

# **Evolution of Funding Pattern**

## **NPPs in India**

**V. C. Agarwal**  
*Director (Human Resource)*

*Nuclear Power Corporation of India Limited*

# NUCLEAR POWER CORPORATION OF INDIA

- **17 reactors (4120 MWe) in operation**
- **5 Reactors (2600MWe) under construction.**
- **Authorized share capital: 3.5 billion \$**
- **Assets of Company: 7 billion \$**
- **4 billion US\$ Projects under execution.**
- **Consistent yearly profits of 350 to 400 million \$**
- **AAA rated company.**

**1964-1969/1969**

**Equity: Govt. Loan**

**50:50**



**RAPS-2**  
**1968-1981**  
**Equity: Govt. Loan**  
**50:50**



**RAJASTHAN ATOMIC POWER STATION**

**1971- 1984/1986**  
**Equity: Govt. Loan**  
**50:50**



**1975-1991/1992**  
**Equity: Govt. Loan**  
**50:50**



# NUCLEAR POWER CORPORATION OF INDIA LIMITED

- **Formed in 1987**
- **Access funds from sources other than Government was one of the objectives**
- **Assets of Govt. transferred to NPCIL**
- **Equity for TAPS, RAPS-2, MAPS (completed)  
NAPS, KAPS (under construction) as Share  
Capital**
- **Government Loan transferred to NPCIL**

**1984- 1993/ 1995**  
**Equity: Govt. Loan**  
**50:50**  
**Small market borrowings**





**1989- 2000/2000**

**Equity: Govt. Loan: Mkt. Loan  
50:10:40**



**1990- 2000/2000**  
**Equity: Govt. Loan: Mkt. Loan**  
**50:10:40**



**RAJASTHAN ATOMIC POWER STATION**

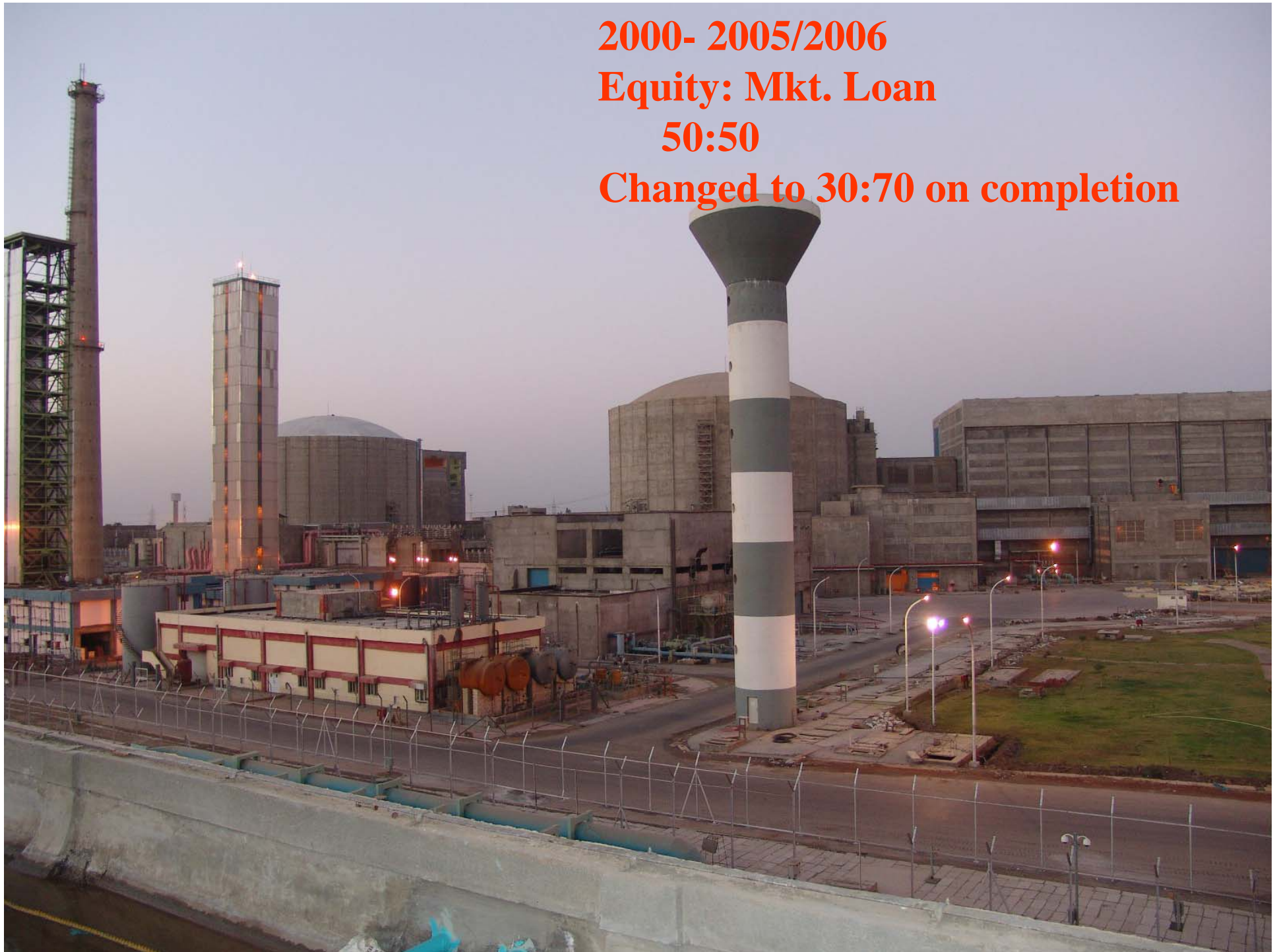
- Equity by the Government as Budgetary Support. Shortfall met through internal surplus of NPCIL
- Government Loan was perpetual. The interest rates were high. Loan and interest were prepaid from NPCIL surplus/ market Borrowings in 2001 to 2003.

