

Management and Financial System. The NEEPCO Wide Area Network is on VSAT catering the need of both Data and Voice connectivity.

## ORGANISATION:

### A. STRENGTH OF EMPLOYEES :

The total number of employees in the Corporation as on 31.03.2010 was 3043 which includes 3036 regular employees and 7 work-charged employees. There are 203 SC and 763 ST employees out of the regular employees.

### B. HUMAN RESOURCE DEVELOPMENT:

Human Resource Development is considered critical in 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 various HRD interventions. During the year 2009-10, 1083 employees were given HRD interventions to enhance competency levels in their job besides enabling them to sharpen their skills and broaden their knowledge in work - life sphere. 6 selected Engineers/ Officers have attended training programme on Quality Management through Association for Overseas Technical Scholarship, Japan.

167 employees have attended short training programmes related to Technical, Managerial, Behavioral and IT application issues. Some of the programmes worth mentioning are on Project Hydrology, Power Hydraulics,

Industrial Engine Overhauling, Quality Control on Hydraulic Structures, GIS/GPS for Power Utilities, Procurements & Contracts, International Financial Reporting Standards, Detecting & Investigating Fraud & Corruption, Embedded System, Enterprise Storage Technologies, e-Procurement, Water Resource Planning & Management, Financial & Risk management in Construction/ Infrastructure Projects, Power System Protection, Advance course in Hydro Power Stations Management, Contract Management, Arbitration and Dispute Settlement, Leadership & Organizational Development, Strategic Human Resource Management, ISO 9001-2008 Transition, O&M of Power Distribution Transformer, Management of Taxation, Service Tax, VAT Excise, Customs & TDS; Performance Management System, HR Research & Survey etc. Some institutes of repute where our employees have attended training programme are ASCI, Hyderabad ; MDI, Gurgaon; PMIs; IIT Roorkee; NTPIs; IIPM, Rourkela; NIFM; IIMs etc.

Various in-house training programmes were also organized covering 910 employees in HRD Centre, Corporate Office, Shillong as well as at Projects Sites. Some of the programmes were on Self Perfection for Work Excellence on various behavioral issues in work and personal life, Familiarization workshops on Performance Management System, Team building, Leadership Development, International Financial Reporting Standards etc.

Globally recognized Internet based online Certification course on Project Management were also provided to 30 officers to master them on Project Management skills on all stages of Conceptualization, Planning, Organizing, Implementing, Controlling, Integration, Delivery & Closeout. This globally recognized e-learning system is based on 3 competency baselines on Behavioral, Contextual and Technical Elements. Performance against the MoU target jointly set with the Ministry of Power for HRD Parameters is **"Excellent"** during the year 2009-10.

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"**, the department contributed to further develop the two adopted ITIs one at Haflong in N.C. Hills, Assam and another at Dirang Valley of West Kameng District of Arunachal Pradesh through Public Private Partnership (PPP) mode. The HRD Department also imparted in-house industrial trainings to students undergoing courses like MBA, MCA, B.Tech, Diploma Engineers, BBA, BCA, ITI Students etc.



A training programme in progress.

### C. RULES AND POLICIES :

During the period 2009 – 10 following Schemes have been formulated / modified and implemented:

1. NEEPCO Furniture & Office EDP Equipment Disposal Policy.
2. NEEPCO Promotion Policy & Rules.
3. NEEPCO Meritorious Scholarship Scheme

### D. CORPORATE SOCIAL RESPONSIBILITY:



Free medical camp organized 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. 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 been undertaking various community development activities particularly in the field of education, health, sports, infrastructure development and other community needs etc.

During the last financial year (2009-10) a total sum of ₹ 2,11,75,163/- was allocated for undertaking 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



Awareness Talk on Cancer at the Corporate Office

treatment to the people of neighboring villages also as a social welfare measure. In addition to the Corporation hospitals/dispensaries at sites, there are 65 hospitals and nursing homes approved by the Corporation all over the country for treatment of employees and their dependent family members.

