

CHAIRMAN'S STATEMENT



Dr. S. K. Jain
Chairman & Managing Director

LADIES AND GENTLEMEN,

Welcome to the 22nd Annual General Meeting (AGM) of your Company. I look forward to this occasion year after year, wherein I get an opportunity to apprise the progress and growth of the Company in your august presence. With reasonable pride, immense satisfaction and great hope for the future, I wish to state that inspite of a continued stretched environment, the year gone by can be considered good from an operational perspective. Despite the fact that production was limited and profits were lower, the average availability factor of 80% was quite satisfactory. In all earnest, we have endeavored to deliver the trust you reposed in us which gave us the strength to face the situation realistically. The production of the units was tuned to match the short fuel supply. Nonetheless, we plan to pay the dividend to the Government of India. On introspection, I have arrived at the conclusion that the Company has utilized these lean years to strengthen itself by self evaluation, realigning priorities, planning for organizational restructuring and laying down a road map for the future.



Two decades ago, NPCIL was born to make a difference. Then, we were operating only six units and constructing four additional units. Now, twenty years down the line, we are operating seventeen units and have five units under construction. I attribute this achievement to the efforts of our dedicated team. Today, your Company is on the threshold of taking off to greater heights and to make a noteworthy difference. At this juncture, we forsake the aim of mere addition of nuclear capacity for power generation in the country. Instead, we commence our journey towards creating a multiplier effect in nuclear power capacity enhancement of the country, thereby putting the realization of Homi Bhabha's vision on the fast track and sound footing.

On the domestic front of Pressurised Heavy Water Reactor (PHWR) programme, its units under operations demonstrated improved performance characterized by very long continuous operations of reactors thereby setting new industry standards in the country. Another milestone that we have surpassed is that our units at Tarapur-1&2 completed forty years of successful, safe and reliable operation, clearly demonstrating how a different



technology could be managed well. At the same time, the pace of new power plants construction at Rajasthan, Kaiga and Kudankulam was enhanced to complete them at the earliest. The construction of units at Kaiga and Rajasthan has been brought to a level of completion where they can start production as soon as fuel is available. Apart from speeding up new construction, the refurbishment of existing units at Rajasthan-2, Narora-2 and Kakrapar-1 has been taking place at full swing which shall soon bring them at par with the newly constructed reactors.

With regard to fuel availability, our tenacity and resilience have yielded results, both on the domestic as well as the overseas front. Uranium fuel is now available from overseas and has started arriving at the site for use in Rajasthan-2 which is already under IAEA safeguard. Therefore, it shall get into the production mode shortly. We intend bringing other pre-decided units also gradually under IAEA safeguards as per the separation plan, so that the fuel available from imported sources can be used in these units under safe-



-guard. Simultaneously, the domestic Uranium fuel production is improving and shall be available to increase power generation by other units, which are not planned to be brought under the safeguard.

For the purpose of scaling up the nuclear power plant capacity, the design of 700 Mega Watt (MWe) plant is ready, which is planned to be executed at the Kakrapar and the Rajasthan sites. Long delivery items have been ordered for both the above stated plants, Kakrapar-3&4 site has been cleared and Rajasthan site is under active consideration of the Atomic Energy Regulatory Board. The work at these sites is likely to be launched this year with ground break. Additional two sites for the launch of four more 700 Mega Watt units in the current five year plan are under active consideration by the Government of India, thus enabling the launch of eight units of 700 mega watts in the country in current five year plan. Further to assure timely availability of turbo generators of matching capacities, a Memorandum of Understanding (MoU) has been signed with Bharat Heavy Electricals Limited for forming a joint venture for acquiring appropriate technology.



Initiatives by the Government of India have made civil nuclear cooperation now a reality, which will have multi dimensional benefits to your Company. While such an initiative will increase possibilities of import of plants and nuclear material from overseas vendors and associated commerce, it also gives your company an opportunity to become an international player. Your Company is working towards collaboration with reputed nuclear vendors to accelerate the growth of nuclear power within the country and to add large sized Light Water Reactors (LWRs) to quickly add generation capacities in India.

An Inter-Governmental Agreement has also been signed between the Government of India and the Russian Federation for the setting up of four additional units at Kudankulam Site. Clearance from the Ministry of Environment has been received, site grading and leveling has been completed and efforts shall be made to launch the construction of Kudankulam 3&4 in the next year. At present, MoUs have been signed with AREVA, France; General Electric - Hitachi, United States of America; and Westinghouse Electric Company, United States of America. Initially, the setting up of two



units of 1650 Mega Watts electrical reactors by AREVA with a provision for subsequently setting up of six units at Jaitapur Site in Twin-Unit construction mode, in a phased manner, is being discussed. Activities related to land acquisition at the Jaitapur site are being pursued; the technical and commercial components of the projects are being worked out jointly. First stage clearance from the Ministry of Environment has been obtained.

Being the national utility company operating nuclear power plants, we have participated in the preparation of the national report for contracting parties of the Convention of Nuclear Safety to demonstrate fulfillment of the primary responsibility and obligation of maintaining safety as overriding priority, while maximizing the production to meet nations electricity demand. The safety record of 300 reactor years of long operating experience has been well recognized.



Your CMD continued to lead World Association of Nuclear Operators (WANO) as its President. It is for the first time that the whos who of the nuclear industry worldwide shall assemble in India at the WANO Biennial General Meeting being organized by NPCIL in January 2010. The organization of such a high level meeting could not have been more opportune and befitting than at this time when we are moving beyond the differential threshold in the nations nuclear history.

The Company has complied with the corporate governance guidelines issued by the Authorities.

I am sure that with continued support of the Department of Atomic Energy and its units, electricity boards and various ministries of the Government of India, we will be able to increase production of your Company to about 22,000 million Kilo Watt hours by next year. Members on the Board of the Company have made immense contributions, provided able guidance and encouragement for the all round improvement in the functioning of your Company.



Finally, we proudly record our culture of an overriding priority to nuclear safety and fostering the Parivar (extended family) culture within the Company which has made this company unique. Its now time that I move on to the Directors Report, Balance Sheet as on 31st March 2009 and Profit and Loss Account for your consideration, approval and adoption.



S. K. JAIN
CHAIRMAN & MANAGING DIRECTOR

Mumbai, Date: August 12, 2009

