

36th ANNUAL REPORT 2011-12



North Eastern Electric Power Corporation Limited
(A Government of India Enterprise)

A Night view of
Assam Gas Based Power Plant



Corporate Office, Shillong



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Chairman and Managing Director & Functional Directors

Mr. P. C. Pankaj
Chairman and Managing Director

Mr. I.P. Barooah
Director (Personnel)

Mr. A.G. West Kharkongor
Director (Finance)

Mr. U. Moral
Director (Technical)

Official Part time Directors

Mr. G. Sai Prasad

Mr. B.K. Dev Varma

Mr. T.P. Khaund

Independent Directors

Mr. Ardhendu Sen

Mr. Santosh Saraf

Mr. Shantikam Hazarika

Mr. Arun Datta

Permanent Invitees

Mr. J. Lhungdim

Mr. S. Das

Company Secretary

Mr. Chiranjeeb Sharma

Bankers

State Bank of India

Axis Bank

Canara Bank

Indian Overseas Bank

Punjab National Bank

Statutory Auditor

M/s. NUNDI & ASSOCIATES

Chartered Accountants

Kolkata

Registered Office:

Brookland Compound,
Lower New Colony, Laitumkhrah,
Shillong- 793 003,
Meghalaya



MISSION

To harness the vast hydro and thermal power potential in North Eastern Region of the Country to produce pollution free and inexhaustible power through planned development of power generation projects. NEEPCO would play a significant role in the integrated and efficient development of Hydroelectric and Thermal Power Projects in the Central Sector which in turn would effectively promote the development of the North Eastern Region and the Nation as a whole.

CORPORATE OBJECTIVES

- To responsibly exploit the vast hydro & thermal power potential for sustainable development of N.E. Region.
- To be competitive in liberalization and globalization environment.
- To promote industrial growth in N.E. Region thereby improving quality of life and prosperity.
- To provide infrastructure, medical, schooling and create productive environment opportunities.
- To fulfill the electricity need of N.E. Region and India.
- To improve socio economic condition of neighbourhood.
- To develop human resources to world standard.



PROFILE OF DIRECTORS



SHRI P.C. PANKAJ (DIN: 03640772) Chairman & Managing Director

Shri P.C.Pankaj (56 years) has joined as the Chairman & Managing Director of the Corporation w.e.f. 03.06.2011. Shri P.C.Pankaj is an engineering graduate from Agra University and a post graduate in Business Management. He started his career in 1981 with NHPC. Later, he joined PGCIL in November, 1991. He has an impeccable track record in the field of Power Sector and was serving as Executive Director-Northern Region-I in PGCIL, before joining as CMD, NEEPCO. He was also Executive Director, North Eastern Region in PGCIL, posted at Shillong.



SHRI I.P. BAROOAH (DIN: 00740146) Director (Personnel)

Shri I.P. Barooah (58 years) joined as Director (Personnel) of the Corporation on 01.08.2006 and is in charge of Human Resource Management, Human Resource Development, Rajbhasha, Legal, Corporate Communication, CSR and Employee Welfare.

Shri Barooah joined NEEPCO on 10.04.1991 as Manager (Personnel) and through his dedication rose to the post of Director (Personnel).

Shri Barooah holds a Master's degree in Social Welfare with specialization in Personnel Management from Indore, Madhya Pradesh.

Shri Barooah possesses vast experience of over 31 years in Personnel Management & Labor Welfare especially Industrial Relations which includes 10 years in the manufacturing sector (paper) and 21 years in the Indian power sector.



SHRI A.G.WEST KHARKONGOR (DIN: 03264625) Director (Finance)

Shri A. G. West Kharkongor was appointed as Director (Finance) of NEEPCO Ltd. on 19.08.2010. He is an alumnus of IIT, Bombay as well as IIM, Calcutta. Shri West Kharkongor is an experienced Finance professional having worked in various areas of the Finance & Accounts Department of the Corporation including Treasury, Internal Audit, Budgeting, Taxation, Compilation, Fund mobilization, etc. During his tenure as General Manager (Finance), he has successfully mobilized funds for several on-going projects including a Structured Syndicated Term Loan of R 800 crores. Before joining the Corporation in 1993 he had worked in Bharat Petroleum Corporation Ltd. He is a member of the Finance Committee of the Tezpur University, Assam. He is keenly involved in community and societal activities.



