

Directors' Report for the year 2008-09



Members of the Board at the 33rd AGM

Dear Members,

On behalf of the Board of Directors, it is my privilege to present the 33rd Annual Report on the performance of your Corporation during the financial year ended on 31.03.09 along with audited Statement of Accounts, Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India for the reporting period.

FINANCIAL PERFORMANCE

The Year 2008-09 has been an outstanding year with financial performance surpassing all previous records. The

Corporation achieved Gross Revenue of Rs. 971.89 Crores in the year 2008-09 against previous year's figure of Rs.962.68 crores recording a growth of 0.96 %. The Corporation earned a profit before tax of Rs.326.88 Crores against previous year's figure of Rs. 282.24 Crores recording a growth of 15.82 % and the profit after tax amounts to Rs.296.97 Crores against previous year's figure of Rs. 258.31 Crores. The performance of the Corporation for the financial year ended 31.03.09 is summarized below:

(Rs. In Crores)

Particulars	2008-09	2007-08
Gross Revenue	971.89	962.68
Sale of Power	857.83	860.31
Gross Margin	573.17	604.47
Depreciation	149.90	149.69
Deferred Revenue Expenditure	2.06	2.06
Gross Profit	421.21	452.72
Interest and Finance Charges	88.53	112.48
Write off	5.80	58.00
Provision for Taxes	29.91	23.93
Profit after Tax	296.97	258.31
Add: Balance of Profit from last year	0.62	0.97
Write back from Bond Redemption Reserve	4.86	26.27
Profit available for Appropriation	302.45	285.55

Appropriations:		
Bond Redemption Reserve	14.08	15.26
Proposed Dividend (including interim dividend)	89.10	77.50
Tax on Dividend	15.14	13.17
General Reserve	184.00	179.00
Balance carried over to Balance Sheet	0.13	0.62
Total	302.45	285.55



Dividend cheque for the year 2008-09 being handed over to the Hon'ble Minister of Power.

DIVIDEND

Your Directors recommended highest ever dividend of Rs.89.10 Crores for the year 2008-09 including the interim dividend of Rs. 23.00 Crores, paid in Feb' 2009, subject to your approval in the Annual General Meeting. The total dividend pay-out represents 30% of Profit after Tax (PAT) as per the policy decision of Government of India.

REVENUE REALISATION:

During the year the Corporation realized an amount of Rs.969.88 Crores from the beneficiaries against a billing of Rs. 857.83 Crores.



ISO 9001 & 14001
OHSAS 18001

FINANCIAL REVIEW:

A. CAPITAL STRUCTURE

The Authorised Share Capital of the Corporation as on 31.03.2009 stood at Rs.3500 Crores and the Paid up Capital was Rs.3197.76 Crores (Previous year Rs. 3183.94 Crores). Government of India has released equity in respect of Pare HEP, amounting to Rs.13.82 Crores in the financial year 2008-09. The Authorised Capital is proposed to be increased to Rs 5000.00 Crores subject to approval of the Shareholders. The Presidential approval for increase of the Authorized Share Capital in terms of Article 7 of the Articles of Association has been accorded.

B. BORROWINGS

The Corporation has raised a loan of Rs 120.85 Crores during the year 2008-09. In spite of that, the borrowings of the Corporation as on 31.03.09 have come down to Rs. 834.24 Crores from Rs. 962.49 Crores as on 31.03.08 through

effective fund management. The Corporation also executed a loan agreement with kfw, Germany on 11.12.2008, for an amount of € 80 million for financing the 110 MW Pare Hydro Electric Project in Arunachal Pradesh.

C. NET WORTH

The Net Worth of the Corporation excluding committed reserve as on 31.03.09 was Rs. 4182.17 Crores against Rs. 3974.97 Crores as on 31st March, 2008 representing a growth of 5.2 %.

D. COST ACCOUNTING RECORD RULES

The Central Government has approved the appointment of M/S Bandyopadhyaya Bhaumik & Co., Cost Accountants, as Cost Auditor of the Corporation for the financial year 2008-09. The Cost Audit for the year 2008-09 has since been completed and Report is under finalization.

PROJECTS UNDER OPERATION:

POWER GENERATION

The generation during the year 2008-09 was 5405 MU against Memorandum of Understanding (MoU) target of 5407 MU (RE). So, the achievement in generation with respect to the MOU target (RE) is 99.96%. The project wise generation vis-à-vis targets during 2008-09 were as under:

Power Station	Generation Target (MU) 2008-09 for "Very Good" MoU rating (RE)	Actual Generation (MU) 2008-09	Achievement In % age	C.I./Availability target (%) 2008-09 for "Very Good" MOU rating	Actual CI (%) 2008-09	Actual Availability (%) 2008-09
HYDRO						
KHEP (275 MW)	1172	1171	99.91%	85	80.87	---
DHEP (75 MW)	246	238	96.75%	85	96.56	---
RHEP (405 MW)	1600	1568	98%	85	97.62	---
THERMAL						
AGBP (291 MW)	1729	1767	102.20%	80	---	70.88
AGTP (84 MW)	660	661	100.15%	80	---	88.95
Total	5407	5405	99.96%			

MAJOR EVENTS & ISSUES

HYDRO ELECTRIC PLANTS

A. Kopili Hydro Electric Plant (275 MW), Assam



Kopili Dam, Kopili Hydro Electric Project

This project consists of three power stations namely, Kopili Power Station (4X50 MW), Khandong Power Station (2X25 MW) and Kopili Stage-II Power Station (1X25 MW). During the year 2008-09, total generation from all the generating units of Kopili project was 1171 MU out of which Kopili Power Station (4X50 MW) contributed 903 MU with Capacity Index of 87.51%.

The Capacity Indices of Khandong Power Station (2X25 MW) and Kopili Stage-II Power Station (1X25 MW) were lower than the normative Capacity Index of 85% on account of shutdown of Power Station for 2 months w.e.f. 01.02.09 to 31.03.09 for emergency maintenance work of Water Conductor System & Power House.

In view of deteriorating law and order situation in the vicinity of the project area, the working hours have been restricted and thus, the maintenance/restoration works took longer period that affected the generation schedule of the Power Stations resulting in lowering in Capacity Indices.

B. Doyang Hydro Electric Plant (75 MW), Nagaland

Doyang HE Project having Design Energy of 227 MU generated 238 MU during the year 2008-09. Capacity index of the project recorded 96.56%. The Project has achieved generation of 105% of the Design Energy during 2008-09.



A view of Doyang Hydro Electric Project

C. Ranganadi Hydro Electric Plant (405 MW), Arunachal Pradesh

The Power station has achieved generation of 1568 MU against Design Energy of 1510 MU with a Capacity index of 97.62%. Thus, during 2008-09 the plant has generated 104% of the design energy.



Ranganadi Dam, RHEP

THERMAL PLANTS

A. Assam Gas Based Power Plant (291 MW), Assam

The Power station achieved generation of 1767 MU during 2008-09 with Plant Load Factor of 69.32% and Availability of 70.88%.

Due to gradual decline in calorific value and less quantum



Bypass stack and Boiler Chimney, AGBP

of supply of gas, generation was possible to the tune of 190/210 MW only. In order to increase the availability to around 80%, the gas requirement is to the tune of 1.65 MMSCUMD. The Corporation, NERPC and Ministry of Power have taken up the matter with the Ministry of Petroleum and Natural Gas as well as Oil India Limited for enhancement of gas supply to the project.

B. Agartala Gas Turbine Plant (84 MW), Tripura



Agartala Gas Turbine Plant

Agartala Gas Turbine Plant has achieved generation of 661 MU during 2008-09 with Plant Load Factor of 89.93 % and Availability of 88.95%. **The Plant has achieved an all time high generation since its commissioning during the year.**

SPECIAL ACHIEVEMENTS:

During the year, Corporation recorded highest generation of 24.739 MU in a day on 07.07.08 from its power plants and also recorded highest contribution of power, 1049 MW to the grid on 26.09.08.

ONGOING PROJECTS:

A. Kameng H. E. Project (4x150 = 600 MW), Arunachal Pradesh



Collar Ring beam Concreting at the Vertical Shaft, KaHEP. The Kameng H.E. Project located in the West Kameng District of Arunachal Pradesh is planned as a Run-of-the-River Scheme. During the year, the project witnessed frequent disruption of works due to disruption of approach road and encountering of extremely difficult geology especially in HRT. To arrest the instability of the rock mass at Face-II, grouting with OPC and micro fine cement was carried out along with injection of Polyurethane (PU) for a stretch of 40 m tunnel length from chainage 616.88 m. Pre-injection grouting with PU materials was also carried out for consolidation in Face-VI at chainage 784.85 m. In respect of HPT, 51.20% of open excavation of over ground portion, 34% of under ground boring and 18% of vertical shafts boring have been completed. At Power House site, because of geological hurdles cast-in-situ micro piles at two levels are taken up for stabilization of slope and 40 % of micro piling has been completed up to March 2009. To facilitate concreting in Bichom Dam even during monsoon period, diversion tunnel of length 293 m has been taken up for construction.

The occurrence of flash flood from 26.10.08 to 27.10.08 due to incessant rainfall in West Kameng District caused extensive damage to the Tenga Dam site, approaches to the working Faces of HRT under Package – I and II apart from

disruption of communication at various locations of the main access road to Bichom Dam complex. In spite of such critical situation, 41% of boring of HRT, 63% of excavation of Bichom Dam, 91.9% of excavation of Power House and 100% boring of Surge Shaft including 40.28% of Lining of the same have been achieved till 31.03.09.