### F. SPORTS ACTIVITIES :

During the year 2009-10, 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 14th Inter CPSU Badminton Tournament at Shillong w.e.f. 24<sup>th</sup> to 27<sup>th</sup> of November, 2009 in which eight teams representing NHPC, PGCI, THDC, PFC, BBMB, CEA, SJVN including the host team NEEPCO participated. NEEPCO was the Runners-up in the Team event and the winner of the doubles in the open event. The NEEPCO Carrom Team also participated in the 15<sup>th</sup> Inter CPSU Carrom Tournament organised by THDC at Rishikesh w.e.f. 5<sup>th</sup> to 8<sup>th</sup> of January, 2010. The NEEPCO Team emerged



Prizes being distributed during the XIV th Inter CPSU Badminton Tournament held at Shillong.



#### Runners up in the Doubles event ( Open event )

The NEEPCO Table Tennis Team also participated in the 12<sup>th</sup> Inter CPSU Table Tennis Tournament organised by PFC at New Delhi w.e.f. 3<sup>rd</sup> to 6<sup>th</sup> of March, 2010.

The 2<sup>nd</sup> Inter Project Sports Meet was hosted by AGTP at the Project premises w.e.f. 7<sup>th</sup> to 9<sup>th</sup> February, 2010.

A donation of ₹ 5 Lakhs was given by NEEPCO to Meghalaya Table Tennis Association during the year.

#### G. EDUCATION :

The Corporation continued to provide schooling facilities at Project sites as a 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



A cultural programme being presented in honour of visiting dignitaries.



Schoolchildren participating in the drawing competition on Energy Conservation

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 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. A centre of the Hindi Teaching Scheme is functioning at Corporate office, Shillong conducting regular classes of Prabodh, Praveen and Pragya courses. During the year 63 employees were nominated for Hindi Language Training under regular course and 101 employees posted at project sites were nominated for Correspondence course. To acquaint the employees with the provisions of Official Language Rules and to facilitate the employees for doing their official work in Hindi, 07 nos of Hindi workshops were organized during the year at different offices and 93 officers/ staff participated in these workshops. Training materials were provided to the employees during the Workshop. Apart from this, a Computer training programme was also organized in Hindi in which 15 employees participated.

The Project Offices were 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. An inspection committee was constituted for assessing the progress made in the use of Hindi at Corporate Office also.



Prizes being distributed during Hindi Divas

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 were displayed everyday on the black board under the programme "**Today's Word**" in order to enrich the Hindi vocabulary of the employees. NEEPCO website is also available in Hindi.

Rajbhasha (Hindi) Pakhwara was observed and "Hindi Divas" was celebrated at the Corporate office as well as in the projects and other offices of the Corporation during the year to create awareness and to encourage the employees to do their official works in Hindi. Various competitions were conducted in Hindi and attractive prizes were awarded to the participants. A Hindi patrika "**NEEPCO JYOTI**" was published on the occasion. An exhibition was also organized where the achievements made in the use of Official Language Hindi in the Corporation were displayed. During the year **Hindi Sangosthi** was also organized at Guwahati office.

The Corporation was awarded a Certificate by Town Official Language Implementation Committee (TOLIC), Shillong for commendable works done in the use of Hindi during the year 2009-10.

Rajbhasha (Hindi) Pustakalaya has been functioning at Corporate office, Shillong which was further enriched with valuable books. Dictionaries, Glossaries and other reference books are also available for the use of the employees. Hindi News Papers and periodicals are available in the Pustakalaya. In sub-ordinate offices reference books in Hindi were also made available for the use of the employees. Since installation of Hindi Software in Corporate office as well as

other offices, a remarkable progress has been made in the use of Hindi in official works.

## 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 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 to 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** of this Report.

## AUDIT COMMITTEE

The Audit Committee regularly reviews all financial statements before placing before the Board of Directors. Meetings 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 of Corporate Governance annexed to this Report.

## AUDITOR'S REPORT

MS/ADD & ASSOCIATES, Chartered Accountants, Kolkata were appointed as Statutory Auditor's for the year 2009-10. 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 followings:-

- 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 the 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:

During the period 2009-10, 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 1<sup>st</sup> April, 2009, 2(two) complaints were pending. During this period, 7(seven) new complaints have been added which have also been investigated and out of these, 2(two) complaints have already been disposed off. As on 31-03-2010, there are 7(seven) 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 01-04-2009, 3(three) disciplinary cases were pending and subsequently 1(one) new case has been added. Out of all these, 3(three) cases have been disposed off during this period and the remaining 1(one) case is in final stage of disciplinary proceedings.

During this period, 2(two) officers were awarded minor penalty of "censure" by the Disciplinary Authority after conducting necessary departmental inquiry. An amount of Rs8, 100/- has been recovered during this period against



A meeting organized during Vigilance Awareness Week at the Corporate Office

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.