SHRI UTPAL MORAL
Director (Technical)

SHRI UTPAL MORAL
(DIN: 03434273),
Director (Technical)

Shri Utpal Moral (56 years) has taken over as Director (Technical) on the 08.02 2011.

Shri Utpal Moral joined NEEPCO in the capacity of Assistant Engineer(E) in January, 1981. He served in Oil sector before joining NEEPCO. During his long association with the Corporation spanning over 30 years, he has gathered wide experience in Design & System Engineering, Turnkey Construction, Logistics, material management & HR functions, O & M Project Development & finance of large power Projects and also in EHV transmission lines. Adept in computer utilisation and applications, he has undertaken advanced training in Gas turbine & Internal combustion technology, and Power Systems in Japan & USA. Shri Moral held many challenging positions at various level and has an acknowledged proficiency in clean energy development and climate change.



SHRI G.SAI.PRASAD
Government Nominee

SHRI G.SAI. PRASAD
(DIN: 00325308)
Government Nominee

Shri G.Sai. Prasad (46 years), Joint Secretary (Hydel), Ministry of Power, Government of India, is a graduate from Andhra University and has post-graduate degrees from The Indian Institute of Technology (Delhi) and Duke University USA. He is an IAS officer (1991 Batch) and worked in several positions including as Sub-Collector (Paderu) , Project Officer (ITDA Paderu), Municipal Commissioner (Guntur), Joint Collector (Kadapa), Collector & District Magistrate (Kurnool and Chittoor) . Prior to his joining the Ministry of Power , Shri Prasad also held the positions of CMD, in Central Power Distribution Company of Andhra Pradesh Limited and Eastern Power Distribution Co Limited . Shri Prasad also held the position of Vice Chairman and Housing commissioner in Andhra Pradesh Housing Board, Hyderabad. He joined our Board on 20.12.11.



SHRI B.K.DEV VARMA
Government Nominee

SHRI B.K. DEV VARMA
(DIN: 00465688)
Government Nominee

Shri B.K. Dev Varma (57 years), Additional Chief Secretary, Government of Meghalaya join the Board on 18.06.2002. Shri Dev Varma an honours graduate in Political Science is an officer in the Indian Administrative Service, (1979 batch) of the Assam Meghalaya cadre. He has held various important assignments in the Government of India and in the Government of Meghalaya. Presently he is looking after Power, Finance, ERTS and is also the Chairman, Board of Revenue.



SHRI T.P. KHAUND
Government Nominee

SHRI T.P. KHAUND
(DIN: 03547418)
Government Nominee

Shri T.P. Khaund (75 years) is a representative of the Government of Mizoram on the Board of the Corporation. A retired senior IAS Officer, Shri Khaund served the State Government of Arunachal Pradesh and Mizoram and also the Government of India in various capacities. Shri Khaund served North Eastern Council (NEC) in two stints- the last one, after retirement, as Senior Adviser. He is currently serving Government of Mizoram as Principal Adviser. Shri Khaund joined the Board on 26.04.2011.



SHRI ARDHENDU SEN
Independent Director

SHRI ARDHENDU SEN
(DIN: 00297393)
Independent Director

Shri Ardhendu Sen (61 years) was appointed as an Independent Director w.e.f. 06.07.2012. Shri Sen holds a Masters Degree in Physics from Delhi University and a Diploma in Development Studies from Cambridge University.

He is a specialist in administration and inter-sectoral coordination, sectoral reforms, resource regulation, land policy, industrial policy and centre-state relations. He is Director in Water Resources Division in TERI. In his role as an officer of the Indian Administrative Service (IAS), Mr Sen worked for the Government of India and Government of West Bengal for 34 years across different departments and ministries in various capacities and the last position held prior to his retirement in 2010, was that of Chief Secretary, Government of West Bengal.

He is presently on the Board of Directors of NTPC-BHEL Power Projects Limited, West Bengal Housing and Infrastructure Development Corporation and West Bengal Power Development Corporation.



SHRI ARUN DATTA
Independent Director

SHRI ARUN DATTA
(DIN: 00180069)
Independent Director

Shri Arun Datta (65 years) was appointed as an Independent Director w.e.f. 06.07.2012. Shri Datta is a Mechanical Engineer with a post graduate diploma in Marketing Management. He is an Independent Business Advisor having extensive experience in Corporate Policy, Project Management and Marketing in sectors like Heavy Engineering, Power, Infrastructure, Water and Transport. Shri Datta is also a Director on the Board of Indian Cement Limited, Trinetra Cement Limited, EMC Ltd, Tide Water Oil Co (I) Limited.