Considering serious delay in Bichom Dam works due to major changes of Design parameters suggested by High Power Committee of CWC / CEA and keeping in view of technical problems faced in boring of HRT due to encountering extremely poor geology and also loss of considerable working hours due to natural hindrances, commissioning of the 1st Unit of the Project has been reviewed and re-scheduled in December 2012. Meanwhile, the RCE of the Project at September 2008 Price Level has been recast at Rs. 3253.22 Crores including IDC of Rs. 514.22 Crores and submitted to the CEA on 17.02.09 for concurrence.

B. Pare H.E Project (110 MW), Arunachal Pradesh



Work in progress at Pare HEP.

The Cabinet Committee on Economic Affairs (CCEA) accorded investment approval to Pare HEP vide letter dated 04.12.08. The Corporation has signed the Loan agreement with KfW, Germany for loan (ECB) with soft rate of interest under Indo-German Financial Cooperation on 11.12.08.

The Government of Arunachal Pradesh has issued preliminary Gazette Notification on 07.05.08 for land acquisition of the Project. Administrative charge for land acquisition and payment for land Compensation of the Project has been paid to D.C. Papumpare, Arunachal Pradesh. Construction of boundary pillars at project site with the assistance of District Administration has been completed. However, formal forest clearance is awaited.

The earlier Bids for Package-I, Package-II and Design

& Review Consultancy work were cancelled due to high quoted price by the bidders, as compared to the provisions of the sanctioned cost estimate of the project. Now the project is proposed to be constructed through 4 packages viz. Civil Works, Hydro Mechanical Works, Electro Mechanical Works and Switch Yard and Transformer works. Fresh NIB for Package-I (Civil Works) floated on 25.03.09 action is being taken to float fresh tenders for Design & Review Consultancy Works, Hydro Mechanical Works (Package-II) and Electro Mechanical Works (Package-III) within May 2009. Issue of Letter of Intent for Package-I works is targeted by August 2009.

Infrastructural works for the Project like construction of approach roads to the Dam site, Power House site are in progress. The commissioning schedule of the project is 44 months from the date of CCEA clearance.

C. Tuirial H. E. Project (60 MW), Mizoram

The project activities of Tuirial H.E. Project had been totally stopped with effect from 09.06.04 due to agitation launched by Tuirial Crop Compensation Claimants' Association (TCCA) demanding illegal crop compensation and subsequently due to the decision taken in the Mandatory Review Committee of the Project held on 12.08.04 considering increase in the project cost. About 30% of Project work was completed till June, 2004.

The Project cost has been increasing with the passage of time due to increase in prices of all commodities, resulting in increase in the tariff structure. The viability and revival of the project was deliberated in series of meetings at various levels and various options were explored. The cost of the Project has been updated and the revised hard cost at Rs. 802.79 Crores at January 2008 Price Level has been vetted by CEA.

In order to revive the project and to commission within 3 years by containing the tariff within an acceptable limit, NEEPCO has submitted a proposal to Ministry of Power (MoP) based on the decision taken during the meeting at MoP held on 04.02.09 that the Government of India would provide a sub-ordinate loan to the tune of Rs 180 - 200 Crores at a nominal rate of interest. The draft PIB note based on the above scenario has been framed and forwarded to Ministry of Power in February 2009, and subsequently a Revised PIB Note was also forwarded on 05.03.09 after meeting the observations raised by Ministry of Power (MoP). Decision of MoP is awaited for revival of the project.

Meanwhile, the Ministry of Power, Government of India

intimated vide their Letter dated 17.06.09 that pending PIB decision and considering the fact that Loan Agreement for the Project is coming to an end on 18.06.09, it may not be feasible to revive the project under the present Loan Agreement. The Ministry of Power also conveyed the suggestion of Ministry of Finance to consider availing of fresh loan from Govt. of India under the present terms and conditions of ODA Loan for which due diligence will be given to such proposal by the Ministry of Finance. Accordingly, necessary action has been initiated for prepayment of outstanding loan to JICA (outstanding principal and accrued interest till 30.06.09) amounting to JPY 1,917,164,662 which works out to Rs. 96, 51, 00,691.00 (considering exchange rate 1 Yen = Rs. 0.5034 as on 23.06.09).

D. Khangten Small Hydel Project (7.50 MW), Arunachal Pradesh

In terms of Memorandum of Understanding (MoU) drawn between NEEPCO and Government of Arunachal Pradesh for execution of the 600 MW Kameng HEP, Khangten SHP is required to be executed in Tawang District of the State on BOT basis. Techno Commercial Bid and Price Bid for the EPC Contract were opened on 29.01.08 and 06.06.08 respectively where the lone bidder quoted an amount of Rs. 7491.62 Lakhs for the turnkey execution of the Project. On negotiation with the bidder, the evaluated price offered by the firm worked out to Rs. 7112.00 Lakhs. Based on the price negotiated with the bidder, the cost estimate was updated to Rs 8409.87 Lakh and the same was submitted to the Ministry of Power, Government of India for accord of technical sanction and administrative approval. Subsequently, as desired by MoP, the cost estimate of the Project was further reduced by optimizing the scope of works under EPC contract and estimated cost finally arrived at Rs. 7667.24 Lakhs. Based on the observations raised by CEA on the cost estimate of the Project, 2nd round of negotiation was held on 08.04.09 with the bidder wherein the bidder offered further reduction in price. Meanwhile, CEA vide their Letter dated 22.05.09 desired that detailed analysis for items of civil works and issue rates of construction materials etc. should be carried out, and the estimated cost of the Project as per NEEPCO at Sept, 08 PL be submitted for their perusal. Accordingly detailed rate analysis based on CWC guidelines were carried out and submitted which was vetted by CEA at Hard Cost of Rs. 73.68 Crs at Sept'08 PL.

Accordingly, the Ministry of Power, Government of India was subsequently requested to accord Administrative Approval of the Project at the CEA approved hard cost of Rs 73.68 crs, so that the work could be awarded and Project is

completed within a period of 2 years i.e. by June, 2011.

PROJECTS AWAITING INVESTMENT DECISION:

A) Tipaimukh H.E. Project (1500 MW), Manipur

The PIB recommended the Project for placing before CCEA subject to certain observations which included obtaining Environment and Forest Clearance. After considering the project proposal in several meetings by EAC, the MOE&F, Government of India accorded Environmental Clearance to the Project on 24.10.08. However, Forest Clearance is awaited. On receipt of Environment Clearance on 24.10.08, the project cost has been updated at Sept'08 PL as Rs. 8138.79 Crs including IDC of Rs. 1570.73 Crs excluding cost components for flood Moderation, External Security and Diversion of National highway but including Internal Security and NPV.

Power Purchase Agreements aggregating to 1545 MW has been signed with the beneficiary States of N.E. Region.

As per the discussions in the meeting taken by the Secretary (Power) on 28.11.08, the Executive Summary along with Salient feature, Project Layout Plan indicating Approach Roads, updated status including the proposed Construction Programme of the Project were forwarded to NTPC, NHPC, SJVN and Govt. of Manipur with a request to communicate their views / comments on the proposed formation of Joint Venture / Special Purpose Vehicle. While NTPC have expressed their inability to participate in the proposed JV/ SPV,, NHPC & SJVNL have expressed their willingness to have 51% & 26% equity participation respectively in the proposed JV/ SPV. The Govt. of Manipur also expressed willingness to join the proposed SPV with 5% equity participation.

ICB for Engineering, Procurement and Construction (EPC) Contract was invited on 30.11.05. In view of execution of the project through formation of JV / SPV, the ICB for EPC contract for the Project was cancelled. Meanwhile, the Ministry of Power, vide letter dated 06.07.09, communicated its decision to execute the project as a Joint Venture of NHPC, SJVNL and Government of Manipur. Cost of preparation of DPR incurred by NEEPCO will be reimbursed by NHPC.

B) Tripura Gas Based Power Project (104 MW), Monarchak, Tripura

The Gas Supply Agreement with M/s ONGC for supply of 0.50 MMSCUMD gas to the project was concluded on 05.06.08. Power Purchase Agreement with Tripura State

Electricity Corporation Limited (TSECL) has been signed on 19.03.08 for drawal of entire power. Indemnification Agreement for implementation of Transmission system for the Project has also been signed with Tripura State Electricity Corporation Ltd. on 18.09.08.

The PIB in its meeting dated 20.01.09 has recommended the project for placing before CCEA for investment approval at the estimated current Project cost of Rs. 421.01 Crores (at Dec'2008 PL) including IDC of Rs. 27.47 Crores. The equity portion to the tune of 30 % is proposed to be met from the Internal Resources of NEEPCO without taking any budgetary support from Government of India.

CCEA clearance of the project has been accorded on 19.06.09 with a completion schedule of 30 months. However, communication from the Ministry of Power, Govt. of India is awaited.

Land for the project has since been acquired and necessary infrastructures are in place and as such, the project works can be started immediately on accordance of CCEA clearance. Considering the present status of clearance and the short gestation period, it is expected that the project could be completed within XIth Plan period.

In order to expedite the project implementation process, the tender for EPC Contract for Main Plant Package was invited through ICB route in April 2008 and the same was opened on 25.09.08, wherein only one bidder participated. After evaluation of the bid, it is observed that the lone bid did not fulfill the qualifying requirements for the EPC Contract as stipulated in the Tender Documents and are lacking in many respects in the Technical Bid. In view of this, there is no option left but to cancel the bid.

Action is being initiated to award the EPC Contract to BHEL by negotiating the scope, techno-commercial terms and conditions, schedules and prices. Technical-Commercial Offer has been received from BHEL which is under advanced stage of finalization.

