

## **POWERS DELEGATED TO THE CHAIRMAN & MANAGING DIRECTOR**

The following powers delegated by the Board of Directors to the Chairman and Managing Director, NEEPCO Ltd., in their **191<sup>st</sup>** Meeting held on **20.11.2012**:

1. "RESOLVED THAT subject to the observance of the provisions of the Companies Act, 1956 the Memorandum and Articles of Association of Company, relevant directives of the Central Government applicable to the Company, policies, rules, regulations and budgets as may be approved by the Board of Directors from time to time and principles of financial propriety and subject to the general supervision and ultimate control by the Board of Directors, the Chairman & Managing Director be and is hereby authorized to exercise all or any of the powers vested in the Board for the management and administration of the company, except on matters as set out in Annex 'A' in respect of which prior approval of the Board of Directors/Government will be necessary.
2. "RESOLVED FURTHER THAT in special circumstances, where, in his opinion and immediate decision on any matter on items included in Annex 'A' is essential, the Chairman and Managing Director may within the ambit of operational necessity and efficiency or to meet an emergency, take decision on behalf of the Board provided, however, that report would be made to the board and its ex-post facto approval obtained, wherever necessary.
3. "ALSO RESOLVED THAT the Chairman & Managing Director be and is hereby delegated full powers to institute, conduct, intervene, defend, compromise, abandon or compound any suit, appeal review, revision, writ petition or other proceedings by or against the company or its employees or otherwise concerning the affairs of the company in any court and /or quasi-judicial authorities, to refer any claims and /or demands by or against the company, to arbitration/and observe and perform the awards, to sign the verify complaints, written statements, affidavits, objections, memorandum of appeal or other pleadings to be filed before any judicial or quasi judicial authorities of arbitrator to enforce judgment, execute any decree or order of any judicial or quasi-judicial authorities to satisfy the same and /or to realize or withdraw money from any court, persons or authorities in execution of such decree or order and to sign vakalatnamas etc.
4. "FURTHER RESOLVED THAT the Chairman & Managing Director be and is hereby authorized to sub delegate all or any of the powers conferred upon him to full time Directors, executive Directors, General Managers and other officers under him subject to general supervision and ultimate control/due control being retained by him and further subject to such conditions as he may deem fit, consistent with the need for prompt, effective and efficient discharge of responsibilities entrusted to such a Director/officer.

## **ANNEX 'A'**

### **POWER EXCLUDED /EXCEPTED FROM THE DELEGATION OF POWER TO THE CHAIRMAN AND MANAGING DIRECTOR NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED**

In addition to the matters requiring the approval of the President as set forth in the Articles of Association of the Company, the following will require the sanction/approval of the Board of Directors, Government or General body of shareholders:-

#### **1. BUDGET**

- a. Annual budget estimates and revised budget estimates for capital expenditure.
- b. Annual budget estimates and revised budget estimates for revenue account for operational expenditure.
- c. Budget requirement for five year plans.

#### **2. PLANS**

- a. Annual Plans.
- b. Five –year Plans.
- c. Long term Plans.
- d. Corporate Plans.
- e. Resource mobilization Plans.

#### **3. ACQUISITIONS**

Acquiring shares, stock, securities etc. of other Companies or Undertakings other than in Government guaranteed securities for short term and in duly registered Employees consumer co-operative societies.

#### **4. CAPITAL ESTIMATES**

- a. Feasibility reports, project reports, detailed project reports and estimates as a whole for the plant/project township or for expansion of existing facilities, of plant and township or for establishment of new units and facilities exceeding ₹ 100 crore.
- b. Any capital expenditure above ₹ 50 crore including additions, alternations, modifications, to or replacement of an existing asset and other items which have not been specifically included in the approved capital budget for the year within overall budget limit.

- c. Deviation of more than 10% from the estimates for any component part of a project for which component wise sanction has been accorded by the Board/Government.

**5. PROCUREMENT OF WORKS, PROCUREMENT OF GOODS AND APPOINTMENT OF CONSULTANTS**

- a-i Issue of letter on intent, or award of contract for works of value exceeding Rs.100 crore, forming a component of Project already sanctioned or where investment decision has been taken by Government. However, all proposals for pre-qualification of contractors for works estimated to cost more than ₹ 100 Crore shall be approved by CMD, after the same have been processed by the Contracts Department in association with Finance and Engineering and routed through concerned Director and Director (Finance).
- a-ii Issue of letter on intent or award of supply order or contract for procurement of goods of value exceeding ₹ 100 crore forming an item of a project already sanctioned or where investment decision has been taken by the Government.
- a-iii Making a commitment in respect of (i) and (ii) above.
- a-iv Award of consultancy contracts exceeding ₹ 2 Crore for approved items.
- b) Agreement involving foreign collaboration/foreign consultancy proposed to be entered into by the Company irrespective of the consideration involved. CMD can award Foreign Consultancy Contracts also upto ₹ 2 Crore subject to the condition that the Technical Expertise for which the Consultancy is sought from foreign consultant is superior than that is available in India.
- c) Variations in quantities with respect to quantities indicated in the BOQ of the contract agreement, introduction of new item(s) substitution of one item in the BOQ by another in the BOQ and deviations from the terms of the contract resulting cumulatively in an increase in the contract value of the Contracts approved by the Board by more than 25% or whichever is less of the limits given below:

