



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

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

CHAIRMAN'S STATEMENT

20th September 2024

37th Annual General Meeting 2024



Dear Shareholders,

I welcome you all on behalf of the Board of Directors to the 37th Annual General Meeting (**AGM**) of the Company. The journey of your Company has been full of resilience, hard work and unwavering commitment to safety & excellence. The year gone by was yet another year highlighting operational excellence and sound financial health. In the Union Budget for the year 2024-25, energy transition and energy security have been highlighted as one of the Priority areas. In India's journey towards Viksit Bharat (developed nation), the Nuclear Energy is expected to form a very significant part of the energy mix.

With this backdrop, I present the Annual Report of your Company for Financial Year (**FY**) 2023-24. The Audited Financial Statements for FY 2023-24 together with the Directors' Report, Report of the Statutory Auditors and Comments of C&AG of India and the AGM Notice are already with you, and with your consent, I consider them as read.

It is indeed my privilege to take you through the progress of your Company during the year 2023-24 and a path ahead.

Operations and Financial Performance

As on date, the total installed capacity of the Company is 8180 MWe with 24 operating stations.

The Commercial electricity generation through nuclear energy in FY 2023-24 was 47971 Million Units (MUs) as against 45855 MUs in FY 2022-23, thus, showing an increase of 2116 MUs (4.61%). The major contributing factor for the increase is commercialization of KAPS Unit 3 on 30.06.2023 and contributed 3932.28 MUs in FY 2023-24. The average commercial capacity utilization factor in FY 2023-24 was 85%.

In the FY 2023-24, the first pair of the indigenous 700 MWe PHWRs KAPP-3&4 at Kakrapar, Gujarat started commercial operation. Hon'ble Prime Minister, Shri Narendra Modi dedicated KAPP-3&4 to the Nation on February 22, 2024.

From the existing operating fleet of reactors (PHWRs), Units KAPS-1 and KGS-2 have operated throughout with an Availability Factor of 100%. Five Reactors viz. NAPS-2, KAPS-1, KAIGA-1 KAIGA-2 and KAIGA-3 have achieved continuous operation for

more than one year taking the total to 46 times till date. KKNPP-1&2 (1000 x 2 LWRs) at Kudankulam have been operating very well at full power. Both the Units have cumulatively crossed electricity generation of over 1,00,000 MUs.

Revenue from Operations for the year was Rs.18,484 crore and other income was Rs.712 crore. The profit before tax of the Company for FY 2023-24 was Rs. 10,322.16 crore as compared to Rs. 6,138.22 crore for previous FY 2022-23. The total comprehensive income of the Company for FY 2023-24 was Rs. 6,485.53 crore as compared to Rs. 5,202.14 crore for previous FY 2022-23. During FY 2023-24, NPCIL had paid an interim dividend of Rs.1,065 crore and the proposed final dividend is Rs. 866 crore, thus making the total dividend pay-out for FY 2023-24 is Rs.1,931 crore (i.e. 30% of PAT).

NPCIL Bonds/NCDs have been accredited with 'AAA' rating indicating highest safety.

Ongoing Projects and New Projects

The second pair of 700 MW PHWRs RAPP-7&8 is being set up at Rawatbhata, Rajasthan. It is heartening to inform you that after completion of initial fuel loading of RAPP Unit-7 on 8th August 2024, the unit achieved its first criticality on 19th September 2024 and is targeted to commence its commercial operation in FY 2024-25. The Commissioning and operationalisation of Unit-8 is expected in the next Financial Year.

Construction of another two reactors of indigenous 700 Mwe PHWR technology at Gorakhpur, Haryana (GHAVP-1&2) is in progress. 10 indigenous 700 MW PHWRs are being set up in fleet mode at Kaiga in Karnataka (Kaiga-5&6), Gorakhpur, Haryana (GHAVP-3&4), Chutka, Madhya Pradesh (CMAPP-1&2) and Mahi Banswara in Rajasthan (Mahi Banswara-1 to 4).

Four reactors of Light Water Reactor (LWR) technology namely KKNPP-3&4 and KKNPP-5&6, each of 1000 MW capacity, are under construction at Kudankulam, Tamil Nadu with Russian cooperation. Pace of progress of these projects has been affected due to delay in supplies from Russia and third countries due to ongoing Russia-Ukraine geopolitical conflict. However, necessary steps are being taken to minimise the delays.

The Government of India has also accorded 'in-principle' approval in October 2009 for setting up Nuclear Power Plants (LWR technology with foreign collaboration) at Jaitapur, Maharashtra; Kovvada, Andhra Pradesh; Chhaya Mithi Viridi, Gujarat and Haripur, West Bengal. At Haripur Site in West Bengal and Chhaya Mithi Viridi in Gujarat, the land acquisition is contingent upon the initiative of the State Government. NPCIL has opened offices in nearby towns of the new project sites proposed at Jaitapur & Kovvada. Currently, pre-project activities are in progress.

Renovation & Modernisation and Life Extension of NPPs

RAPS-3, 220 MW PHWR, has successfully been restarted on 24th July 2024 after completion of its EMCCR & EMFR activities. Life extension work of TAPS-1&2 is also progressing well.

Safety is an overriding priority

Safety is an overriding priority in all activities of the Company. NPCIL accords utmost importance to nuclear, radiological, industrial, fire and environmental safety overriding the demands of production or project schedules. NPCIL has operated NPPs for over 50 years & gained over 610 reactor-years of commercial nuclear power operation experience.