PROJECTS OF NEEPCO IN PIPELINE :

HYDRO

A) Mawphu H.E Project (90 MW), Meghalaya

The DPR of the Project was prepared by NEEPCO and submitted to Ministry of Power, Government of India in March, 2007. EIA / EMP Studies have also been carried out.

Although, Memorandum of Agreement (MoA) for execution of the Project was signed between NEEPCO and the Government of Meghalaya on 20.12.07, the State

Government vide letter dated 09.04.08 has directed that the MA signed should not be made operational until further order. The Government of Meghalaya vide letter dated 29.10.08 forwarded a draft MoA for the Project in line with the State Power Policy for acceptance and signing by NEEPCO. On finding that some terms of the MoA are beyond the purview of the National HydroPower Policy, NEEPCO is yet to take a decision on the matter. NEEPCO modified the draft MoA and sent to the Government of Meghalaya for approval which is awaited.

In view of non-operationalization of MoA by the State Govt., it has been proposed not to incur any expenditure on the project and hence the project activities are kept on halt.

B) Ranganadi H.E Project- stage-II (130 MW), Arunachal Pradesh

The DPR of the Project is being reviewed in order to ascertain the possibility to contain the tariff of the Project within the threshold limit.

The State Government has withdrawn its authorization, earlier issued to NEEPCO for carrying out Survey & Investigation activities and preparation of DPR since April 2008. Draft MoA has been forwarded to the State Government. The issue regarding payment of upfront fee to the Government of Arunachal Pradesh as a pre-requisite for signing of MoA has been forwarded to Ministry of Power, Government of India for concurrence. NEEPCO is constantly pursuing with the Govt. of Arunachal Pradesh for allotting the Project to NEEPCO as per the terms of National HydroPower Policy.

THERMAL

NEEPCO has identified three Coal Based Thermal Projects for execution in the States of Meghalaya and Assam. These Projects are:

A) Garo Hills Thermal Power Project (500 MW), Darugiri, Meghalaya

The Site for the project has been identified and preliminary survey works completed. Limited Tender for EIA/EMP study is at final stage of award. Empanelment of consultants for preparation of FR / DPR has been made.

Application with requisite fees for coal linkage was submitted to the Ministry of Coal in December 2006. As Meghalaya falls under the Sixth Schedule of the Constitution, it is proposed to form a Joint Venture Company, which shall acquire Coal Mining lease from the Government of

Meghalaya under the provision of Sixth Schedule and thereafter plan, extract, mine and supply the requisite coal to the project. Accordingly, processes for formation of JV with Mineral Exploration Corporation Ltd (MECL), Nagpur have been initiated. The Government of Meghalaya has conveyed vide letter dated 09.04.08 their decision that the MoA signed on 20.12.07 for development of the project will not be operationalized until further order. Due to this decision, all activities of the project have been held up. However, the Government of Meghalaya vide letter dated 29.10.08 has forwarded the modified MoA for the project. The modified draft MoA has been discussed with Govt. of Meghalaya on 18.11.08; clearance based on the discussion is awaited from the Government of Meghalaya.

B) West Khasi Hills Thermal Power Project (240 MW), Nongstoin, Meghalaya

The draft MoA was submitted to the Government of Meghalaya in July, 2007. Subsequently, proposal for setting up of the Project in Joint Venture mode with the State Government has been submitted on 28.08.08. Clearance from State Government is awaited.

Meanwhile, empanelment of consultants for preparation of FR/DPR has been made.

C) Margherita Thermal power Project (480 MW) Margherita, Assam

A draft Joint Venture Agreement for implementation of this project has been finalized with Assam Power Generating Corporation Limited (APGCL) on 15.09.08. The draft Joint Venture Agreement has been forwarded to the Ministry of Power, Government of India for approval. MoP's observation received on 19.11.08. Necessary modification as per Ministry of Power's observation towards the draft JVA has been proposed to APGCL on 26.11.08. Clearance from APGCL / Government of Assam is awaited.

Ministry of Power has also been requested for Presidential Approval for formation of the Joint Venture Company as per provision of Article of Association of NEEPCO on 18.11.08.

SURVEY AND INVESTIGATION WORKS

A) Kameng-I H.E. Project (1120 MW), Arunachal Pradesh

The MoA for execution of the Project has been signed with Govt. of Arunachal Pradesh on 21.09.06.

Survey & Investigation activities and preparation of DPR

could not be completed due to dominant environmental issues involving Pakke Tiger Reserve. The matter was placed before the EAC, MOE&F, Government of India with Terms of Reference and scoping, who recommended obtaining clearance from Standing Council of National Board of Wildlife (NBWL) for the area falling under Pakke Tiger Reserve. The application for de-notification of forest land falling in Pakke Tiger Reserve has been submitted to the Chief Wildlife Warden of Arunachal Pradesh for onward submission to NBWL vide letter dated 20.03.2008.

NEEPCO is actively pursuing with the Addl. Principal Chief Conservator of Forests (WL&BD) and Chief Wildlife Warden and the State Forest Deptt. for early denotification of the Project land falling under the Reserve. The DFO, Pakke Tiger Reserve, Seijosa visited the Project area on 12.03.2009 and inspected the area falling under the Reserve and his Report is expected.

B. Survey & Investigation Projects in Mizoram and Arunachal Pradesh

The Corporation had also requested the Government of Mizoram and Government of Arunachal Pradesh to allot hydro projects to NEEPCO for Survey and investigation and subsequent development of these projects.

HANDING OVER OF PROJECTS

A) Tuivai H.E. Project (210 MW), Mizoram

As per the decision of the Board of Directors, the list of assets & liabilities along with the details of incomplete contracts has been submitted to the Govt. of Mizoram on 02.08.07. Verification of assets has been carried out jointly by NEEPCO and Power & Electricity Department, Government of Mizoram. In order to complete the handing and taking over of the project, the NEEPCO officials met the Chief Engineer and other officials of the Power & Electricity Department, Government of Mizoram on 16.06.09. However, the same could not be accomplished as the CE (P&E), Govt. of Mizoram emphasized for referring the matter to the State Government prior to conclusion of the handing and taking over process.

B) Lower Kopili H.E. Project (150 MW), Assam

NEEPCO discontinued all its activities of the Project w.e.f. 19.07.04 due to non-finalisation of MoU with the Govt. of Assam. All data/ records and documents have been handed

over by NEEPCO to ASEB in phases, on 27.07.08 to 28.01.09. However, ASEB is yet to reimburse an amount of Rs. 160.33 Lakhs spent by NEEPCO against the investigation works of the project.

C) Talong H.E. Project (160 MW), Arunachal Pradesh

The Project, along with all relevant documents and reports, were handed over to the private developer M/s GMR on 23.06.08 with recovery of expenditure amounting to Rs. 1190.30 Lakhs.

D) Dibbin H.E. Project (125 MW), Arunachal Pradesh

Draft Bilateral Agreement between KSK Dibbin and NEEPCO for handing over of the Project, draft Tripartite Agreement among KSK Dibbin, Poyry Energy AG and NEEPCO for transfer of DPR contract, draft Tripartite Agreement among KSK Dibbin, WAPCOS and NEEPCO for transfer of EIA/EMP contract were finalized. However, handing over of Project could not be concluded as the Developer did not turn up for signing of Agreements on the scheduled date. Necessary adjustment will be made during actual handing over of the Project.

E) Kameng Dam H.E. Project (600 MW), Arunachal Pradesh

Draft Bilateral Agreement between Kameng Dam Hydro Power Limited and NEEPCO for handing over of the Projects was finalized. However, handing over of Project could not be concluded as the Developer did not turn up for signing of Agreements on the scheduled date. Necessary adjustment will be made during actual handing over of the Project.

F) Kameng-II H.E. Project (600 MW), Arunachal Pradesh.

The work of preparation of DPR was not initiated. No EIA/EMP Studies were undertaken. The Developer has not yet turned up and as such the process of transfer of the Project remains inconclusive. Necessary adjustment will be made during actual handing over of the Project.

WITHDRAWAL OF PROJECT

Government of Arunachal Pradesh has intimated NEEPCO on 22.12.08 that the KapakLeyak HEP and Badao HEP in Arunachal Pradesh projects have been handed over

to private developers and as such these two projects stand withdrawn from NEEPCO. Accordingly, the above projects are required to be handed over either to the Government of Arunachal Pradesh or to the Private Developers, if any, duly recovering the expenditure incurred on these projects.

INFORMATION TECHNOLOGY

The IT Department, set up in the year 1995 recognises that Information Technology is not only a strategic necessity but a major enabler of strategic competitiveness. Keeping the above reality in view, NEEPCO has constantly strived to introduce, upgrade and procure hardware and software technologies in all its functional areas with the ultimate objective of having a totally networked Corporation with all applications running in an online system. Keeping this in view, the IT Road Map has been approved by the Board of Directors of NEEPCO. Action has been initiated to implement the IT Road Map. Moreover, expression of Interest has been invited for selecting an ERP (Enterprise Resource Planning) package. The ERP implementation is proposed to be completed within two years and necessary budget has been also earmarked by the management. An IT Security Policy has also been prepared.

ORGANISATION:

A. STRENGTH OF EMPLOYEES :

The total number of employees in the Corporation as on 31.03.09 was 3121 which includes 3112 regular employees and 9 work-charged employees. There are 207 SC and 791 ST employees out of the regular employees.