<b>Sl No</b>	<b>Value of the Contract</b>	<b>Limits.</b>
1.	Upto ₹ 600 Crores	₹ 100 Crores
2.	Upto ₹ 1000 Crores	₹ 150 Crores
3.	Above ₹ 1000 Crores	₹ 200 Crores

This is excluding increases already built in the contract agreement due to price variation, provision for contingencies etc. and also due to new statutory requirement or changes in existing statutory requirements.

- d) Payments of idle charges, hire charges and interest to contractor for delay not attributable to contractor and not covered by force majeure of value more than ₹ 5 crore.
- e) Acceptance of disputed claims over the value of ₹ 5 Crore.
- f) The following items are subject to approval of a Committee of Directors as constituted by the Board of Directors.
  - (i) Award of LOI/contracts or making commitments referred to at a 5(a) (i),(ii) and (iii) for contract amounts exceeding ₹ 100 crore but not exceeding ₹.200 crore.
  - (ii) Variations in quantities with respect to quantities indicated in the BOQ of the contract agreement, introduction of new item(s) substitution of one item in the BOQ by another in the BOQ, and deviations from the terms of the contract resulting cumulatively in an increase in the contract value of the Contracts approved by the Board by more than 25% but within ₹ 200 Crore, excluding increases already built in the contract agreement due to price variation, provision for contingencies etc. and also due to new statutory requirement or changes in existing statutory requirements.
  - (iii) Payments of idle charges, hire charges and interest to contractor for delay not attributable to contractor and not covered by force majeure of value more than ₹ 2 crore but not exceeding ₹ 10 Crore.
  - (iv) Acceptance of disputed claims over the value of ₹ 2 Crore but not exceeding ₹ 10 Crore.

## **6. PERSONNEL**

- i) Framing of recruitment policies, promotion policies, voluntary retirement schemes including liberalized voluntary retirement schemes, disciplinary rules and procedures, excluding those which are routine and procedural in nature or involving expenditure or concessions to the extent of ₹ 1 Crore in a year.
- ii) Creation of posts of Deputy General Manager (E-7) or equivalent and above.
- iii) Formulation of any changes in wage structure and scales of pay of employees of the company.
- iv) Policy matters relating to HRA, CCA, DA, Traveling, other allowances, Bonus/Ex-gratia in lieu of Bonus amenities and fringe benefits.

v) Changes in policies.

vi) Man power Budget.

## **7. ACCOUNTS**

i) Acceptance of annual/semi annual profit and loss accounts.

ii) Declaration of dividend.

## **8. POWER TO INVEST**

To invest the surplus funds of the Corporation aggregating to more than ₹ 25 crore other than in accordance with the guidelines issued by the Deptt. of Public Enterprises from time to time.

## **9. POWER TO BORROW**

To borrow money for purposes other than the working capital requirements on the hypothecation of company's current assets (Borrowing for working capital requirements will be within the competence of CMD subject to adherence to guidelines and policies laid down by the Board).

## **10. WRITE OFF**

i) To write off any items of stores, equipment tools, plant and materials resulting in a net loss of more than ₹ 25 lakhs in each case.

ii) To write off any shortages of cash exceeding ₹ 50, 000 in each case.

iii) To write off any demurrage/ wharfages /port charges etc exceeding ₹ 50 lakhs in a year for each project.

iv) Demolition and write off of Temporary buildings not required by the Projects/Power Stations beyond ₹ 2.5 crore in original cost for each Power Station/Project.

**11. GENERAL**

- i) Grant of compensation to other than Company employees, arising from any cause, above ₹ 25 lakhs in each case.
- ii) Sale or alienation including mortgage in any form of any immovable property vested in the Company.
- iii) Any grant or donation or ex-gratia payment, not arising from recognized rules relating to amenities and welfare, over ₹ 50,000/- in each case.
- iv) Settlement of claims against the Company from any cause not provided for in any other items mentioned above exceeding ₹ 10 lakhs in each case.
- v) Policy for allotment of land to outside parties.
- vi) Any expenditure beyond the scope of objective of the Corporation.
- vii) The power to sell, lease or otherwise dispose off the whole of the undertaking, any of its undertaking or substantial part thereof.