Cash and cash equivalents -Opening		18518.59		13824.48
Cash and cash equivalents- Closing		26189.04		18518.59

For and on behalf of the Board of Directors

In terms of our report of even date
For S.S. Kothari & Associates
Chartered Accountants

C. Sharma
Deputy Company Secretary

M.R.Ghosh
Director (Finance)

S.C.Sharma
Chairman &
Managing Director

R.K. Roy Chaudhury
Partner
Membership No.8816

Date: 18th June 2005
Place: Kolkata

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No.

			1	6	5	8
--	--	--	---	---	---	---

 State Code

1	3
---	---

Balance Sheet

3	1
---	---

0	3
---	---

2	0	0	5
---	---	---	---

Date

Date Month Year

II CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN LAKHS)

Public Issue

		N	I	L		
--	--	---	---	---	--	--

Bonus Issue

		N	I	L		
--	--	---	---	---	--	--

Rights Issue

		N	I	L		
--	--	---	---	---	--	--

Private Placement

		N	I	L		
--	--	---	---	---	--	--

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN LAKHS)

Total Liabilities

5	6	7	6	3	9	.	4	0
---	---	---	---	---	---	---	---	---

Total Assets

5	6	7	6	3	9	.	4	0
---	---	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up Capital

**

2	1	0	2	6	1	.	5	4
---	---	---	---	---	---	---	---	---

Reserves and Surplus

3	6	9	5	0	.	3	2
---	---	---	---	---	---	---	---

Secured Loans

2	1	3	4	0	2	.	6	3
---	---	---	---	---	---	---	---	---

Unsecured Loans

7	7	4	2	3	.	2	5
---	---	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

3	9	3	8	6	1	.	5	8
---	---	---	---	---	---	---	---	---

Investments

9	5	4	9	0	.	6	0
---	---	---	---	---	---	---	---

Net Current Assets

4	6	7	6	7	.	8	1
---	---	---	---	---	---	---	---

Misc. Expenditure

1	9	1	7	.	7	5
---	---	---	---	---	---	---

Accumulated Losses

0	0	0	0	0	0	0
---	---	---	---	---	---	---

** Includes application money pending allotment for Rs. 501.16 lakhs.

IV PERFORMANCE OF COMPANY (AMOUNT RS. IN LAKHS)

Turnover (including other income)

8	8	1	8	1	.	1	4
---	---	---	---	---	---	---	---

Total Expenditure

6	7	5	8	3	.	9	7
---	---	---	---	---	---	---	---

+ - Profit / (Loss) before tax

<input checked="" type="checkbox"/>	2	0	5	9	7	.	1	7
-------------------------------------	---	---	---	---	---	---	---	---

+ - Profit / (Loss) after tax

<input checked="" type="checkbox"/>	1	9	6	1	8	.	5	5
-------------------------------------	---	---	---	---	---	---	---	---

(Please tick appropriate box + for profit, - for loss)

Earnings Per Share (Rs.)

1	0	0	.	3	3
---	---	---	---	---	---

Dividend Rate (%)

1	.	4	3
---	---	---	---

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS) - GENERATION OF ELECTRICITY

Item Code No. (ITC Code)

		N	A		
--	--	---	---	--	--

Product Description

		N	A		
--	--	---	---	--	--

Item Code No. (ITC Code)

		N	A		
--	--	---	---	--	--

Product Description

		N	A		
--	--	---	---	--	--

Item Code No. (ITC Code)

		N	A		
--	--	---	---	--	--

Product Description

		N	A		
--	--	---	---	--	--

For and on behalf of the Board of Directors

C. Sharma
Deputy Company Secretary

M.R.Ghosh
Director (Finance)

S.C.Sharma
Chairman &
Managing Director

In terms of our report of even date
For S.S. Kothari & Associates
Chartered Accountants

R.K. Roy Chaudhury
Partner
Membership No.8816

Date: 18th June 2005
Place: Kolkata