B. HUMAN RESOURCE DEVELOPMENT :

Human Resource Development is considered critical to developing and sustaining workforce competencies which is the life-line for sustenance of company's growth and developing a competitive edge in today's corporate world. It has been our endeavor to develop our employees through seminars, workshop, training programmers etc. on various functional areas with faculty assistance drawn from within and outside the country. A total of 515 employees of different levels were trained during the year under report through in-house training programme organized at the HRD Institute of the corporation as well as external training programme through various training agencies.



Participants at a Workshop

Apart from in-house training programmes, 275 employees were deputed to attend training programmes conducted by different institutions of repute within the country.

The corporation deputed 28 executives to various overseas training programmes under "Transfer of Technology" (ToT), and "Association for Overseas Technical Scholarship" (AOTS) schemes.

Globally recognized internet based e-learning courses on Project Management by International Project Management Associates (IPMA) were introduced and 17 of our officers have acquired the IPMA D-Level & CIPM certification. Performance against the MoU target entered with Ministry of Power for the HRD parameter is **"Excellent"** during the year 2008-09.

As a part of initiative taken up by the Ministry of Power towards building up of trained manpower by adopting ITI under the **"Adopt an ITI Scheme"**, we have adopted 2 ITIs namely ITI Haflong, NC Hills District, Assam and ITI, Dirang, West Kameng District, Arunachal Pradesh. Our senior officers have been deputed to act as Chairpersons in the respective Institute Management Committee towards successful adoption of the ITIs under the Public Private Partnership.

C. RULES AND POLICIES :

During the period 2008 – 2009 following Schemes have been formulated and implemented :

1. Voluntary Retirement Scheme for redundant categories of employees.
2. Corporate Social Responsibility – Community

Development (CSR-CD) Scheme.

3. Pre- Mature Retirement Benefit Scheme.
4. NEEPCO's Employees Social Security Scheme

D. CORPORATE SOCIAL RESPONSIBILITY:



Director(Personnel) handing over the keys of the ambulances donated by NEEPCO.

Corporate Social Responsibility (CSR) agenda of a corporation is reflective of its social conscience and commitment to the community and society at large within which it operates. Therefore, the Corporation has always given top priority towards all-round development of the people residing in and around its operational areas. As a responsible Corporate citizen, NEEPCO has undertaken various community development activities particularly in the field of education, health, sports, infrastructure development and other community needs etc.

During the last financial year (2008-09) a total sum of Rs. 1,76,42,073/-(Rupees One Crore Seventy Six Lakhs, Forty Two Thousand Seventy Three) only has been spent on the CSR activities.

E. WELFARE ACTIVITIES :

The Corporation has well equipped hospitals/ dispensaries at its various Project sites manned by qualified doctors. There are 16 doctors posted at various Projects and Head Quarters. These hospitals/ dispensaries provide



free treatment to the people of neighboring villages also, as a social welfare measure. In addition to the Corporation hospitals/dispensaries at sites, there are 57 hospitals and nursing homes approved by the Corporation all over the country for treatment of employees and their dependent family members.

F. SPORTS ACTIVITIES :



School children performing at the inaugural function of the 1st Inter Project Sports Meet. During the year 2008-09 a lot of sporting activities were held in the Power Sector under the aegis of Power Sports Control Board.

To start off, NEEPCO hosted the XIIIth Inter CPSU Bridge Tournament at Shillong w.e.f. 26.11.08 to 28.11.08. In total five teams including the host team representing NHPC, PGCI, THDC, PFC & NEEPCO participated in the said Tournament while NHPC was the winner of the Team event and THDC

was the winner in the Pair event. NEEPCO was 1st Runners-up in the Pair event which was a major achievement considering the fact that we have participated in Bridge Tournament for the first time in the history of NEEPCO.

The NEEPCO Kabaddi Team also went to participate in the Inter CPSU Kabaddi Tournament organised by SJVN at Jhakri w.e.f. 22.09.08 to 24.09.08 but due to unavoidable circumstances the Tournament could not be held.

NEEPCO has started another endeavour in the field of Sporting activities by organising annual Inter Project Sports Meet so that it becomes an occasion for interaction amongst the employees serving in various far flung areas. The 1st Inter Project Sports Meet was hosted by AGBP at the Project premises w.e.f. 02.02.09 to 04.02.09 which was a resounding success in all spheres and was appreciated by all the participating employees of the Corporation. In view of above, the Management has also decided that the 2nd Inter Project Sports Meet will be hosted by AGTP during January 2010 and has also instructed other O&M Projects to develop the requisite facilities so that they can host the said event in the subsequent years.

G. EDUCATION :

The Corporation continued to provide schooling facilities



Schoolchildren of VKV, AGBP.

at Project site as Welfare measure for children and wards of employees posted at Project sites where no schooling facility is available nearby. In addition to the children and wards of NEEPCO employees, a good number of children of the neighbouring localities are also admitted to these schools. The Vivekananda Kendra Shiksha Vibhag is the nodal agency for managing the Corporation schools. These

are English medium schools of good academic standard affiliated to Central Board of Secondary Education. In addition, a few kindergartens schools are also functioning in some Project sites.

H. PUBLIC RELATIONS

The Public Relations Wing of NEEPCO continued its sustained efforts to work towards improvement of



Employees presenting a song on NEEPCO day.

communications with the public so that NEEPCO's mission and vision are known and appreciated. The Wing continued to publish the Corporation's quarterly in-house journal "NEEPCO News" and other publications as required from time to time. It also worked to effectively project the image of the Corporation through print and electronic media.

I. USE OF RAJBHASHA (HINDI) :

The Corporation is making all out efforts to implement effectively the Official Language Policy of the Government of India at its Corporate Office as well as Projects and other offices. Efforts were made to issue papers referred to in Section 3 (3) of the Official Language Act in bilingual. All possible efforts were made to achieve the targets as specified by the Department of Official Language. In-house Hindi training arrangement were made to impart Hindi Language as well as Hindi Typing Training to the concerned employees. During the year 59 employees were nominated for Hindi Language Training under regular course, 67 employees were nominated for Correspondence course,



08 employees were nominated for Hindi Typing training and 07 employees were nominated for computer training in Hindi. Under the incentive scheme 58 employees were awarded cash award as per eligibility. To acquaint the employees with provisions of Official Language Rules and to facilitate them for doing their official work in Hindi, 04 Nos. of Hindi workshops were organized at different offices and 51 officers/staff participated in these workshops. Training materials were provided to the employees during the Workshop. Offices were also inspected by the Corporate Office to assess the progress made in the use of Hindi and necessary guidelines were provided for proper implementation of the Official Language Policy of the Govt. of India. In the House Journal - 'NEEPCO NEWS' valuable information relating to use of Hindi were provided for the guidance of the employees. Key words in Hindi with English equivalent as well as routine type notings in Hindi were also displayed everyday on the black board under the programme "Today's Word" in order to enrich the Hindi vocabulary of the employees and to help them for doing their official works in Hindi. Reference books were also provided during the year.

J. INDUSTRIAL RELATIONS :

Industrial Relations in NEEPCO remained cordial and harmonious through out the year. No man-days were lost in NEEPCO on account of any Industrial Disputes. Regular meetings were convened between the Management and representatives of the Trade Unions and various associations to discuss various issues across the table leading to amicable settlement of all issues in the best interest of all concerned.

CORPORATE GOVERNANCE

The Corporation is an unlisted Company with 100% shares held in the name of the President of India. The Corporation firmly believes in the importance of good Corporate Governance in the conduct of its affairs. It stresses in increasing efficiency along with adequate control systems in its operations. An Audit Committee regularly reviews all financial statements before placing before the Board. The Annual Report along with various other communications are hosted on the website for information of the Public at large. A separate statement on Corporate Governance is produced as a part of this Report as Annexure I and the Management Discussion and Analyses Report as Annexure II to this Report.

AUDIT COMMITTEE

The Audit Committee regularly reviews all financial statements before placing before the Board. Discussions with the Statutory Auditors and Internal Auditors are regularly held to ensure adequacy of audit and internal control systems. Details regarding the Audit Committee form part of the Report on Corporate Governance annexed to this Report.

AUDITOR'S REPORT

M/s. ADD & ASSOCIATES, Chartered Accountants, Kolkata were appointed as Statutory Auditor's for the year 2008-09. The report of the Statutory Auditors and comments of the Comptroller & Auditor General of India on the Accounts in terms of Sec.619(4) of the Companies Act, 1956 are furnished in **Annex III & IV**. There is neither any qualification made by Statutory Auditors in their Report nor any comments of C&AG on the Accounts of the Corporation.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors certify the following:-

- In the preparation of the annual accounts, the mandatory accounting standards have been followed.
- The accounting policies adopted are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year and of the profit or loss of the Corporation for that period.
- Adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Corporation and for preventing and detecting fraud and other have been maintained.

- Annual accounts have been prepared on a going concern basis.

VIGILANCE ACTIVITIES



Vigilance Awareness pledge being administered at Corporate office. During the period 2008-09, NEEPCO Vigilance Department dealt with various facets of Vigilance Mechanism under the directives and guidelines issued from the Central Vigilance Commission from time to time. For exclusive and independent functioning of vigilance department, NEEPCO ensured transparency, objectivity and quality in vigilance functioning. Complaints received from various sources other than anonymous/ pseudonymous were taken up for investigation promptly and the same have been disposed off in accordance with the time frame prescribed by the CVC. As on 01.04.08, 6(six) complaints were pending. During this period, 3 (three) new complaints have been added which have also been investigated and out of these, 7 (seven) complaints have already been disposed off. As on 31.03.09, there are 2 (two) cases of complaints pending for finalization. Emphasis was given to the aspect of preventive vigilance to streamline the rules and procedures and making all efforts to arrest the loopholes detected during investigation of various cases.

