

## CHAIRMAN'S SPEECH



### Dear Shareholders,

It is with great honor and privilege that I present to you the Chairman's Speech for the Annual Report of the Financial Year ending on March 31, 2023. I am delighted to share with you the Auditor's and Directors' Reports, as well as the Annual Audited Accounts.

I am pleased to address you after another eventful year of progress. The fiscal year 2022-23 has been a remarkable one for our company, with significant achievements on multiple fronts.

Our unwavering focus on expanding our clean energy portfolio has continued to drive our success. We have been actively embracing new technologies in collaboration with our customers and partners, contributing to the clean energy transition. This has positioned us to seize even larger opportunities in the renewable energy sector, while maintaining our leadership position in consumer-centric businesses such as Rooftop Solar, EV Business, and Pumped storage plants.

With your whole-hearted support, our company has strengthened its foundations and is emerging as a rapidly growing organization.

### GROWTH OUTLOOK

India's pursuit of becoming a \$5 trillion economy by 2024-25 and the third-largest economy in the World by 2030 has placed a renewed emphasis on reducing the country's carbon footprint and meeting Sustainable Development Goals (SDGs) set during the Paris agreement.

To bring about a green revolution, the Government of India has set an ambitious target of installing 500 GW of renewable energy capacity by 2030, including 280 GW of solar power and 140 GW of wind power.

India is now committed to achieving approximately 50% of its cumulative electric power installed capacity from non-fossil fuel sources by 2030. As of May 2023, India's total renewable energy capacity, excluding large hydro and nuclear plants, reached 126.77 GW, accounting for 30% of the country's total installed generation capacity.

According to projections from the India Energy Security Scenarios (IESS) 2047 tool developed by NITI Aayog, India would require a minimum of 75 GW of energy storage capacity by 2047 to effectively balance the grid and accommodate the increasing penetration of renewable energy sources. This highlights the crucial role that energy storage technologies, including pumped storage, will play in India's future energy landscape.

I am happy to inform you that THDCIL is in the final stage of commissioning the first pumped storage plant in the central sector of 1,000 MW capacity in Tehri, Uttarakhand. First two units of Tehri Pumped storage plant (4x250 MW) will be commissioned in F.Y. 2023-24 and rest two units by June-2024.

Additionally, the Ministry of Power has indicated the initiation of 10 Pumped Storage Projects with a potential installed capacity of 12,555 MW in the states of Uttarakhand, Maharashtra, Tamil Nadu, and Kerala. We are in the process of finalizing project feasibility reports and exploring pumped storage projects in other states as well. THDCIL has also signed an MoU with Kerala State Electricity Board Ltd., (KSEBL) on 24.01.2023 for the implementation of pumped storage projects in Kerala.

Our organization is tirelessly working with your esteemed support to explore every new technology that can contribute to the government's ambitious target of achieving net-zero greenhouse gas emissions by 2070. The updated Nationally Determined Contribution (NDC) emphasizes the promotion of a healthy and sustainable way of living, incorporating traditions and values of conservation and moderation to combat climate change.

I am pleased to announce that THDC India Limited has established a joint venture company named TREDCO Rajasthan Ltd. in partnership with Rajasthan Renewable Energy Corporation Ltd (RRECL). This joint venture aims to develop 10,000 MW Ultra Mega Renewable Energy Power Parks in the state of Rajasthan.

### PERFORMANCE HIGHLIGHTS IN FY 2022-23

I am delighted to announce that, Our Company has consistently performed well and improved its robust fundamentals during the financial year 2022-23. The dedication of our employees and the cooperation of our stakeholders instill tremendous confidence in us to achieve higher objectives in the future.

Here are some key highlights of our performance:

- We exceeded our CAPEX targets for FY 2022-23 by almost 43.9%, with a capital expenditure of ₹ 4,615.02 Cr. compared to the target of ₹ 3,207.54 Cr.
- Our operational plants achieved exceptional performance in energy generation, with a total cumulative generation of 4,935.48 MU during 2022-23, the highest in the last nine financial years.
- Tehri HPP and Koteshwar HEP achieved Plant Availability Factors (PAFs) of 84.09% and 68.62% respectively, surpassing the normative figures of 80% and 68%.