There were no radiation exposures to workers above the AERB dose limits. At operating stations of NPCIL, certified Environmental Management System (EMS) as per 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.

Operating Stations and Construction Projects of NPCIL bagged prestigious National Safety Awards from Atomic Energy Regulatory Board (AERB), National Safety Council of India and Ministry of Labour & Employment.

Quality Assurance

NPCIL in all its endeavours, is committed towards up-gradation and continuous improvements in Quality Management System which includes; Quality Assurance (QA), Quality Surveillance, Pre-Service Inspection (PSI)/In-Service Inspection (ISI) and Software Quality Assurance (SQA) activities.

Human Capital

NPCIL has strong and dedicated human capital of 10576 employees as on 31.03.2024 consisting of Engineers, Non-Technical Executives, Supervisors, Technicians, and Auxiliary support staff who propel the activities towards achieving the organisational goals. Trained and qualified Human Resource with strong domain knowledge and skills is an asset of NPCIL. Several Nuclear Training Centres are established in NPCIL to impart required training to engineers.

CSR & Sustainability

NPCIL has been implementing Corporate Social Responsibility (CSR) projects since its inception. NPCIL is committed to economic and social development of the local communities around all its Units. The CSR programme is generally implemented as per the identified need of the community living around 16 Km radius from all its Units. The thrust areas for CSR projects are: education, healthcare, infrastructure development, skill development and sustainable development.

Total CSR expenditure was Rs.131.79 crore during FY 2023-24, which is excess by Rs. 3.05 crore in terms of the Section 135 of the Companies Act, 2013.

Corporate Governance

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. The Compliance Certificate to the Guidelines is forming part of the Annual Report.

International Co-operation-Knowledge & experience sharing

NPCIL is a member of international organisations, namely World Association of Nuclear Operators (WANO) and Candu Owner's Group (COG) and is actively participating in their programs with the sole objective of enhancing the safety and reliability of its nuclear power plants.

New business initiatives

Many new business initiatives have been taken by NPCIL, such as-

- Investment of Rs. 925.69 crore by NPCIL in Uranium Corporation of India Limited.

- MoU signed on 11th April 2023 with BHEL to jointly pursue business opportunities in the area of Nuclear Power Plants based on Pressurized Heavy Water Reactor (PHWR) Technology.
- The JV with NTPC, ASHVINI, viz. Anushakti Vidhyut Nigam Ltd was accorded approval by Government, on 11th September 2024, to take up nuclear generation and other associated activities in the country. It is major step towards its operationalization. ASHVINI will be a subsidiary of NPCIL.
- For Isotope Production & Processing Facility (IPPF) for production of radioisotopes used in nuclear medicine (both diagnostic and therapeutic), food preservation and other industrial applications in, PPP mode, the feasibility report, concession Agreement & RFP were reviewed and further modalities are being pursued.

Clean Hydrogen Generation

NPCIL has resolved to take enabling steps for entering into the business of clean Hydrogen generation from nuclear power at an appropriate time in line with India's 'National Hydrogen Mission'. NPCIL has set up a Hydrogen Generation Unit (Alkaline Electrolyser) with 25 Nm³ per hour capacity at Tarapur site and is made operational. One more Hydrogen Generation Unit (Polymer Electrolyte Membrane Electrolyser) and associated systems is being set up at Rawatbhata site.

Working towards 'Atmanirbhar Bharat Abhiyan'.

NPCIL is in the process of contributing in development of nuclear power programme - Vision 2047, being framed considering country's goal of energy independence by 2047, net zero emissions by 2070 and Atma Nirbhar Bharat.

NPCIL is consistently putting efforts to compliment this endeavour by enhancing indigenization of some of the imported equipment and components, progressively increasing use of GeM portal for procurement of equipment and components, providing opportunity to MSE sector wherever possible, launching of various new projects including ten 700 MW indigenous PHWR reactors in fleet mode.

A Path ahead

The Union Budget 2024-25 has among its vital facets, has set up nine priorities for economic development and energy security is one of them. The budget proposed to undertake initiatives with private sector in nuclear energy segment through setting up Bharat Small Reactors (BSRs) and conducting R&D of Bharat Small Modular Reactor

(BSMRs) and newer technologies for nuclear energy. Nuclear and green energy has been given berth in the budget.

NPCIL received a Presidential Directive dated 8th August 2024 from the Department of Atomic Energy, Administrative Ministry. Vide the said directive, the President of India directed NPCIL to take necessary action for the following, within the ambit of Atomic Energy Act, 1962:

1. Bharat Small Reactors (BSRs) (220 MWe PHWRs)
2. Bharat Small Modular Reactors (BSMRs) (220 MWe LWRs)

NPCIL is taking necessary steps in compliance with the aforesaid Presidential Directive.

On 9th September 2024, a MoU has been signed between NPCIL and ENEC (Emirates Nuclear Energy Corporation of UAE), wholly owned company by Abu Dhabi Development Holding Company PJSC, which is wholly owned by Government of UAE. The purpose of the MoU is to provide a general framework for the possible collaboration between the organizations in the field of nuclear power. The proposed MoU will pave way for NPCIL to gain an international presence and increase the export potential of the Indian industry.

Acknowledgement

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.

Together, we look forward to opening of new vistas for the growth of nuclear power - which is the source of safe, clean, reliable and round the clock electricity.

(Bhuwan Chandra Pathak)
Chairman & Managing Director

Place: Mumbai

Date: 20th September 2024.