As on 01.04.08, 5 (five) disciplinary cases were pending and subsequently 2(two) new cases have been added. Out of all these, 4(four) cases have been disposed off during this period and the remaining 3(three) cases are in various stages of disciplinary proceedings.

During this period, 2 (two) officers were awarded minor penalty of "withholding of one increment of pay without

cumulative effect” and “censure” by the Disciplinary Authority after conducting necessary departmental inquiry. An amount of Rs.28,42,835/- has been recovered during this period against various lapses found after detailed verification/inquiry.

The observation raised from Chief Technical Examiner, CVC in their intensive examination reports had been attended to and interacted with the concerned departments pointing out the observations for taking effective and remedial measures by the management. During this period, the related paras against different intensive examination of works carried out by CTE had been replied on further queries received from CTE. A few paras are pending with different authorities of the Corporation against only 2(two) intensive examination of works carried out by CTE earlier.

In order to improve system and procedure in respect of various short comings observed related to processing of tender of works and procurement etc, a number of suggestions have been forwarded to Management. For better functioning of Vigilance Department, 19(nineteen) nos. of officers and staff have been posted in 5(five) commissioned projects and 2 (two) ongoing projects of the Corporation during this period. The vigilance wings of the respective projects have started functioning. During this period 5 (five) nos. of inspections have been conducted at different projects by vigilance officials of the HQ besides carrying out one CTE type inspection in an ongoing project.

Regarding improving vigilance administration by leveraging technology, steps have been taken towards implementation of e-procurement, e-payment etc.

CVO and 3 (three) other vigilance officials have also undergone various training courses conducted by CBI and other agencies. An orientation programme was also organized at the Corporate HQ on 23.09.08 & 24.09.08 where all the officials above the rank of Executive Supervisor posted in the vigilance departments against various project sites as well as HQ had participated. All the important CVC circular and OMs issued from the year 2000 onwards have been circulated to all the vigilance wings of respective projects for record and ready reference with a view to improve overall system in the Corporation.

872 nos. of Annual Property Returns (APR) of the employees have been scrutinized in the year 2008-09. Also, vigilance clearances against officials required for various purposes like DPC, foreign visit, etc were given as and when sought.

Vigilance awareness week was also observed in NEEPCO with tremendous enthusiasm in all projects and other offices

including Corporate HQ from 03.11.08 to 07.11.08 and the week commenced with the pledge on 03.11.08. During this period, seminar/panel discussion and open sessions besides slogan writing competition amongst the employees on anticorruption were organized at Corporate Office and site offices as part of preventive vigilance measures.

DIRECTORS

Shri N. Bhattacharya joined the Board as Director (Technical) on 12.09.08. Prior to his elevation to the Board, Shri Bhattacharya was Executive Director of the Corporation. Since the last Report, Shri Sanjay Chadha relinquished office as part-time Director of the Company, in terms of Ministry of Power's letter dated 15.12.08. Shri Jayant Kawale, Joint Secretary (Hydro), Ministry of Power, Govt. of India was appointed as part time Director of this Corporation in place of Shri Chadha.

The Board of Directors places on record its deep appreciation for the valuable services rendered by Shri Chadha.

CONSERVATION OF ENERGY



Prizewinners of the painting competition on energy conservation

with Mr A G West, Nodal Officer, Meghalaya. Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report regarding Conservation of Energy/Technology Absorption and Foreign Exchange earnings and outgo during the financial year 2007-08 is enclosed in **Annex-V**.

PARTICULARS OF EMPLOYEES

Information required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is – NIL

ACKNOWLEDGEMENT

The Directors are grateful to the various Ministries and Departments of the Government of India particularly the Ministry of Power, Ministry of Home Affairs, Ministry of Finance, Ministry of Environment and Forest, Planning Commission, Department of Public Enterprises, North Eastern Council, Central Electricity Authority, Central Water Commission, Central Electricity Regulatory Commission, Central Soil and Material Research Station, Geological Survey of India, Survey of India and North Eastern Regional Power Committee for their continued cooperation and assistance.

The Directors express their sincere gratitude to the State Government of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura for the cooperation and help extended by them. The Directors further expressed their appreciation to the State Governments who had made full payment against their current dues during the period 2008-09.

The Directors are also grateful to the Bankers, the Statutory Auditors, the Cost Auditors, the Commercial Audit Wing of the Comptroller and Auditor General of India and the Registrar of Companies.

Last but not least, the Directors wish to place on record their high appreciation of the dedicated efforts made by all sections of employees of the Corporation to achieve the goals of the Corporation.

For and behalf of the Board of Directors



(V.K. Abbey)

Chairman & Managing Director

Date: 10th July, 2009

Place: New Delhi

ANNEXURE-I

REPORT OF CORPORATE GOVERNANCE

Corporate Governance deals with laws, practices and implicit rules that determine a company's ability to take informed managerial decision vis-a vis its Stakeholders – in particular, its shareholders, creditors, customers, the State and employees. NEEPCO management tries to act in the best interest of all its stakeholders at all times and has adopted good Corporate Governance practices to benefit the greatest number of Stakeholders.

1. PHILOSOPHY ON CODE OF GOVERNANCE

- (i) To have adequate control system in operation and provide information to the Board on a timely basis in a transparent manner so as to enable the Board to monitor the performance and ensure accountability of the Management.
- (ii) To increase the efficiency of Business Enterprise for creation of wealth of the Enterprise and Country as a whole.
- (iii) To ensure that Employees and Board subscribe to the Corporate values and apply them in their conduct.

2. COMPOSITION OF BOARD AND PARTICULARS OF DIRECTORS:

(I) Composition of Board:

The Board of Directors of the Company ("The Board") consists of 16 (sixteen) Directors, including 4 (four) whole-time Directors, 3 (three) Government part-time Directors representing the Government of India, 6 (six) Government part-time Directors representing the Governments of the North Eastern States and 3 (three) Independent Directors.

The Composition of the Board and the number of other Directorship and Committee positions held by the Directors

Name	Executive/ Non-executive/ Independent	Other Directorship held	Other Position	Committee
Shri V.K. Abbey	Chairman	Nil	Nil	Nil
Shri M.R. Ghosh	Director (Fin.)	Nil	Nil	Nil
Shri I.P. Barooah	Director (Pers.)	Nil	Member	Remuneration committee
Shri N. Bhattacharya	Director (Tech.)	Nil	Member	Remuneration committee

The Government of India appointed the following Non – executive Directors on the Board of the Company as on date of report.

DIRECTORS FROM MOP

Name	Executive/ Non-executive/ Independent	Other Directorship held	Other Committee Position	
			Chairman	Member
Shri Gurdial Singh,	Part-time Director from CEA	NHPC, SJVNL, THDC, JKSPDC	Committee on Projects and Performance Review, NHPC	Audit Committee, NHPC.
*Shri Sanjay Chadha	Part-time Director from MoP		Nil	Nil
Shri Jayant Kawale,	Part-time Director from MoP	NHPC, SJVNL, THDC	Nil	Audit Committee NHPC
Shri Rajeev Verma,	Part-time Director from MoP		Nil	Nil

DIRECTORS FROM N.E STATES

Name	Executive/ Non-executive/ Independent	Other Directorship held	Other Committee Position	
			Chairman	Member
Shri T.Norbu	Part-time Director Govt. of Arunachal Pradesh	APDC Ltd., Arunachal Pradesh	Nil	Nil
Shri B.K. Dev Varma	Part-time Director Govt. of Meghalaya		Nil	Nil
Shri K.Lal Nghinglova	Part-time Director Govt. of Mizoram		Nil	Nil
Shri R.B.Thong	Part-time Director Govt. of Nagaland		Nil	Nil

- Shri Sanjay Chadha ceased to be Director on 15.12.2008

INDEPENDENT DIRECTORS

Name	Executive/ Non-executive/ Independent	Other Directorship held	Other Committee Position	
			As Chairman	As Member
Shri J.P.Rajkhowa	Independent Director	NRL	Audit Committee, NRL Audit Committee NEEPCO Remuneration Committee, NRL	
Shri Shantikam Hazarika	Independent Director	HCL, Calcutta LAEDC Ltd., Guwahati Guwahati Stock Exchange.	Remuneration Committee, NEEPCO	Audit Committee Hindustan Copper Ltd.,
Shri Sujit Chakravorti	Independent Director	Sarda Plywood Ltd. Kit ply Ltd. WEBFIL Ltd. Deepak Industries	Audit Committee Sarda Plywood Audit Committee Kit ply Ltd Audit Committee WEBFIL Ltd.	Rem. Committee Sarda Plywood Rem. Committee Kit ply Ltd

during the year ended as on 31st March, 2009 is as under:

(ii) Non-Executive Director's Compensation & Disclosures:

The Company has paid sitting fee to Non-Executive Independent Director.

(iii) Board Meetings, Committee Meetings & Procedures:

- Minimum four Board Meetings are held in each year. Apart from the four scheduled Board Meetings, additional Board Meeting can be convened by giving appropriate notice. In case of business exigencies or urgency of matters, resolution is passed by circulation.
- The Board of Directors is given presentation covering Project Implementation and operations of the Company at

each Board Meeting. The information is being placed before the Board in accordance to DPE guidelines.

