

## CHAIRMAN'S SPEECH



It gives me immense pleasure in welcoming you all to this 33<sup>rd</sup> Annual General Meeting of your Corporation. The Annual Report containing the Directors' Report and Accounts for the year ending 31.03.09 along with the Auditors Report is already with you for consideration and adoption. I have pleasure in informing you that the Comptroller & Auditor General has given Nil Comments on the Annual Accounts. With your permission, I take them as read.

Your Company was conferred with 'Schedule A' status by the Government of India in August, 2008. NEEPCO continues in its quest for continual improvement and has submitted a proposal for conferring 'Mini Ratna' status. This quest for continual improvement is also reflected in the operational results for the year. Your Company earned gross revenue of Rs.971.89 Crores and highest ever pre-tax profit of Rs.326.88 Crores during the year 2008-09 as compared to the previous year's figure of Rs.282.24 Crores. Your Directors are happy to recommend the highest ever Dividend payment of Rs. 89.10 crs. for the year 2008-09. The Authorised Capital of your Company is being raised from Rs.3500 Crores to Rs.5000

Crores. The Presidential approval for the proposal has been accorded and the proposal is placed for consideration and approval in this meeting

While continuing with our endeavors to improve operational efficiency and performance, your Company understands that no development project can be considered complete unless the people residing in the area adjoining the project also get benefits of the development. Your Company as a Corporate Citizen is well aware of its Corporate Social Responsibility (CSR) and has framed comprehensive policy guidelines for taking up developmental works in areas near our projects.

During the year 2008-09, the Company generated 5405 MU against a target of 5407 MU (RE MOU 2008-09). The generation was adversely affected by low rainfall in the region and law & order situation in and around the Kopili Hydro Electric Project in North Cachar Hills of Assam. The outages in the Gas Engine of gas booster station in Assam Gas Based Power Project also impaired the operation of the power station.

The progress of 600 MW Kameng HE Project in Arunachal Pradesh was a cause of concern during the year 2008-09. This was mainly attributable to unprecedented flash floods which occurred in the month of October, 2008. The flood waters inundated Major Machineries, Tunneling Equipments etc. in addition to causing extensive damage to Spur, Embankment, and Approach road to the work sites and disruption of other communication. Although the restoration work was carried out on war footing, no significant progress could be achieved particularly in HRT Boring during the period of restoration which took 6 (six) months time. However, best efforts are being made to adhere to the revised completion schedule of December 2012 (U#1) and May, 2013 (U#4).

Here, I am happy to say that Cabinet Committee of Economic Affairs has given their clearance for construction of 110 MW Pare HE Project in Arunachal Pradesh on 04.12.08 Loan



Mr. Kipa Bubu, Hon'ble MLA, Mr. Nabam Rebha, Political Adviser to the CM, Arunachal Pradesh and Mr. V.K. Abbey, CMD at Pare HEP commencement function

agreement for funding the project has been executed with kfw, Germany. Process of tendering and award of work for the different major packages is underway.

I am also happy to inform you that the Government of India accorded investment approval for the 100 ± 20 MW Tripura Gas Based Power Project (TGBP) on 19.06.09. Efforts are on for execution of the Project through BHEL on offer basis.

Your Company is vigorously pursuing with the Government of Assam for execution of 250 MW Margherita Thermal Power Project through a Joint Venture. Draft MoA for creation of Joint Venture with the Government of Assam has been submitted to the Government of Assam for approval. Simultaneously, Presidential approval for forming of JV Company has also been sought for.

The draft MoA for 240 MW West Khasi Hill Thermal Power Project in Meghalaya has already been submitted to the State Government for consideration. Proposal for execution of the Project on JV mode has also been submitted to the State Government.

The MoA signed with the Government of Meghalaya for execution 500 MW Garo Hills Thermal Power Project has been kept non-operationalised. The Modified draft MoA received was discussed with Government of Meghalaya on 18.11.08. Clearance based on the discussion is still awaited.

The Corporation is constantly making effort for signing of MOA for 130 MW Stage-II of Ranganadi HE Project, 70 MW Badao HE Project in the State of Arunachal Pradesh. Clearances from National Board of Wild Life for carrying out the S&I activities of 1120 MW Kameng-I HE Project is yet to be received. Constant persuasion is being made to get the clearance.

Efforts are on to revive Tuirial HE Project in Mizoram. NEEPCO submitted a proposal for subordinate debt of Rs. 180-200 Crores. in its draft PIB note. The Secretary (Power), Government of India, has also written to the Chief Secretary, Govt. of Mizoram on 04.06.09 to resolve the issue of crop compensation expeditiously and to ensure the proper law and order situation in and around the Project area.

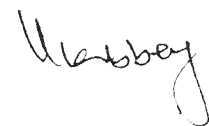
Your Company recognizes that its human resource is its biggest asset and efforts are being made to channelise the talent towards the overall objectives of the Company. It is a matter of pride that the industrial relations climate in the Company remained cordial and harmonious and no mandays were lost during the year. Your Company accords utmost importance to the usage of National Language in official dealings and has been encouraging its use through various innovative schemes.

During the year 2008-09, your Corporation has received support and guidance from the Ministry of Power, Ministry of Finance, Ministry of DoNER, other Ministries of Government of India, Central Electricity Authority, Central Water Commission and other Departments of Government of India, State Governments and other Departments of the North East States, Financial Institutions, Banks and Lending Agencies. I, on behalf of all of you take this opportunity to express Corporation's gratitude and appreciation for their invaluable support and contribution. I also like to place on record, our sincere thanks to the Statutory Auditors of the Corporation, the Cost Auditors 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 service rendered by all employees who made it possible for maintaining its excellent growth and performance.

May I now request that the Director's Report, the Audited Accounts, the Reports of Auditors and comments of the C&AG for the year ended 31.03.09 be considered and adopted.

Thanking you all,



**(V.K. Abbey)**  
**Chairman & Managing Director**

**Dated :10th July, 2009**

**Place : New Delhi.**