Packaging of Unit#1, Tehri PSP

- The first unit of Tehri PSP (4x250 MW) was successfully boxed up on 30.03.2023.
- Boiler Hydro Test of the first unit of Khurja STPP was completed successfully on 15.03.2023.
- Coal extraction from Amelia Coal Mine started ahead of schedule on 18.02.2023, and we have already extracted over 0.3 million tons of coal as per the targets given by the Ministry of Power/ Ministry of Coal.
- Amelia coal mine has also started generating revenue as coal dispatches started to the NTPC Plant(s) well ahead of schedule.
- Mining from Tunnel Boring Machine (TBM) has commenced in VPHEP.
- Gross sales during the year 2022-23 amounted to ₹ 1,974.30 Cr., with a net profit of ₹ 670.57 Cr.
- Signed an MoU with Kerala State Electricity Board Ltd. (KSEBL) on 24.01.2023 for the preparation of PFR for Idukki Pumped Storage and Pallivasal Pumped Storage Projects in the state of Kerala.
- Signed an MoU with Uttarakhand Jal Vidyut Nigam Limited (UJVNL) on 06.03.2023 to harness the untapped potential of hydro power in Uttarakhand through a JV Company.
- The Company has successfully raised funds through the issuance of Unsecured Corporate Bonds Series – VIII, with a total issue size amounting to ₹ 763 Crore, and a tenor of 10 years at a coupon rate of 7.76% per annum. The issue was oversubscribed 9 times of the base issue size. The company received Bids for ₹ 2588 Crore against total issue size of ₹ 763 Cr. which reflects investor confidence in the Company.
- Successfully organized a three days Asian Ranking Championship and Olympic Qualifying Open Canoe Sprint Senior Men and Women Championship-2022 (Tehri Water Sports Cup) at Tehri Lake in Dec-2022.
- Signed an MoU with NSB (NTPC School of Business) for capacity-building initiatives and utilizing the infrastructure facilities of HRD Centre, Rishikesh to convert it into a profit center. We have already started earning revenue by executing programs.
- Incorporated a JV Company named TREDCO Rajastham Ltd. in partnership with Rajasthan Renewable Energy Corporation Ltd (RRECL) for the development of 10,000 MW Ultra Mega Renewable Energy Power Parks in the state of Rajasthan.

## ONGOING PROJECTS

THDCIL is aggressively expanding in the field of renewable energy by exploring possibilities for setting up renewable projects across India and abroad. Despite numerous challenges, our recent growth encourages us to assure you that THDCIL will continue to grow and prosper.

To achieve our goal of installing at least 4,351 MW of capacity by 2026, we have ongoing projects that are progressing well. Here are some updates:

- **Tehri PSP:** Works in all fronts are in an advanced stage of commissioning, and two units are expected to be commissioned by March 2024.
- **VPHEP:** After implementing various measures, the project is on track, and the first unit is likely to be commissioned by March 2026.

- **Khurja STPP:** Major plant packages have already been awarded, and work progress is in full swing. The first unit is expected to be commissioned by February 2024.



Aerial View of 1320 MW, Khurja STPP

- **Amelia Coal Mine:** Coal extraction began ahead of schedule on 18.02.2023, with commercial coal dispatch also started.



Coal Rack dispatch from Amelia Coal Mines

- Our ongoing efforts also include the development of 2,000 MW Ultra Mega Renewable Energy Power Parks through a joint venture company called TUSCO Limited in the state of Uttar Pradesh. Additionally, THDCIL and RRECL have formed a joint venture named "TREDCO RAJASTHAN LTD." for the development of 10,000 MW Ultra Mega Renewable Energy Parks in Rajasthan.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

At THDC India Limited, we understand the importance of corporate social responsibility (CSR) and have undertaken extensive activities in our operational areas through our company-sponsored society, SEWA-



THDC. We recognize that the CSR funds provided by the company alone are insufficient to address the basic requirements of all stakeholders. To overcome this challenge, we have entered into partnership projects with various state and central government departments and agencies, successfully mobilizing additional funds in agriculture, watershed development, and health sectors, among others, to improve the lives of communities in our operational areas.

Some noteworthy CSR initiatives include running allopathy and homeopathy dispensaries in remote areas of Tehri and Dehradun districts, operating schools for underprivileged children, distributing health equipment, constructing toilets, installing atmospheric water kiosks in schools, establishing smart classrooms, providing skill training, installing street lights, and constructing rainwater harvesting tanks.