- c. Five meetings of the Board of the Company were held during the year under review. The Company has held at least one Board Meeting in each quarter. The details of the Board meetings are as under:

Sl. No	Date	Board Strength	No. of Directors present
1.	8 th July, 2008	16	11
2.	14 th August, 2008	16	10
3.	30 th September, 2008	16	9
4.	19 th December, 2008	16	9
5.	20 th February, 2009	16	10

Attendance of Directors in the Board Meeting and Annual General Meeting during the year under review is as under:

Name of the Directors & Category of Director	Attendance of Meetings during 2008 - 09		
	Board Meeting held during tenure	Board Meeting attended	Last AGM
Shri V.K. Abbey	5	5	Present
Shri M.R. Ghosh	6	6	Present
Shri I.P. Barooah	6	6	Present
Shri N. Bhattacharya	3	3	-
Shri Gurdial Singh	6	4	Present
Shri Rajeev Verma	6	5	Present
Shri Sanjay Chadha	4	4	Present
Shri J.P. Rajkhowa	6	5	Present
Shri Shantikam Hazarika	6	6	Present
Shri Sujit Chakravorti	6	6	Present
Shri T. Norbu	6	2	Present
Shri K.L. Nghinglova	6	1	Absent
Shri B.K. Dev Varma	6	1	Absent
Shri R.B. Thong	6	Nil	Absent
Shri J. Barkakati	1	1	-

- d. The Board of Directors reviewed from time to time legal compliance report presented by the Company Secretary.

(iv) Code of Conduct:

The Company is committed to conducting business in accordance with the highest standard of business ethics and complying with applicable laws, rules and regulations. Code of Business conduct and Ethics for Directors and Senior Management was approved by the Board of Directors in its 167th meeting held on 20.02.09 and made effective w.e.f.

01.04.2009.

(v) Fraud and Risk Management Policy:

The Company is in the process of developing its "Fraud Policy" and "Risk Management Policy".

(vi) Training of Board Members:

The Board members are provided necessary documents / brochures, reports and internal policies to enable them to familiarize with company's procedure and practice.

3. AUDIT COMMITTEE

The Audit Committee was constituted in the year 2001. Audit Committee is constituted of three Non executive Directors as on 31.03.2008 as under:

- | | |
|----------------------------|--------------------------------------|
| i) Shri J. P. Rajkhowa | Independent Director, Chairman . |
| ii) Shri Sujit Chakravorti | Independent Director, Member. |
| iii) Shri Rajeev Verma | Official part-time Director, Member. |

The Committee met 4 (four) times during the year. The meetings were also attended by Director (Finance), Head of the Internal Audit and Statutory Auditors as Special Invitees. The Company Secretary of the Company acted as Secretary to the Committee.

SI No	Date	Committee Strength	No. of Members Present
1.	3 rd June, 2008	3	2
2.	9 th July, 2008	3	3
3.	30 th September, 2008	3	2
4.	23 rd March, 2009	3	3

The minutes of the Audit Committee were placed before the Board for information. The terms of reference of the Committee are as under:-

- i) Review of the Corporation's financial reporting process and the disclosures made in its financial reports to ensure that the financial statements are sufficient, correct and credible.
- ii) Review of the half-yearly and annual financial statements before submission to the Board, focusing primarily on the following:
 - Any change in accounting policies and practices
 - Major accounting entries based on exercise of judgment by management.
 - Qualification in draft audit report.
 - Compliance of all legal requirements concerning financial statements.
- iii) Review of the adequacy of internal control systems.
- iv) Review the adequacy of internal audit function, including the structure of the internal audit department, staffing of the department, reporting structure, coverage and frequency of internal audit.
- v) Recommend fixation of audit fee and also approval of payment for any other services of external auditors in

accordance with Sec 224(8)(aa), as amended by the Companies (Amendment) Act, 2000.

- v(i) Appointment and fixing of remuneration of Cost Auditors in terms of Section 233B of the Companies Act
- vi) Discuss with internal auditors on any significant findings and follow up thereon.
- vii) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- viii) Discuss with external auditor before the audit commences regarding nature and scope of audit and have post-audit discussions to ascertain any area of concern.
- ix) Review the company's financial and risk management policies.

4. DIRECTORS REMUNERATION

Our company being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the President of India. Hence, the Board does not decide remuneration of the Directors. Independent Directors are paid only sitting fees at rate fixed by the Board for attending the Board Meetings as well as committee Meetings.

Details of remuneration of Functional Directors of the Company during the year 2008-09 are given below:

Directors	Designation	Salary (Rs.)	Benefits (Rs.)	Performance linked incentive (Rs.)	Total (Rs.)
Shri V.K.Abbey	Chairman & Managing Director	999167	76234	NIL()	1075401
Shri M.R.Ghosh	Director (Finance)	1379749	79998	69870	1529671
Shri I.P.Barooah	Director (Personnel)	1274786	306371	71219	1652376
**Shri J.Barkakati	Director (Technical)	302107	136383	66929	505419
***Shri N.Bhattacharya	Director (Technical)	620694	6633	71489	698816
		4576503	605619	279507	5461629

(*) Performance linked Incentive has not been paid for 2007-08, since he joined on 06.06.2008.

* Period from 06. 06. 2008 till 31. 03. 2009

** Period upto 04. 06. 2008

*** Period from 12. 09. 2008 till 31. 03. 2009

5. DISCLOSURES:



ISO 9001 & 14001
OHSAS 18001

There were no transactions of material nature with the promoters or Directors or the Management, etc, which have potential conflict with the interest of the Company at large. The details of the Related Party Disclosure are included in notes forming part of the Accounts as per Accounting Standard- 18 issued by the Institute of Chartered Accountants of India. The Company has been particular in adhering to the provisions of the laws and guidelines of regulatory authorities.

6. GENERAL BODY MEETING

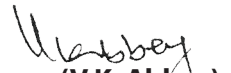
The date, time and location where the last three Annual General Meeting were held are as under:

Financial Year	Date	Time	Location
2005-06	18.09.2006	5.00 P.M.	Shillong
2006-07	04.09.2007	11.00 A.M	Shillong
2007-08	14.08.2008	1.00 P.M.	New Delhi

7. SHAREHOLDERS INFORMATION:

NEEPCO is a Wholly Owned Government of India Enterprise and the President of India and its nominees hold 100% (Hundred Percent) equity shares of the Company. Therefore, no pattern of distribution of shareholdings is given.

For and on behalf of the Board of Directors


(V.K. Abbey)

Chairman & Managing Director

Date: 10th July, 2009
Place: New Delhi

ANNEXURE- II**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENT**

Electric power is the backbone of any economy and thus any development in the electric power industry will have a significant impact on the over all economic scenario and vice versa. Given the fact that Indian industry is growing at a rate of 6 percent per year, the role of electric power assumes more importance. The Government has taken many liberalization measures in the power generation sector. However, the demand still far-exceeds the supply and power cuts have become everyday reality. Thus, the situation indirectly offers a huge potential for power developers.

To boost economic growth and human development, one of the Government of India's top priorities is to provide all its citizens with reliable access to electricity by 2012. To ensure that the uncovered 40% of Indian homes get electricity by 2012, the government estimates that the country will need to install an additional 100,000 Mega Watts (MW) of generating capacity by 2012. Given that India added about 23,000 MW during the last Five Year Plan of 2002-2007, this will be quite a quantum leap.

The Government of India has decided to acquire an increasing portion of this additional power from the country's vast untapped hydropower resources, only about 22% of which has been harnessed so far. India's energy portfolio today depends heavily on coal-based thermal energy, with hydropower accounting for only 26% of total power generation. The Government of India has set the target for India's optimum power system mix at 40% from hydropower and 60% from other sources.

OPPORTUNITIES

Our country is endowed with enormous economically exploitable and viable hydro potential assessed to be about 84,000 MW at 60% load factor (1,48,700 MW installed capacity). In addition, 6781.81 MW in terms of installed capacity from small, mini and micro hydel schemes have been assessed. Also, 56 sites for pumped storage schemes with an aggregate installed capacity of 94,000 MW have been identified. However, only 15% of the hydroelectric potential has been harnessed so far and 7% is under various stages of development. Thus, 78% of the potential remains without any plan for exploitation.

North East India harbours vast power reserves in terms of hydro, coal and gas reserves which, if harnessed to their full capacity can, not only make this region power surplus but also supply considerable amounts of power to the rest of the country. The total hydro potential of the North East has been assessed as 58971 MW, out of which only 1202 MW (2.04%) has been developed so far. Similarly, this region has 945.03 million tones of coal reserves which can produce 6000 MW of power for 25 years, and 152 billion cum of gas reserves which is capable of generating 10000 MW of power for 10 years. With proper planning and implementation of power projects, it is hoped that the power potential of NER can be fully tapped and this region can become the power house of the country in future.

THREATS / RISKS

The threats/risks which have affected hydro development are technical (difficult investigation, inadequacies in tunnelling methods), financial (deficiencies in providing long term financing), tariff related issues and poor contract management. The hydro projects are also affected by fragile and unpredictable geological conditions (especially in the Young Himalayan region where underground tunnelling is required), inaccessibility of the area, problems due to delay in land acquisition, and resettlement & rehabilitation of project affected families, law & order problem in militant infested areas.

In addition to above, the management also perceives the following as Threats / Risks in construction of Power Projects in the North eastern region.

Disparity between hydro power policy of the State Government and the Central Government

The role of CPSUs like NEEPCO has been immensely discouraged by the policies & powers exercised by the State Governments in allotment of power projects to the executing agencies. State Governments of North Eastern Region, in particular the States of Arunachal Pradesh and Meghalaya have formulated their own Power Policies for development/allotment of projects. Certain stipulations under these policies are found inconsistent with that of National Power Policy.

Net Present Value of forest land

There will be severe impact on the commercial viability of

mainly storage based hydro projects involving large forest land, as the payment of NPV is in addition to the stipulated Compensatory Afforestation to be grown normally over double the forest land under diversion.