**2000- 2005/2006**

**Equity: Mkt. Loan**

**50:50**

**Changed to 30:70 on completion**



**2002- 2007/2008 (expected)**  
**Equity: Mkt. Loan**  
**50:50**  
**Revised to 33:67 on launch**



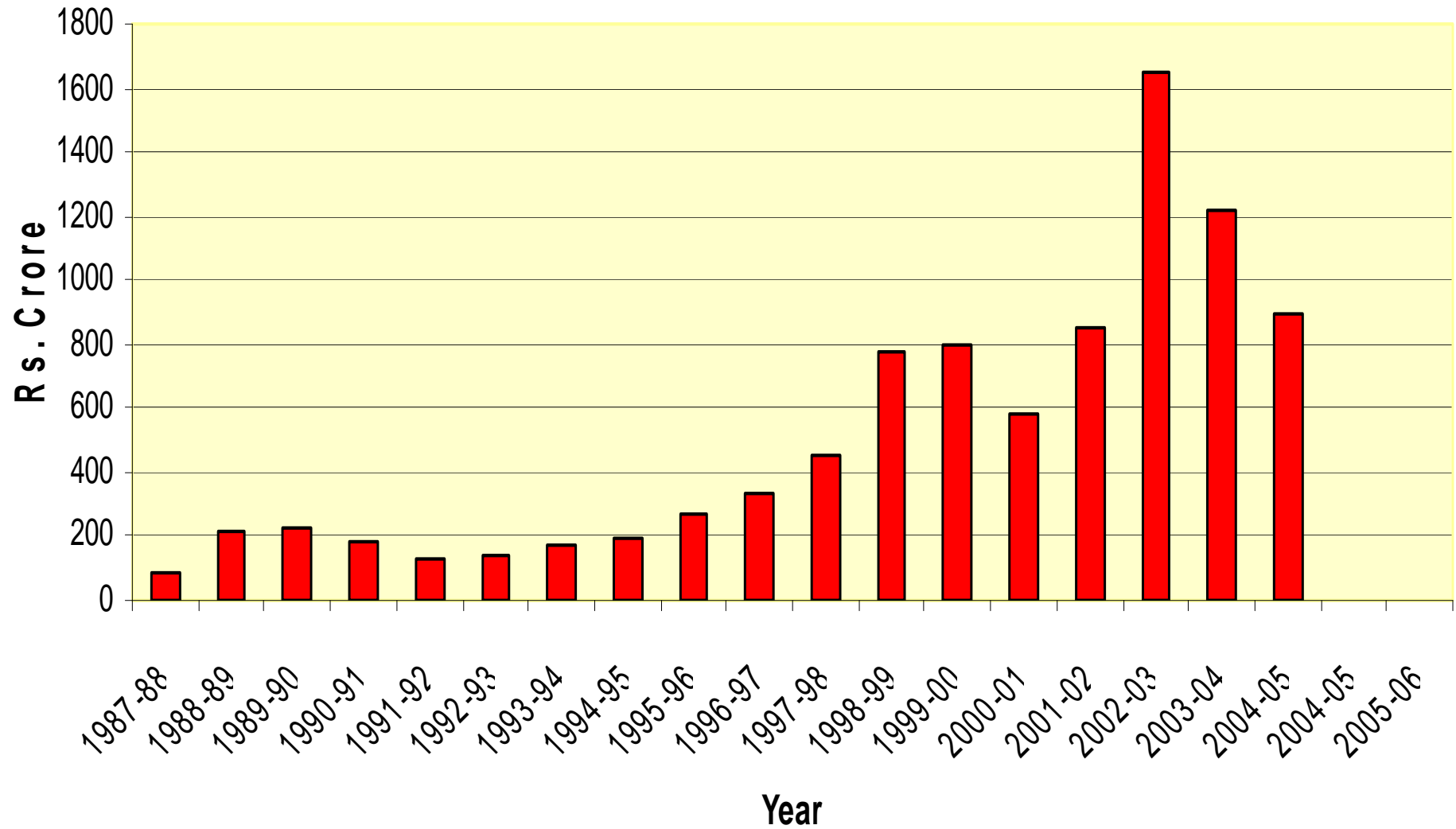
**2002- 2007/2008 (expected)**  
**Equity: Mkt. Loan**  
**33:67**



**2002- 2008/2009 (expected)  
Equity: Russian Credit  
50:50**



## Budgetary Support to NPCIL





## EQUITY IS EXPENSIVE

NEEDS SERVICING FOR LIFE OF PLANT

14% RETURN ON EQUITY IS PERMITTED IN TARIFFS

EQUITY NEEDS TO BE KEPT LOW FOR COMPETITIVE TARIFFS.

MARKET BORROWINGS GETS PAID IN EARLY YEARS OF PLANT LIFE

30:70 IS NORM FOR POWER SECTOR

LOWER EQUITY IS PREFERRED IN CASE BORROWING IS POSSIBLE AND RATES ACCEPTABLE.

# Future Plans

- New NPPs with Equity: Debt of 30:70
- No support from Government
- Equity from reserves and accruals of NPCIL
- Borrowings from domestic market
- Foreign co operation Projects
- Indigenous portion mostly from equity
- Imports, combination of foreign credit and local mkts.

**Thank You**