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. During this period 5(five) nos. of inspections have been conducted at different projects by vigilance officials of the HQ.

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

6(six) vigilance officers have also undergone various training courses conducted by CBI and other agencies. An interactive meeting with all in-charge of site vigilance officials was held on 19th March, 2010 at HQ Shillong. All the important CVC circular and OMs issued during this year have been circulated to all concern with a view to improve overall system in the Corporation.

399 nos. of Annual Property Returns (APR) of the employees have been scrutinized in the year 2009-10. 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 3<sup>rd</sup> November, 2009 to 7<sup>th</sup> November, 2009 and the week commenced with the



pledge on 3<sup>rd</sup> November, 2009. During this period, a penal discussion was arranged on "Probity in Life" and an essay writing competition amongst the students of local schools and colleges was also organized where a large numbers of students participated. On the concluding day, a drama was staged by our own employees which was appreciated by all present.

## DIRECTORS

Since the last report, the following Directors relinquished office. The Board of Directors places on record its deep appreciation for the valuable services rendered by these Directors:

- Shri V.K.Abbey relinquished the post of Chairman and Managing Director w.e.f. 31.07.2009.
- Shri M.R. Ghosh superannuated from the post of Director(Finance) w.e.f. 30.06.2010
- Shri Jayant Kawale , Joint Secretary (Hydro), MOP ceased to be part time Director of NEEPCO w.e.f. 29.09.2009
- Shri B. Mushahary, Principal Secretary (P), Govt. of Assam ceased to be part time Director of NEEPCO w.e.f. 04.08.2009

- Shri A. Kumar, Commissioner & Secretary (P), Govt. of Assam ceased to be part time Director of NEEPCO w.e.f. 27.04.2010

Also, the following Director were appointed to the Board since the last Report:

- Shri A.G. West Kharkongor assumed charge as Director (Finance) of this Corporation w.e.f. 19.08.2010
- Shri Sudhir Kumar, Joint Secretary (Hydro), Ministry of Power, Govt. of India was appointed as Part time Director of this Corporation w.e.f. 29.09.2009
- Shri Sumeet Jerath, Principal Secretary to the Government of Assam, Power (Elect) Department was appointed as Part time Director of this Corporation w.e.f. 27.04.2010

## CONSERVATION OF ENERGY

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 2008-2009 is enclosed in **Annex-V**.

## 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 Electricity Board 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 all payment against their current dues during the period 2008-2009.

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 appreciation of the dedicated efforts made by all section of employees of the Corporation to achieve the goal of the Corporation.

For and on behalf of the Board of Directors



(I.P. Barooah)  
Chairman & Managing Director

## 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 acts 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. The Department of Public Enterprises, Government of India has issued Guidelines on Corporate Governance in May, 2010 for implementation by CPSEs on mandatory basis. Though these Guidelines have been issued subsequent to the close of the Financial Year, best efforts have been made to comply with the Guidelines.

## 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 14 (Fourteen) Directors, including 4 (four) whole-time Directors, 1 (one) 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 during the year ended as on 31<sup>st</sup> March, 2010 is as under:

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	Nil
Shri I.P. Barooah	Director (Pers.)	Nil	Member	Remuneration Committee
Shri N. Bhattacharya	Director (Tech.)	Nil	Member,	Remuneration Committee

**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 CommitteeNHPC.
**Shri Rajeev Verma,	Part-time Director from MOP		Nil	Remuneration committee, NEEPCO
***Shri Jayant Kawale,	Part-time Director from MOP	NHPC, SJVNL, THDC	Nil	Audit Committee NHPC
Shri Sudhir Kumar,	Part-time Director from MOP	PGCIL,PTC, SJVNL, BBMB, THDC,NHPC		

**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	MECL, Meghalaya	Nil	Audit Committee, NEEPCO
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 Sumeet Jerath	Part –time Director, Govt.of Assam	APPDCL APGCL AEGCL APDCL	Nil	Nil

\* Shri V.K. Abbey, ceased to be Chairman &amp; Managing Director on 31.07.2009

\*\* Shri Gurdial Singh &amp; Shri Rajeev Verma ceased to be Directors on 06.07.2009

\*\*\* Shri Jayant Kawale ceased to be Director on 29.09.2009