SHRI SANTOSH SARAF
Independent Director

SHRI SANTOSH SARAF
(DIN:00073618)
Independent Director

Shri Santosh Saraf, (61 years) is a Fellow Member of Institute of Chartered Accountants of India. He started his career in 1977 as a practicing Chartered Accountant and has an extensive experience of more than 35 years in the field of finance and taxation. He was Chairman for the Western Development Council of Assocham and has held position of Managing Committee and Patron member for Assocham. Since 2008, he is Member of Central Board of Trustees (CBT) for Employees Provident Fund Organization (EPFO) of Central Government of India. He is member of Executive, Finance & Investment and Pension Implementation Committees of CBT (EPFO). He is member of Cost and Accounting Standards Board of Institute of Cost and Works Accountants of India (ICWA). He is Director on Board of Power Grid Corporation of India Ltd (PGCIL) and Power System Operation Corporation Ltd – a subsidiary of PGCIL. He was appointed as a Director on our Board on 06.07.2012.



SHRI SHANTIKAM HAZARIKA
Independent Director

SHRI SHANTIKAM HAZARIKA
(DIN: 00523656)
Independent Director

Shri Shantikam Hazarika, (64 years) is BE (Electrical) and holds PG diploma in Management from IIM, Ahmedabad. He is founder Director, Assam Institute of Management, Chairman, Secondary Education Board of Assam, and is a Director on the Board of NHPC, BSCI and Gauhati Stock Exchange Ltd. He was appointed as a Director on our Board in 06.07.2012.



Agartala Gas Turbine Plant, Agartala

CHAIRMAN'S SPEECH



Dear Members,

It gives me great pleasure to welcome you all to the **36th Annual General Meeting** of your Corporation and present the Annual Report containing the Directors' Report, Account of the financial year 2011-12 (ending Mar'12) along with Auditors Report for consideration and adoption.

NEEPCO is committed to maintain a leading position in the development of Hydro as well as Thermal Power Projects in the NE Region. At present the Corporation is executing three numbers of Hydro Power Project & one Gas Based Power Station totalling to a capacity of **871 MW**. The investment approval of 46 MW AGTP Extension Project (CC) consisting of 2 units of Steam Turbine Generator has been accorded by the Govt. of India on 22nd July '2012.

I take this opportunity to briefly mention some of the highlights of the year 2011-12.

GENERATION:

The Corporation has generated **4825 MU** of electricity against the MoU revised target of 4828 MU for the year 2011-12 from its seven operational plants with 26 Units in the Grid. The ever lowest rainfall in the catchment area of 405 MW Ranganadi H E Project since its Commissioning year of 2002, makes the plant to generate only 980 MU, which is 605 MU less than its design energy though NPAF of the plant was 94% and the machine availability was 96%. Apart from less generation from Ranganadi Plant, inadequate supply of gas to the Thermal Power Stations, particularly Assam Gas Based Power Project, has also contributed significantly for low generation. Despite serious hazard being faced by Kopili H E Plant from the acidic nature of water in its reservoir, 1185 MU of energy could be generated from the Plant during the year against MOU target of 1171 MU.

PROFIT & DIVIDEND PAID: Nevertheless, you will be happy to know that your Company has made a total income of **R1269.72 Crores**, out of which R1197.67 Crores from the sale of Power and R72.05 Crores from other income. This is almost at par with the previous year income of R1279.03 Crores, maintaining the consistency. The Corporation earned a **Profit Before Tax (PBT)** of **R264.28 Crores** and Profit After Tax (PAT) stood at R219.12 Crores. The PBT & PAT are less in comparison to the previous year mainly due to increase in the price of gas and O&M expenditure of the Plant and provision of an amount of R42.81 Crores against employees Pension Scheme. However, for last 9 (nine) years, the Corporation continues to maintain its profit figure above R200.00 Crores.

This year the Board has recommended a **dividend of R65.74 Crores** considered at 30% Profit After Tax, including R22.25 Crores of Interim Dividend paid as per policy decision of the Govt. of India.