



न्यूक्लियर पावर कॉर्पोरेशन ऑफ़ इंडिया लिमिटेड
(भारत सरकार का उद्यम)

NUCLEAR POWER CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)

CHAIRMAN'S STATEMENT

21st September 2022

35th Annual General Meeting 2022



Azadi Ka Amrit Mahotsav

Dear Shareholders,

On behalf of Board of Directors and my own behalf, it gives me immense pleasure to welcome you all to the 35th Annual General Meeting of your Company. I took over as Chairman & Managing Director of your Company in February 2022. This is my maiden address to you in my capacity as the CMD of your Company. The Audited Financial Statements for FY 2021-22 together with the Directors' Report, the report of Statutory Auditors, comments of the Comptroller and Auditor General of India and the AGM Notice are already with you; and with your consent, I consider them as read.

The pandemic waves have diminished and normalcy is returning to most sectors of industry. Nuclear power is gaining renewed focus and being seen as one of the clean as well as reliable sources of the future. A demand for nuclear power is being seen in the power market. In such positive circumstances, it gives me great satisfaction to inform you that the performance of operating stations of NPCIL in the fiscal year has been par excellence. The consistent, safe and reliable operation of reactors for long periods bears testimony to the maturity achieved by your Company in nuclear power technology. NPCIL has emerged as a strong, self-reliant and dynamic company with a strong commitment to nuclear safety, growth and sustainability.

NPCIL on the other hand, has several challenges such as the huge expansion plan, high tariff and stiff competition from renewable power sources, however, with its resilience and the collective efforts of its management, we are confident that we will overcome these challenges. Upon my taking over as CMD, I have interacted with our core teams in Directorates of Operations, Projects, Technical, Finance, HR, Quality Assurance and CMM with a view to gain insights right from the grass root level and also to sensitise them about challenges in achievement of Company's targets. I have also instated new methods of monitoring and review so that appropriate actions are initiated well in time.

Let me briefly take you through highlights of the performance of your Company during the year.

During the FY 2021-22, the power generation and capacity factor registered has set a new benchmark. NPCIL recorded highest ever commercial generation of 47112 MUs with both overall Availability Factor (AF) and Capacity Factor (CF) for all the reactors in operation at about 88%. As of March 31, 2022, the continuous, safe and reliable operation of more than a year has been achieved 39 times by various reactors operated by NPCIL. Electricity generation through wind farm with an installed capacity of 10 MW at Kudankulam was about 18 MUs in FY 2021-22 as was during previous FY 2020-21.

On the financial front, the total income for FY 2021-22 of your Company was ₹ 16,418 crore (i.e., Revenue from Sale of Power ₹ 15,036 crore plus Other Income ₹ 1,382 crore) as compared to ₹ 14,018 crore (i.e., Revenue from Operations ₹13,335 crore plus Other Income ₹ 683 crore) for previous FY 2020-21. The Profit Before Tax (PBT) was ₹ 8,115 crore as compared to ₹ 5,595 for previous FY 2020-21 and the total comprehensive Income was ₹ 6,454 crore compared to ₹ 4,374 crores in FY 2020-21. Again, a record in the history of NPCIL.

During FY 2021-22, NPCIL had paid an interim dividend of ₹ 575 crore. Thereafter, the Board has recommended final dividend of ₹ 1,322 crore for FY 2021-22. Thus, the total dividend would be ₹ 1,897 crore.

The work at ongoing PHWRs viz. KAPP-3&4, RAPP-7&8 and GHAVP-1&2 are progressing well. KAPP-3 has been successfully synchronized to the Grid for the first time on 10.01.2021. The unit had generated about 402 MUs cumulative infirm power (non-commercial power) up to March 31, 2022. Subsequently certain modifications / improvements based on commissioning feedback were completed at KAPP-3 and the unit synchronized again on 20th July 2022. Unit is operating at 50% FP. The unit's cumulative generation till date is 603 MU. This will be followed by further power raise and balance commissioning activities including corrective actions if any, with progressive regulatory clearances. In unit KAPP-4, a major milestone "Hydro test of Primary Heat Transport (PHT) system" is completed successfully in April 2022. This will be followed by major critical activities viz. Hot Conditioning, approach to first criticality, synchronisation with the grid and finally commencement of commercial operation. At GHAVP-1 & 2 activities under Main plant civil works and construction of

various other structures are in progress. Purchase Orders (PO) are placed for various major equipment/components.

As you are aware, pre-project activities of 10 indigenous 700 MW PHWRs in Fleet Mode are in progress. These reactors are being set up at Kaiga in Karnataka (Kaiga-5&6), Gorakhpur in Haryana (GHAVP-3&4), Chutka in Madhya Pradesh (Chutka-1&2) and Mahi Banswara in Rajasthan (Mahi Banswara-1 to 4). The work on Fleet mode projects began with excavation work commenced at Kaiga-5&6 with 'Ground Break' on April 28, 2022. At GHAVP-3&4, land is available, siting consent from AERB and Environmental Clearance from MOEFCC are available, and site studies have been completed. Placement of work order for Excavation and Ground Improvement is under process. At Chutka-1&2, possession letter has been issued for all types of land. Environmental Clearance has been accorded by MOEFCC. Plant layout is finalized. Field Studies could not be taken up due to local concerns, which is being continuously brought to the notice of concerned authorities of MP State Government. At Mahi Banswara site, Land acquisition is in process. Construction of R&R colony and plant boundary wall is in progress. Environmental Clearance from MOEFCC is in process. For the fleet mode projects, bulk Purchase Orders are placed such as EPC package for Turbine Island has been awarded for GHAVP-3&4 and Kaiga-5&6.

