



CHAIRMAN'S SPEECH



Ladies and Gentlemen,

It gives me immense pleasure to welcome you to the Twenty Seventh Annual General Meeting of your Company. Notice of the Annual General Meeting and the Annual Report for the year 2013-14 are already with you and with your permission, I take them as read.

OPPORTUNITIES AMID CHALLENGES

The new Government's vision of providing power 24x7 to each household has ignited new optimism in the power industry, especially with the exploration of renewable energy sources which offer excellent opportunities amid challenges for the industry. The new Government's strong focus on tapping renewable resources, particularly solar and wind power has vast potential and shall provide huge business opportunities for your Company in future.

The Annual budget for 2014-15 has proposed setting up mega solar power projects in Rajasthan, Gujarat, Tamil Nadu and Jammu & Kashmir with a funds allocation of ₹500 crore. The government has also announced a scheme for solar power driven agricultural pump sets and water pumping stations, for which a sum of ₹400 crore has been earmarked in the fiscal plan. Renewable Energy has acquired a much greater role in the total energy space in India due to its ability to provide energy security and energy access and your Company is geared to take up increase in its business volume in the Renewable Energy space.

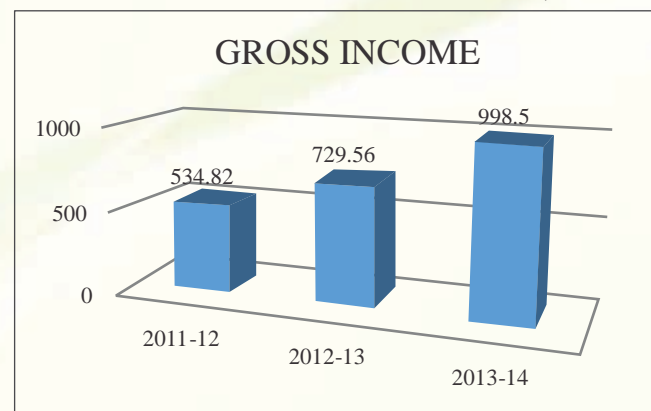
PERFORMANCE IN 2013-14

I am happy to share with you that your Company has made

noteworthy progress during the year as is evident from the following performance parameters substantiating the operational and functional excellence of your Company:

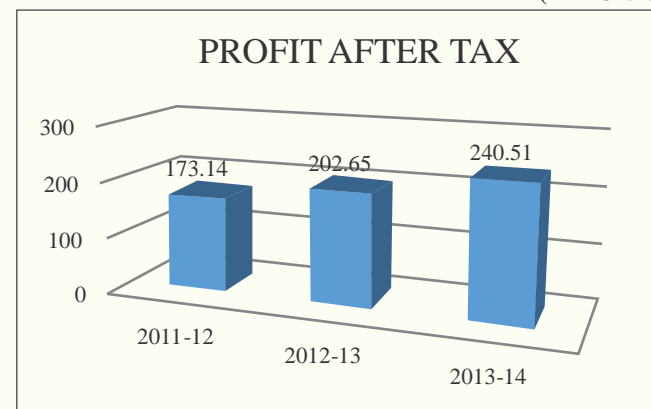
- During the year, your Company disbursed loans amounting to ₹2,471.08 crore registering an increase of 16.26% over the loans of ₹2,125.50 crore disbursed during the previous year, despite a challenging business environment.
- During the year, your Company's gross income was ₹998.50 crore showing a growth of 36.86% over the previous year 2012-13.

(₹ in Crore)



- Your Company's profit before tax was ₹340.31 crore at the end of the year 2013-14, registering an increase of 35.81% over the previous year's level of ₹250.58 crore, while its post-tax profit of ₹240.51 crore for the year represents an increase of 18.69% over the previous year's post tax profit of ₹202.65 crore.

(₹ in Crore)



- Your Company is proposing a dividend of ₹35 crore as against ₹27.50 crore in the previous year representing an increase of 27.27%.
- During the year, your Company issued tax free bonds including public issue for the first time and mobilised a total of ₹757.65 crore through these Bonds. Besides this, your company also issued taxable bonds amounting to ₹500 crore to meet its resource requirements.
- Your Company has raised ₹416.35 crore through Lines of Credit from various sources, viz. KfW, JICA and AFD. Further, an agreement for a long-term Line of Credit of €200 million for a period of 20 years was also executed during the year with the European Investment Bank (EIB).
- Loans sanctioned during the year by way of sole, co-financing and consortium financing arrangements are expected to result in capacity addition of 2518.36 MW. IREDA-financed projects having total capacity of 573.70 MW were commissioned during the year.
- Your Company has received several awards and has been recognised a leader in Renewable Energy financing. During the year, your Company received the “SCOPE Meritorious Award Gold Trophy” under the category of Best Managed Bank / Financial Institution.