CONCERNS

Issues like law and order, lack of adequate infrastructures like approach roads / rail links to the project area, non-participation of reputed bidders, etc. are the major concerns.

Security

Entire NE region, especially the states of Manipur, Nagaland & Assam (NC hills) are suffering due to insurgency. This cause additional burden on project cost due to security.

Poor communication

Most of the projects in the NE region are in remote locations, necessitating construction of long distance approach roads delaying execution of project works besides cost overrun.

Non-availability of expert pool of resources

Due to remoteness of the location of the project in the NER coupled with all the associated bottlenecks of the region, reputed bidders do not participate in the bidding process.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Corporation is a generating company under the Ministry of Power, Govt. of India, with an authorized share capital of Rs. 3,500 Crores and having an installed capacity of 1,130 MW (755 MW hydro & 375 MW thermal), which meets more than 60% of the energy requirements of the N.E. Region. Paid up capital of the Corporation as on 31.03.09 is Rs. 3197.76 Crores including pending allotment of Rs 5.01 Crores.

OUTLOOK

To meet the growing demand for energy, the country is projected to require an addition in power generating capacity of over 100,000 MW in the next 10 years. The bulk of this capacity addition is expected to come from the main power resource potential of the country i.e. coal and hydro power. Hydro power being renewable, economical and environment friendly is the preferred source of power particularly in the context of rising fuel costs and environmental concerns of global warming. The government have accorded the highest priority to the rapid development of hydro power and launched the 50,000 MW hydro initiatives.

The North Eastern Region of India is blessed with the highest hydro power potential in the country which is estimated at about 58971 MW and only around 2% of this potential has so far been harnessed. Besides this, there is considerable thermal power potential in the region as well. 40% of the total coal reserves in the country lie in the North Eastern Region. NEEPCO is determined to add more power stations in the region by harnessing the vast natural resources available in the region. We have set a challenging target of adding 4687.5 MW (3597.5 MW hydro & 1090 MW thermal) within next 10 years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Corporation has inbuilt control systems in functional/ operational area and the transactions / process are guided by delegation of powers, documented policies, guidelines and manuals. The Organizational structure is well defined in terms of the structured authority / responsibility involved.

The Corporation has an independent and a full fledged Internal Audit Department at the Corporate Office with qualified experienced people for carrying out audits. A summary of Audit Observations and Action Taken Report are placed before the Audit Committee. The recommendations and directions of the Committee are carried out and informed accordingly.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

a) Financial Performance

The Year 2008-09 has been an outstanding year with financial performance surpassing all previous records. The Corporation achieved Gross Revenue of Rs. 971.89 Crores in the year 2008-09 against previous year's figure of Rs.962.68 Crores recording a growth of 0.96%. The Corporation earned a profit before tax of Rs.326.88 Crores against previous year's figure of Rs. 282.24 Crores recording a growth of 15.82 % and the profit after tax amounts to Rs.296.97 Crores against previous year's figure of Rs. 258.31 Crores.)

b) Performance of Projects

The total generation during the financial year 2008-09 was 5405 MU with generation from thermal and hydro plants being 2428 MU and 2977 MU respectively. The generation from Ranganadi H.E. Plant and Doyang H.E. Plant has been more than their respective Design Energy. During the year, the Assam Gas Based Power Plant has recorded highest ever generation of 6.8 MU in a single day as well as the highest power generation of 301 MW in the last six years. The Agartala Gas Turbine Plant has recorded generation of 661 MU during the year which is the highest ever generation in a year since its commissioning.

Yearly Generation Power Station wise

Power Station	Generation Target (MU) 2008-09 for "Very Good" MoU rating (BE)	Generation Target (MU) 2008-09 for "Very Good" MoU rating (RE)	Actual Generation (MU) 2008-09	Actual Generation (MU) 2007-08	Availability/ CI Target (%) 2008-09 for "Very Good" MoU rating	Actual Availability/ CI Target (%) 2008-09	Actual Availability/ CI Target (%) 2007-08
THERMAL							
AGBPP (291 MW)	1820	1729	1767	1727	80	70.88	69.45
AGTP (84 MW)	611	660	661	660	80	88.95	92.68
Sub Total	2431	2389	2428	2387	80	79.91	81.07
HYDRO							
KHEP (275 MW)	1550	1172	1171	1280	85	80.87	75.54
DHEP (75 MW)	227	246	238	268	85	96.56	94.92
RHEP (405 MW)	1510	1600	1568	1540	85	97.62	97.60
Sub Total	3287	3018	2977	3088	85	91.69	89.42
Grand Total	5718	5407	5405	5475			

STATUS OF ONGOING PROJECTS:**Kameng H.E. Project (600 MW), Arunachal Pradesh:**

The construction activities at all work fronts are going on in full swing. Rectification works after the devastating flash flood during October 2008 has been completed. Out of 14.47 km tunnel length, so far 6.14 km has been completed. Due to very poor geology, pre-injection of polyurethane (PU) grout with fine cement had to be resorted in the tunnel, which has retarded the progress. Boring of surge shaft including orifice has been completed and lining is in progress. So far 28.20 m lining has been completed. Excavation of both the dams has resumed and so far 317977 cum excavation out of 495000 cum in Bichom dam have been completed. Work of diversion tunnel has also been started. Excavation in power house will be taken up on completion of micro-piling at power house slopes. So far 208 nos. of piles have been completed out of 410 nos. Concreting in the service bay is going on. Excavation of valve house area has been completed and horizontal underground portion of the HPT has also been completed. Ancillary works for erection of steel liner in this portion is also been completed.

Tuirial H.E. Project (60 MW), Mizoram:

The project activities against Tuirial H.E. Project had been totally stopped w.e.f. 09.06.04 due to agitation by locals demanding illegal payment against crop compensation of forest land. The CEA have vetted the revised hard cost at Rs. 802.79 crs at Jan 2008 Price Level. For reviving the project and to commission within 3 years by containing the tariff within an acceptable limit, NEEPCO has submitted a proposal to MoP based on the decision taken during the meeting at MoP held on 04.02.09 that the Govt. of India would provide a sub-ordinate loan to the tune of Rs 180-200 crs at a nominal rate of interest. The draft PIB note based on the above scenario has been forwarded to MoP in Feb 2009 and subsequently revised PIB note was also forwarded on 05.03.09 clarifying the observations of the MoP. MoP's decision is awaited. Secretary (Power), Gol convened a meeting on 02.06.09 and wrote a letter to the Chief Secretary, Mizoram to resolve the issue of crop compensation. Meanwhile, JICA loan has been terminated vide letter dated 10.06.09. Meanwhile, the Ministry of Power, Govt. of India intimated vide their Letter dated 17.06.09 that

pending PIB decision and considering the fact that Loan Agreement for the Project is coming to an end on 18.06.09, it may not be feasible to revive the project under the present Loan Agreement. The Ministry of Power also conveyed the suggestion of Ministry of Finance to consider availing of fresh loan from Govt. of India under the present terms and conditions of ODA Loan for which due diligence will be given to such proposal by the Ministry of Finance. Accordingly, necessary action has been initiated for prepayment of outstanding loan to JICA (outstanding principal and accrued interest till 30.06.09) amounting to JPY 1,917,164,662 which works out to Rs. 96, 51, 00,691.00 (considering exchange rate 1 Yen = Rs. 0.5034 as on 23.06.09).

Pare H.E. Project (110 MW), Arunachal Pradesh:

All clearances including CCEA of the project has been obtained. To obtain forest clearance all payments were released to the forest department, Govt. of Arunachal Pradesh. However, the formal clearance is awaited. Tenders for award of works/ contracts of design and review consultancy works, Package-I (civil and hydro-mechanical works) and Package-II (electro-mechanical works) had to be cancelled due to high price quoted by the bidders, as compared to the provisions of the sanctioned cost estimate of the project. Re-tender for new bids through 4 (four) Packages viz. Civil Works, HM Works, EM Works & Switch Yard and Transformer works have been approved by the Board of Directors. Re-Tender for Package-I (civil works), Package-II (hydro-mechanical works), Package-III (electro-mechanical works) and Design & Consultancy have already been floated. The techno-commercial bids for Package-I have been opened on 22.05.09 and all efforts are being made to issue LOI by Aug-09. The bids for Design & Consultancy, Package-II and Package-III will be opened on 30.06.09, 25.08.09 and 26.08.09 respectively. Infrastructural works for the Project like construction of approach roads to the Dam site, Power House site are in progress.

Khangten Small H.E. Project (7.5 MW), Arunachal Pradesh:

Techno Commercial Bid and Price Bid for the EPC Contract were opened on 29.01.08 and 06.06.08 respectively. 1st and 2nd negotiation meeting with the lone bidder held on 23.07.08 and 08.04.2009 respectively. MoP has been requested for administrative approval for construction of the project. RCE at Sept 2008 PL has been submitted to CEA and subsequent clarification to the observations raised by CEA has also been submitted. Moreover, as advised by CEA the fresh rate analysis was made and the RCE was again submitted to CEA. CEA has vetted the hard cost of the Project amounting to Rs. 73.68 crs at Sept'08 PL. The MoP, Govt. of India was subsequently requested to accord

Administrative Approval of the Project at the CEA approved hard cost of Rs 73.68 crs, so that the work could be awarded and Project is completed within a period of 2 years i.e. by June, 2011.