Ongoing LWR projects at Kudankulam viz. KKNPP Units-3&4 and 5&6 have progressed well during the year 2021-22. In this year, around 32,000 Freight Ton of project cargo for KKNPP 3&4 were delivered to Site in break bulk and container shipments in spite of challenging shipping conditions across the globe. Manufacturing and supply of equipment as well as the construction and erection work under various EPC (Engineering, Construction, and Procurement) contracts are also in progress. In Unit 5- of KKNPP-5&6, First Pour of Concrete (FPC) was carried out on 29th June 2021. In Unit - 6, First Pour of Concrete was carried out on 20th December 2021. Further civil construction works are in progress. During the year, about 3,000 Freight ton project cargo in two break bulk shipments were delivered to Site for KKNPP 5&6. Procurement activities for items in Indian scope of supply are also in progress.

The Government of India had accorded 'In-principle' approval for five sites namely Jaitapur in Maharashtra, Kovvada in Andhra Pradesh, Mithi Viridi in Gujarat, Haripur in West Bengal and Bhimpur in Madhya Pradesh for taking up land acquisition and pre-project activities at these sites for setting up Nuclear Power Plants with international-cooperation. At Jaitapur, land is available, Environmental Clearance and CRZ Clearance from MOEFCC is available, siting consent is under review by AERB, site infrastructure development and techno-commercial discussions with Électricité de France (EDF), France are in progress. At Kovvada, major part of the land is acquired and further activities are in advanced stage for taking possession of balance land, site studies related to three seasons environmental monitoring is completed and further activities are in progress for obtaining Environmental Clearance and techno-commercial discussions are in progress with Westinghouse Electric Company (WEC). At Mithi Viridi in Gujarat, land is to be acquired as per the new RFCTLARR Act, 2013, CRZ clearance is available. At Haripur site in West Bengal, is contingent to initiative by State Govt and at Bhimpur in Madhya Pradesh, it is contingent to confirmation of water availability by state.

NPCIL accords utmost importance to nuclear, radiological, industrial, fire and environmental safety overriding the demands of production or project schedules. Continuing with its policy of 'Safety First' and striving for maintaining the highest standards of safety, the occupational exposures of employees of the Company at various Nuclear Power Plants (NPPs) were maintained well below the values specified by AERB. At operating stations of NPCIL, certified Environmental Management System (EMS) as per IS/ISO-14001 and Occupational Health and Safety Management System (OHSMS) as per IS-18001/ ISO-45001 are maintained and regular audits are carried out for continual improvement. The NPPs of the Company have registered 566 reactor years of safe, reliable and accident-free operation up to 31st March 2022.

NPCIL has strong, dedicated and vibrant workforce of 10,773 employees as on 31.03.2022 consisting of Engineers, Technicians and Supervisors, Non-Technical Executives, Staff and Auxiliary support staff who spearhead the activities of the organization. Harmonious Employee Relations prevailed in all the Stations, Projects and Headquarters during the year. The NPCIL management resolved to extend its helping hand to the bereaved families of deceased NPCIL employees whose death

occurred due to COVID-19 or COVID induced complications by granting of additional financial support of ₹25 lakh per family. The said additional financial support was provided to the families of 23 deceased NPCIL employees during the year.

NPCIL has received various awards at State and National level for its achievement in different fields such as Safety, Technology Development, Official Language implementation during the year from different organisations/ agencies. The recognitions demonstrate concerted efforts and dedication of employees.

Corporate Social Responsibility and Sustainable Development initiatives were pursued in line with the provisions of Companies Act, 2013. The CSR spend during FY 2021-22 was ₹101.96 crore, which was ₹1.39 crore in excess of amount required to spend.

The Hon'ble Prime Minister in his Independence Day speech 2021 has announced a 'National Hydrogen Mission'. At present, most of the Hydrogen (about 95%) is being produced using fossil fuels (Grey Hydrogen), which is likely to shift to Green Hydrogen (produced from clean energy sources). Nuclear power is a clean base load source of electricity and can be used to generate clean Hydrogen. To seize the emerging business opportunities in production of Hydrogen from nuclear power, NPCIL has resolved to take enabling steps for entering into the business of clean Hydrogen generation from nuclear power at an appropriate time. In this context, to gain experience in Hydrogen production and related aspects, NPCIL is setting up small Hydrogen Generation Plants and associated systems with 10 Nm³ per hour capacity at Rawatbhata and Tarapur sites. In addition, NPCIL is also finalising its hydrogen policy.

NPCIL is consistently putting efforts to compliment the 'Atmanirbhar Bharat Abhiyan' or 'Self-Reliant India Mission' by enhancing indigenization of some of the imported equipment and components, progressively increasing use of Government e-Marketplace (GeM) portal for procurement of equipment and components providing opportunity to MSE sector wherever possible. NPCIL has procured goods & services worth ₹ 1,216.26 Crore which is 62.77% of the total procurement of ₹ 1,937.72 Crore (after excluding specialized non-MSE items as approved by Ministry of MSME)

through MSEs which is well above revised target of 40% of total annual procurement of goods & services for the FY 2021-22. Procurement through GeM was ₹414.12 Crore during the year.

The Company endeavours to meet the statutory requirements and to institute systems & procedures that are in tune with making management transparent and institutionally sound. Good Corporate Governance practices remain at the core of NPCIL's value system. I would also like to affirm that the Company has complied with the Corporate Governance Guidelines issued by the authorities.

Before I conclude, I would like to place on record my appreciation for my colleagues on the Board for their valuable contribution in the functioning and growth of the Company. On behalf of the Company, I thank all our stakeholders for their trust and support and look forward to continue receiving the same for taking the Company to greater heights.

(Bhuwan Chandra Pathak)
Chairman & Managing Director

Place: Mumbai

Date: 21st September 2022.