



P E R F O R M A N C E R E V I E W

For the year ended March 2007



Kolkata, 30th April 2007



■ Performance summary (FY07)

- Generation – 7703 MU
- Sales – 6881 MU
- EBIDTA – Rs.769 cr.
- Net profit – Rs.297 cr.

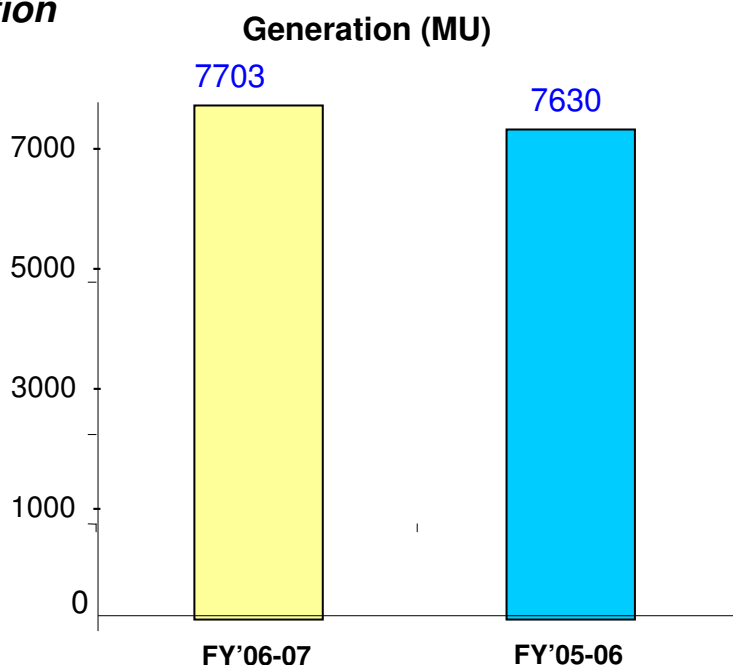
20% REDUCTION IN INTEREST COST

68% INCREASE IN NET PROFIT

Higher Sales, Lower interest cost and T&D were primarily responsible for increase in profit.

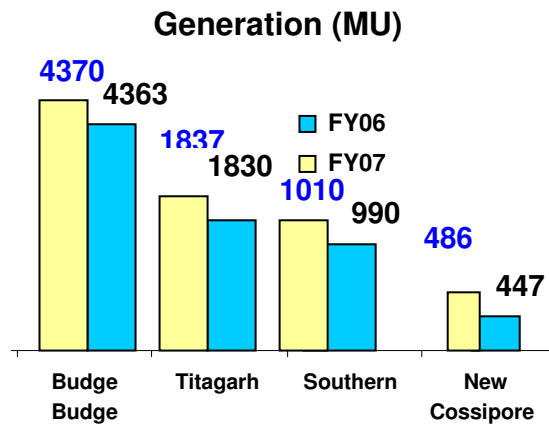
■ Operating highlights

• *Generation*



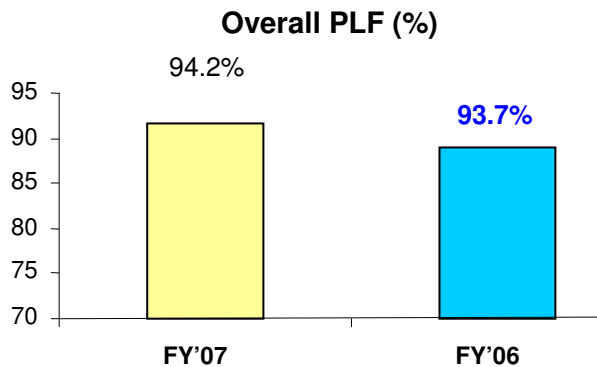
- Plant wise break-up of generation:**

New Cossipore Generating station is only used as a peaking station.



- Plant load factor (PLF)**

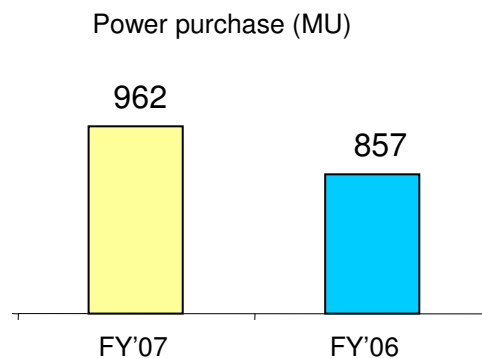
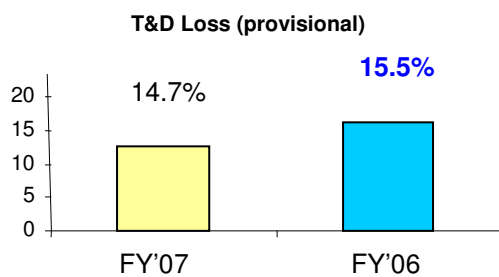
Plant wise PLF is given below:



PLF%	FY07	FY06
Budge Budge	99.8	99.6
Titagarh	87.4	87.1
Southern	85.4	83.7

*Excluding New Cossipore Generating Station

- T&D Loss & Power purchase**



■ Other highlights

• *Tariff*

As per the tariff award by WBERC for 2006-07, the average tariff is Rs 3.74/Kwh as compared to Rs 3.81/Kwh granted for 2005-06.

• *Power Export*

The company has overall sold off-peak power of 458 MU during the year.

• *Future Outlook*

With marked improvement in the financials of the Company and stabilisation in reaching operational efficiencies to a considerable height, the Company is on the threshold of a 'take-off' stage in terms of achieving growth. The work on 250 MW third unit of Budge Budge has commenced. Opportunities in distribution privatization, franchisee and pithead merchant power projects both in and outside West Bengal are also being explored together with obtaining pithead coal mine allocation.

In principle, the Board has approved to float a subsidiary to deal with development of CESC owned land bank as well as those from outside.

The Board has in principle approved merger of current holding Company of Retail holding 94.7% shares of Spencer's Retail with CESC subject to approval of the scheme by Hon'ble Calcutta High Court. Based on a valuation and swap ratio determined by KPMG, CESC is required to issue 31 million Equity Shares of Rs.10 each for the said holding in Spencer's Retail.



Cautionary statement

Statement in this " Performance Review " describing the company's objectives, projections, estimates, expectations or predictions may be " forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include demand supply conditions, finished goods prices, availability and prices of raw materials, changes in the government regulations, tax regimes, economic development within India and the countries within which the company conducts business and other factors such as litigations and labour negotiations.