NEW SCHEMES

Tripura Gas Based Power Project (100 ± 20%) MW, Tripura

The PIB has recommended the project for CCEA on 20.01.09. CCEA clearance of the Project has been accorded on 19.06.09 with a completion schedule of 30 months. However, communication from the MoP is awaited. In order to expedite the project implementation process, the tender for EPC contract for main plant package was invited through ICB route in April 2008 and the same was opened on 25.09.08, wherein only one bidder participated. After evaluation of the bid, it is observed that the lone bid did not fulfill the qualifying requirements for the EPC Contract as stipulated in the tender documents. The bidder was given ample opportunities to rectify the observed discrepancies, however, in spite of earnest endeavor from NEEPCO, the bidder did not respond positively and there are no option left but to cancel the bid.

Action has now been initiated to award the EPC contract to BHEL by negotiating the scope, techno-commercial terms and conditions, schedules and prices. CEA has also agreed to assist for negotiating with BHEL.

Tipaimukh H.E. Project (1500 MW), Manipur

The MoE&F, GOI accorded environmental clearance to the project on 24.10.08. The project will be placed for CCEA clearance upon receipt of forest clearance and finalization of Net Present Value (NPV) of forest land. Action for forming a joint venture/special purpose vehicle for this project for speedy implementation has been initiated by the Secretary (Power), Govt. of India. ICB for Engineering, Procurement and Construction (EPC) contract invited on 30.11.05 has been further re-scheduled for opening on 30.06.09 keeping in view the delay in obtaining clearances for the Project. As per the discussions in the meeting taken by the Secretary (Power) on 28.11.08, the Executive Summary along with Salient feature, Project Layout Plan indicating Approach Roads, updated status including the proposed Construction Programme of the Project was forwarded with a request to communicate their views / comments on the proposed formation of Joint Venture / Special Purpose Vehicle to NTPC, NHPC, SJVN and Govt. of Manipur. Accordingly, NHPC & SJVN have expressed their willingness to have 51% & 26% equity participation respectively in the proposed JV/SPV. Formal communication from SJVN is awaited. The Govt.

of Manipur also expressed willingness to join the proposed SPV with 5% equity participation. Recently, a meeting was taken by the Secretary (Power), GOI on 01.06.09 at New Delhi for the proposed Joint venture with NEEPCO, SJVN & Govt. of Manipur. Meanwhile, the Ministry of Power, vide letter dated 06.07.09, communicated its decision to execute the project as a Joint Venture of NHPC, SJVNL and Government of Manipur. Cost of preparation of DPR incurred by NEEPCO will be reimbursed by NHPC.

Kameng-I H.E. Project (1120 MW), Arunachal Pradesh

Works of DPR preparation in respect of Kameng-I (Bhareli-I) H.E. Project has suffered due to the prevailing environmental issues relating to the Pakke Tiger Reserve. Necessary efforts have been continued for resolving the same. MoA signed with the Govt. of Arunachal Pradesh on 21.09.06 for execution of the Project. Application submitted to the Addl. PCCF (WL&BD) & Chief Wildlife Warden, Govt. of Arunachal Pradesh for de-notification of area under Pakke Tiger Reserve on 20.03.08.

Ranganadi H.E. project, Stage-II (130 MW), Arunachal Pradesh

The DPR of the Project is being reviewed in order to ascertain the possibility to contain the tariff of the Project within the threshold limit.

The State Govt. has withdrawn authorization earlier issued to NEEPCO for carrying out S&I activities and preparation of DPR since April 2008. Draft MoA has been forwarded to the State Govt. The issue regarding payment of upfront fee to the Govt. of Arunachal Pradesh as a pre-requisite for signing of MoA has been forwarded to MoP, GOI for concurrence. Constant persuasion is on with the Govt. of Arunachal Pradesh for allotting the Project to NEEPCO, as per the terms of National Hydropower Policy.

Mawphu H.E. Project (90 MW), Meghalaya

The MoA signed with Govt. of Meghalaya is kept non-operationalised by the State Govt. Subsequently, the Govt. of Meghalaya has sent a revised draft MoA, which is under scrutiny.

Mawphu Stage-II H.E. Project (85 MW), Meghalaya

NEEPCO has identified Mawphu Stage-II HEP on Umiew River, downstream of Mawphu HEP in East Khasi Hills District. Preliminary studies indicate an installed capacity of 85 MW. The Govt. of Meghalaya has been requested to allot this Project to NEEPCO, and a draft MoA for execution of the Project has also been forwarded to them. The response of

the State Govt. is awaited.

Garro Hills Coal Based Thermal Power Project (500 MW), Meghalaya

The MoA signed with Govt. of Meghalaya is kept non-operationalised by the State Govt. It is proposed to form a Joint Venture Company, which shall acquire Coal Mining lease from the Government of Meghalaya under the provision of Sixth Schedule and thereafter plan, extract, mine and supply the requisite coal to the project. Accordingly, processes for formation of JV with M/S Mineral Exploration Corporation Ltd (MECL) Nagpur have been initiated. Modified draft MoA received on 29.10.08 has been discussed with the Government of Meghalaya on 18.11.08; clearance based on discussion is awaited from the Government of Meghalaya.

West Khasi Hills Coal Based Thermal Power Project (240 MW), Meghalaya

Draft MoA for execution of the project have been submitted to the State Government. Also, vide letter dated 28.08.08, NEEPCO has given a proposal for execution of the project by Joint Venture mode with the Government of Meghalaya. Clearance from the State Government is awaited. Empanelment of consultants for FR/DPR has been made. Detailed tender shall be invited on receipt of clearance from the State Government.

Margherita Coal Based Thermal Power Project (250 MW), Assam

The Government of Assam has agreed for implementation of 250 MW Margherita Coal Based Power Project through JV mode between NEEPCO and Assam Power Generating Company Ltd. (APGCL). Major terms and conditions of the JV agreement have been sorted out except for the allocation of Power. NEEPCO stated that allocation of power shall be as per the Government of India policy, however, Assam has put reservation of allocation of 100% power for the State. Presidential approval for execution of the project as JV is awaited.

DEVELOPMENT IN HUMAN RESOURCE DEVELOPMENT

Human Resource Development is considered critical to developing and sustaining workforce competencies which is the life-line for sustenance of company's growth and developing a competitive edge in today's corporate world. Employees are one of the most valuable resources for organizational excellence and we believe that all people can grow, develop and contribute their best when they are confident about knowledge and skill in meeting their

challenging assignments. During the financial year 2008-09, Corporation focused its efforts to raise the competency level of the employees by making them multi-disciplinary, multi-skilled as well as specialized in their areas of work. It had been our endeavor to keep our employees abreast with the changes taking place in the global scenario. NEEPCO have developed a strategic relation with premier Academic and Training Institutes like IIT Roorkee, MDI Gurgaon, NIFM-Faridabad, ISTD-New Delhi, Fore School of Management, New Delhi, NPTIs, ASCI- Hyderabad, CSMRS, Push & Mobile Company, Chennai and companies like AREVA(T&D), BHEL.

A total of 515 employees of different levels were trained during the year through in-house training programme organized at the HRD Centre of the corporation as well as external training programme through various training agencies.

Apart from in-house training programme, 275 employees were deputed to attend training programme conducted by different institutes of repute within the country.

The Corporation deputed 28 executives to various overseas training programme under "Transfer of Technology" (TOT), "Association for Overseas Technical Scholarship" (AOTS) programme etc.

Globally recognized internet based e-learning courses on Project Management by International Project Management Associates (IPMA) were introduced and 17 of our officers have acquired the IPMA D-Level & CIPM certification. Performance against the MoU target entered with Ministry of Power for the HRD parameter is "**Excellent**" during the year 2008-09.

NEEPCO has signed an MoU with IIT Roorkee for creating a professorial chair for conducting research on development in the field of water resources, hydro power development and to organise training for the NEEPCO Officials.

Core Training Areas :

- Functional / Technical Training Programme.
- Management Development Programme.
- Soft Skill Development Programmes.
- IT & Computer related Programmes.
- Leadership Development Programmes.
- Multi skilling/ skill upgradation Programmes for Workmen.
- Cross Functional Programmes.
- Programmes related to QMS/EMS/OHSAS.
- Safety Security based Programmes.

WOMEN EMPLOYEES

In line with the Supreme Court directives a Complaint Committee is in place in NEEPCO to examine the complaints of sexual harassment of female employees at work place. The Committee is headed by a female employee with more than 50% representation of female employees. The Committee has a representative from Centre for Cultural and Creative Studies, NEHU, Shillong.

INDUSTRIAL RELATION & STAFF WELFARE

Industrial Relations in NEEPCO remained cordial and harmonious through out the year. No man-days were lost in NEEPCO on account of any Industrial Disputes. Regular meetings were convened between the Management and representatives of the Trade Unions to discuss various issues across the table leading to amicable settlement of all issues in the best interest of all concerned. Staff Welfare activities were given special consideration.

RESERVATION FOR SC/ST/OBC

The Corporation is following the instructions relating to reservation of post for SC/ST/OBCs in service as per Presidential Directives issued from time to time for recruitment and promotion of employees.

WELFARE OF PERSONS WITH DISABILITIES

The welfare of persons with disabilities is given special consideration. In compliance of provisions contained in the Persons with Disabilities (Equal Opportunities, Protection of Right and Full Participation) Act, 1995 we have undertaken various activities for the benefits of persons with disabilities so as to provide required amenities / facilities for this category. Persons with disabilities are posted to the places / offices near to their hometowns.

Note: Cautionary Statement

The views and futuristic statement contained in this report are the perception of the Management and subject to certain risks and uncertainty that could cause actual results to differ from those reflected in such statements. Reader should carefully review the other information in this report and in the Corporation's periodic reports. The Corporation undertakes no obligation to publicly update or revise any of these futuristic statements whether as a result of new information, future events or otherwise.