

CHAIRMAN'S SPEECH



Dear Members,

It is my privilege to welcome you all to the 34th Annual General Meeting of your Corporation. The Annual Report containing the Director's Report and Accounts for the year ending 31st March, 2010 along with the Auditors Report is already with you for consideration and adoption.

The Corporation continues to play a significant role in making quality and reliable power available to the region in particular and nation as a whole. It is indeed a matter of pride for the Corporation, that after being conferred the "Schedule 'A' status, the Administrative Ministry has favourably considered our proposal for conferring the prestigious "Miniratna" status and the letter of confirmation from the DPE/MOP is expected shortly.

I take this opportunity to briefly mention some of the highlights during the year 2009-10.

The Corporation has generated 4549 MU electrical energy against a target of 4600 MU (RE MOU 2009-10) from its existing plants of 7 (seven) O&M projects with 26 units in the Grid. The total generation is lower compared to the previous year primarily due to less rainfall during monsoon in the entire NE region. The less availability of gas in the Thermal Plants, particularly in Assam Gas Based Power Project and problems caused by the acidic nature of water in the reservoirs of Kopili Project were also contributory factors for less generation during the financial year.

Dear Members, during the year, the Corporation made a total income of ₹1114.35 crores from sale of energy and other income against ₹ 971.89 crores in the previous year and thereby recorded an increase of 14.65 % over the previous year. You will be happy to know that the Corporation has earned a record Profit Before tax (PBT) of ₹ 337.41 crores against last year's figure of ₹ 326.88 crores with an increase of 3% whereas the Profit after Tax (PAT) stood at ₹ 289.38 crores against last year's figure of ₹ 296.97 crores. The Corporation is continuing to register a profit of ₹ 200.00 crores plus during the last 7 (seven) consecutive years, thereby maintaining a steady growth. Let me take

the opportunity to inform you that Corporation is achieving "Very Good" MOU rating for the year 2009-10 based on the provisional MOU rating evaluated for the year.

This year the Board has recommended a dividend of ₹ 86.81 crores considered at 30% Profit after Tax, including interim dividend of ₹ 26.05 crores for the year as per existing policy decision of Govt. of India.

Regrettably, the progress of Kameng HE Project (600 MW) during the year is not to the desired level considering the target of commissioning. However, the Management is trying its best to sort out all contractual issues so as to ensure the commissioning as per the approved revised schedule.

The Package I (civil works) of Pare HEP was awarded and work is progressing. The Package II (Hydro mechanical works) and Package III (Electro mechanical works) are also being awarded shortly.

You will be glad to know that PIB in its meeting held on 4th June 2010 has cleared the revised cost estimate proposal of 60 MW Turrial H.E. Project in Mizoram at a hard cost of ₹ 877.06 Crs. at March 10 PL. PIB recommended the project to be placed before the Cabinet Committee on Infrastructure which is expected any time. The Corporation is thankful to the MOP, GOI, Ministry of DONER, GOI & other concerned Ministry, GOI including Govt. of Mizoram for revival of the Project. Further, the PIB in its meeting on 12th July 2010 has recommended the Revised Cost Estimate of 100 MW TGBP in the State of Tripura for approval of CCEA, at ₹ 623.44 crs. including IDC of ₹ 51.09 crs (current cost) with a completion schedule of 36 months from the day of investment approval.

Your Corporation is planning for execution of 2x20 MW Agartala Combined Cycle Extension Project in the existing 4x21 MW AGTP. Feasibility Report for the same has been prepared and submitted to MOEF, GOI for Environment Clearance. The draft MOA for the execution of 85 MW Mawphu HE Project and 500 MW Garo Hills Thermal Project has been approved by the Cabinet of Government of Meghalaya. The said draft MOAs has been cleared by the MOP for signing with the Govt. of Meghalaya.

NEEPCO has signed 3(three) MoAs with the Govt. of Mizoram on 26th March, 2010 for preparation of Detailed Project Report (DPR) and subsequent execution of 3(three) hydro projects viz. 815 MW Lungreng HEP, 635 MW Chhimtuipui HEP and 76 MW Mat HEP in the State of Mizoram towards future capacity addition.

In pursuant to the guidelines of Ministry of Power, Government of India, an Environmental Cell at NEEPCO Corporate Office started functioning from 1st June 2009 under the guidance and control of ED (Corporate Planning) with the objectives of carrying out studies related to downstream releases, aquatic life, Catchment Area, R & R and other environmental issues etc.

A National Seminar on Acidity in Kopili Reservoir Water was organized on 18th Nov'09 wherein a panel of experts put forwarded a series of recommendation for safety of the power plant and to mitigate the environmental degradation which includes 'on plant' as well as 'off-plant' activities. 'On-plant' activities have been taken care of by the Corporation, however, 'off-plant' activities require intervention of the beneficiaries, external agencies, Central and State Governments, which is being pursued.

During the year 2009-10, the Corporation earmarked a total sum of ₹ 2.10 crores under CSR-CD activities, particularly in the field of education, health, sports, infrastructure development and other community needs. Under the scheme "Adopt an ITI" of Government of India, the Corporation has already adopted two ITIs at Haflong in NC Hills, Assam and at Dirang valley of West Kameng District of Arunachal Pradesh.

Further, your Corporation has been maintaining its continued endeavour in terms of quality and maintenance of International Standards.

Your company nurtures & sharpens the knowledge and skills of its Engineers and other Employees and ensures a high level of morale and motivation. During the year under review, 249 employees in the category of Workman/ Supervisors and 811 Executives (both in India & abroad) totaling of 1060 have been deputed for training, workshops etc, NEEPCO Management has implemented a revised Performance Management System (PMS) and conducted process familiarisation cum workshop for all executives in Office and Projects. The revised PMS is expected to make evaluation of performance more objective and consultative.

The Department of Public Enterprises has issued the Guidelines on Corporate Governance in May, 2010. Although



National Seminar on Acidity in Reservoir Water

the Guidelines have been issued after the closure of the Financial Year, the Corporation has complied with most of the requirements of the Guidelines. The Corporation is taking up with the Ministry of Power, for complying with the Guidelines as regards composition with the Board of Directors.

In all its endeavours and achievement, your Corporation has been receiving constant guidance and support from the Ministry of Power, Ministry of Finance, Ministry of DONER and other Ministry of Govt. of India, Central Electricity Authority, Central Water Commission & other Deptt. of the Govt. of India, State Govt. & other Deptts. of all North East States, Financial Institutions, bank and lending agencies. I, on behalf of all of you, take this opportunity to express Corporation's sincere gratitude and appreciation for their invaluable support and contribution. I also like to place on record, on behalf of all of you, our sincere thanks to the Statutory Auditors of the Corporation and the Comptroller & Auditor General of India for their constructive suggestions.

Lastly, I, on your behalf, would like to place on record the Corporation's appreciation for the sincere and devoted services rendered by each individual employee because of whom our Corporation has been able to maintain its performance.

May I now request that the Directors' Report, the Audited Accounts, the reports of Auditors and comments of the C& AG for the year ended 31st March 2010 be considered and adopted.

Thanking you all,



(I.P. Barooah)

Chairman & Managing Director

Place: New Delhi

Date : 07.09.2010