### CORPORATE GOVERNANCE PRACTICES

At THDCIL, we believe that sound corporate governance is critical to building and retaining stakeholders' trust. Transparency, equity, integrity, accountability, and social responsibility are the core principles of our corporate governance framework. We adhere to all relevant laws, rules, and regulations, ensuring that our corporate governance practices are of the highest standard.

I am delighted to inform you that Our Company has continuously achieved an "Excellent" rating for compliance with 'DPE Guidelines on Corporate Governance'. We are committed to protecting stakeholders' rights and promoting effective communication. To this end, we have established a whistleblower policy that enables stakeholders to raise concerns about alleged malpractice or wrongdoing that could impact the business or reputation of the company. We also utilize the web-based centralized grievance redressal system of SEBI, SCORES, to address investor grievances. I am pleased to share that Our Company has not received any investor grievances during the financial year.

### COMMITMENT TO SELF-RELIANCE - AATMANIRBHAR BHARAT

The Government of India's commitment to Atmanirbhar Bharat aims to make India energy independent by 2047. However, the current scenario shows that India imports 90% of its oil and 80% of industrial coal. Price and supply volatility in global energy markets put a strain on India's foreign exchange reserves and contribute to economy-wide inflation. The government is focusing on the power, transport, and industrial sectors, which collectively account for over 80% of energy consumption, to achieve energy independence.

THDCIL is aligned with the government's initiatives and is making every effort to invest in renewables, electric vehicles, and green hydrogen. The government has set ambitious targets of achieving 500 GW of non-fossil fuel electricity generation capacity by 2030, aiming for an 80% clean grid by 2040 and 90% by 2047. We aim to capitalize on opportunities in hybrid, floating solar, hydrogen fuel projects, and strengthen EV charging stations. In line with these objectives, THDCIL is setting up a pilot project for Green Hydrogen production and a Hydrogen fuel cell-based micro-grid at our Rishikesh office complex in Uttarakhand. The experience gained from this pilot project will guide the implementation of a Green Hydrogen production and storage plant at a commercial scale. We also have plans to phase out our internal fleet of petrol/diesel vehicles and explore electric vehicle charging infrastructure in Uttarakhand.

### BROADENING HORIZONS: THDCIL OF TOMORROW

Power infrastructure plays a crucial role in a nation's economic growth and welfare. As the demand for electricity in India continues to rise, we recognize the need for significant additions to the installed generating capacity. At THDCIL, we are fully committed to taking on more hydro projects in Uttarakhand and other hydro-rich states across the country. We have also diversified into various forms of conventional and non-conventional energy sources.

We are proud to have expanded our horizons and become a company that fully embraces all types of energy. Our focus on environmental, social, and governance practices ensures that we contribute to the creation of an ecologically sensitive, value-based, and empowered society through purposeful CSR engagements and initiatives. The management's top priority is the timely execution of ongoing projects, and we are determined to achieve our vision of installing 4,351 MW by 2026 and 6,000 MW by 2030. To accomplish this, we have formulated aggressive strategies for both organic and inorganic growth.

### ENDORSEMENT

On behalf of the Board of Directors of THDC India Limited, I express my gratitude to all our stakeholders, business partners, customers, NTPC, CERC, CEA, CWC, DPE, SEBI, BSE, NSE, State Governments, and various Ministries of the Government of India, especially the Ministry of Power, for their invaluable guidance and support.

I extend my special thanks and appreciation to the members of the Board and the Senior Management team for their valuable contributions and suggestions in improving the company's performance. I also acknowledge the efforts and dedication of the entire THDC team, who have made our company a force to be reckoned with in the power sector. On your behalf, I seek their continued support and dedication in the years to come.

As a part of the THDCIL family, I assure you that our company will continue to work tirelessly and remain committed to fulfilling your expectations. With the exceptional knowledge and skills of Team THDCIL, I am confident that every employee will work as a "Power Soldier" to further improve our performance in the future.

I also want to express my gratitude to you, our shareholders, for your continued trust, confidence, and support. I appreciate the contributions of our contractors, suppliers, and the banks and financial institutions that have played a significant role in our growth.

With best wishes,

Sd/-  
**(Rajeev Kumar Vishnoi)**  
Chairman & Managing Director  
DIN: 08534217

Place: New Delhi  
Date: 25.09.2023