SUSTAINING SECTORAL LEADERSHIP

Due to expected increase in business and consequent increase in risk exposure, your Company has strengthened its Project Appraisal process by introducing a two stage appraisal system, viz. i) obtaining risk-rating of the projects from external credit rating agencies and ii) scrutiny of the proposals through a separate Credit Committee.

Your Company has also introduced several new financing products / instruments to achieve sustained growth of its market share in Renewable Energy financing. These include fund-based products such as lines of credit, bridge loans and short-term loans to meet market requirements, as also non-fund based products such as performance guarantees. IREDA would continue to come out with newer products to ensure sustained growth of your Company and of the Renewable Energy sector.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has adopted Policies on Corporate Social

Responsibility (CSR) in line with and in compliance of Department of Public Enterprises (DPE) guidelines.

In this context and with a view to have an intensive approach to CSR, your Company has established a dedicated CSR unit to undertake the CSR programmes of the Company. In keeping with the importance given to this aspect, a CSR Committee of Directors has been constituted to oversee the CSR activities of your Company. During the year, your Company has contributed an amount of ₹4.053 crore towards the Chief Minister's Relief Fund, Uttarakhand for relief and rehabilitation activities for the people in the flood affected areas of the state.

HUMAN RESOURCES DEVELOPMENT

Employees are the drivers of the Company's growth and operational effectiveness. I am happy to inform you that Training and HRD initiatives aimed at sharpening business skills and competence required for better employee performance continue to receive priority. Your Company remains committed to provide all possible opportunities and support to the employees to improve their performance and productivity. In an effort to build capacity and enhance its human capital, the Company plans to identify and fill any gap in its employees' skill sets. In this regard your Company has assigned a study to Administrative Staff College of India (ASCI), Hyderabad to assess the various aspects relating to HR and to suggest a roadmap incorporating best practices in this regard for addressing the present and future HR needs of your Company.

CORPORATE GOVERNANCE

Your Company is committed to adhering to best corporate practices to increase the confidence of investors as also that of other stakeholders and to effectively discharge the developmental responsibility assigned to it. It shall continue to maintain the best standards of corporate governance and risk management. IREDA's ultimate aim is to enhance the long term economic value of not only our stakeholders but also of society at large.

THE FUTURE

In a growing economy like ours, the demand for power will continue to increase. However important issues like delays in regulatory approvals, problems in land acquisition / power evacuation and environmental clearances, etc. need immediate attention. Unlike the rest of the power sector which



is suffering a setback on account of fuel supply and other constraints, the Renewable Energy sector which is endowed with abundant supply of natural resources, represents best opportunity. The strength of the sector also lies in its ability to cater to both, grid-connected and off-grid requirements to supplement the power needs in rural and power deficit regions of the country. Given a strong policy framework of the Government, the sector would remain vibrant and attract significant investment in the foreseeable future.

With the emphasis on the National Solar Mission by MNRE, various opportunities are provided to IREDA for enlarging its business operation/ involvement by direct funding of projects and providing indirect support services such as fund handling and GBI administration. Similarly with the proposed National Missions for wind, biomass etc. your company will have greater business opportunities.

Your Company is also exploring options for setting up of power generation projects, particularly, based on Wind and Solar energy. Your Company is also one of the Partners in Special Purpose Vehicles (SPV- I & II) for setting up of Grid and Off-grid Renewable Energy Power generation projects under consortium of Oil Marketing Companies which will play an important role in the near future.

Over the years, your Company has acquired unique insight into financing of RE sector and is confident of sustained growth of business and your Company. The proactive support from the Government to the Renewable Energy sector gives me strong optimism for the growth of your Company and the sector.

Place: New Delhi

Dated: 29th September, 2014.

ACKNOWLEDGEMENTS

I, on behalf of Board of Directors, acknowledge with deep appreciation the cooperation and guidance received from Ministry of New & Renewable Energy, Ministry of Finance, other Ministries and Departments of the Government of India and the Reserve Bank of India.

I am thankful to Japan International Cooperation Agency (JICA), Kreditanstalt fur Wiederaufbau (KfW), Agence Francaise de Development (AFD), European Investment Bank (EIB), Asian Development Bank (ADB), Nordic Investment Bank (NIB)), and other international financial institution/ agencies and investors for their support and look forward to their continued encouragement and co-operation.

I wish to convey my special thanks to the bankers, bond-holders and clients for the continued confidence and trust reposed by them in your Company.

For their valuable support and guidance provided in taking your Company forward, I would like to place on record my deep appreciation for all my colleagues on the Board of Directors.

None of these achievements would have been possible without the hard work, dedication, loyalty and commitment of the employees, who remain your Company's most valuable assets. On behalf of the Board of Directors I take this opportunity to place on record with gratitude, their contribution to the growth of the Company.

Thank you,

(KULJIT SINGH POPLI)
Chairman & Managing Director