



CHAIRMAN'S SPEECH



Dear Shareholders,

It is my proud privilege to extend a warm welcome to all the shareholders of IREDA on Twenty-eighth Annual General Meeting of the Indian Renewable Energy Development Agency Limited. The Directors' Report and the Audited Statements of Accounts for the year ended March 31, 2015, duly certified by the Comptroller and Auditor General of India are already available with you, and with your consent, I shall take it as read.

You will be happy to note that your Company continues to be successful in almost all facets of its activities it has undertaken. Your company has earned a record profit before tax of ₹378.57 crore, registering a growth of 11.24% over last year. Net-worth of your company has increased to ₹2178.56 crore from ₹1932.86 crore, an increase of 12.71% over the previous year. It is a matter of great pride to note that in keeping with the performance & track record of the company, your company has been awarded "Mini Ratna Category-I" status by the Government of India.

Before I take up the Company's performance during the last completed financial year, let me place before you the current economic and industry scenario that have a bearing on your Company's strategic goals and performance.

Economic Scenario

The Indian economy has exhibited a growth rate of 7.3% in 2014-15, making India one of the fastest growing economies in the World. The Indian economy has strengthened in 2014-15 on the back of rise in domestic demand, increase in investments, decline in oil prices, reforms, control over

inflation etc. India's economy has proven its resilience, primarily due to the financial and economic fundamentals, combined with regulatory and policy interventions. Further, the economy is expected to grow at a rate of 7.5% in financial year 2015-16, which is even faster than the predicted growth rate of China as per IMF estimate.

Renewable Energy Scenario

At the end of the FY 2014-15, India's renewable energy portfolio stood at 35 GW out of a total of 271 GW of installed power capacity. With huge potential of Renewable Energy resources at 1095 GW, India has set for itself an ambitious and pragmatic RE growth plan for RE installation of 175 GW by 2022. This would comprise 100 GW of Solar, 60 GW of Wind, 10GW of Biomass/Co-generation and 5 MW of Small hydro installation.

Initiatives to support RE:

Government of India & MNRE have taken several initiatives and drawn a realistic roadmap to catalyze this growth plan. Discovery of very competitive & attractive rates for supply of solar power has given further credence to the huge targets set. Commitments provided by developers to the tune of 273 GW, backed by commitment of bankers during RE Invest 2015 underscores the interest & confidence of shareholders in harnessing RE potential in the country.

Some of the support measures which will drive the RE growth are worth reiterating

1. Coal Cess has been increased from ₹100 to ₹200/ton which will make available around ₹ 12000 crores/year for supporting and incentivizing development of RE in the country.
2. Enforcement of Renewable Purchase Obligations has been strengthened by recent judgement of Supreme Court for captive power generators and Appellate Tribunal Judgement on fulfillment of RPO obligation by State regulators.
3. Amendments proposed in Electricity Act i) to increase RPO obligations ii) Introduce Renewable Generation Obligation and iii) Socialize cost of wheeling and evacuation of RE.

4. Green Energy Corridor, work on which has already started will help in evacuation of RE specially from eight RE rich states
5. Central Government scheme for development of solar parks has been rolled out, envisaging support to State Governments to create the required infrastructure. 25 solar parks with 20 GW of aggregate capacity are to be developed out of which 21 solar parks of 13 GW have already been approved.
6. Net-metering schemes has been rolled out in majority of states which will help in meeting 40 GW rooftop solar target.
7. Renewable Energy Sector has been given “Priority Sector Lending” status by RBI. Banks can extend loans up to a limit of ₹15 crore to corporate borrowers and up to ₹10 lakh to individual borrowers for RE projects under priority sector.
8. To facilitate credit at very competitive rate, Govt. has allocated Tax free bond of ₹5000 crore for support of RE projects

These combined with other fiscal and financial benefits from Central and State provide a very conducive environment for growth of RE in the country

Outlook and Concerns

The Renewable Energy sector in India comprises both, Grid-connected and Off-grid installations. While the former seeks to reduce the reliance of the grid on fossil fuels, the latter has the potential to provide energy access to rural, far flung areas unserved and under-served by the grid. The sector, thus, has huge potential both for grid and off-grid solutions.

Despite challenges of evacuation infrastructure, financial health of DISCOMs, land availability and grid management problems arising from the variable & intermittent nature of solar and wind power, etc. the cost of renewable power is increasingly becoming competitive both because of scale and upgradation of technology. Solar tariffs are being determined through competitive bids and recent biddings in Telangana, Madhya Pradesh and Punjab have discovered very competitive rates varying from ₹5.05 to ₹5.80/kWh. The support programme on solar water pumps, water heaters, cooking stoves and solar thermal scheme would further help

India achieve its goal of access to energy for all Equipment based on newer technology can have in-built grid management provisions and is better equipped to meet scheduling and forecasting norms. The Integrated Policy for creation of Green Corridors with an investment of ₹36,000 Crores will enable inter-state transmission of RE power to remove constraints related to evacuation of power.

A separate Renewable Energy Act aimed at creating an institutional, economic and policy framework at the national level is under formulation. The act would cover, inter alia, critical issues of grid planning, grid operation and grid management, including cost sharing of each of these aspects, as also stipulation and compliance of mandatory national RPO targets. In the interim, policy initiatives for specific sub-sectors of RE are being taken to ensure sustained growth of these sectors.

A pragmatic roadmap for achieving 175 GW by 2022 along with policy support from Government, Regulatory provisions and fiscal & financial support provide a very enabling environment to achieve the RE target of 175 GW by 2022.

IREDA's operations in 2014-15

As a part of the business operations to meet the growth aspirations, your company undertook various initiatives, some of which I would like to share with you:

New Financial Products/Schemes: Various Fund and Non-fund based instruments to supplement project financing and to add more business avenues have been introduced. The new schemes introduced are (i) Lines of credit to Non-Banking Financial Companies(NBFCs) for on-lending to RE/EEC Projects (ii) Short term loan assistance to RE developers/Suppliers/Contractors (iii) Bridge loan assistance to RE Promoters/Developers against capital Subsidies/VGF/GBI (iv) Underwriting of debt/loan syndication (v) Guarantee assistance to RE Suppliers/Promoters.

IREDA has also launched a scheme for financing Institutional, Industrial and Commercial rooftops solar projects. Your company has provided several bridge loans to developers helping them to ease their interim fund requirement pending release of GBI/VGF. Your company has syndicated solar projects and intends to undertake more in this year for solar market development. Your company has also provided short



term loan to RE developers/suppliers which helped them to commission RE projects on scheduled time.

Collaborating with other Institutions: During the year, your Company has signed various MOUs with other Financial Institutions with an aim to expand business and risk sharing. An MOU was signed with IIFCL for co-financing/consortium financing of renewable energy and energy efficiency projects taking benefit of each other's credit appraisal and environmental & social safeguard system. An MOU was also signed with WAPCOS for undertaking pre-feasibility studies, DPR preparation, project implementation and other consultancy activities in the renewable energy and energy efficiency sector. An MOU was signed with PFC and Power Lenders' Club to adopt a common approach in financing power projects and speeding up all round development in the power sector. Your company has also signed an MOU with IFC for co-financing of projects.

Diversification through RE project implementation: Your Company has signed an MOU with SECI for implementation of 50 MW solar power project. SECI has already identified the land for implementation of the project in Kerala and has also started the tendering process for selection of supplier / contractor.

Strengthening of Branch Offices: Your Company continues to give greater emphasis for developing infrastructure facilities so as to meet the growing organizational requirement. In this direction, to further strengthen its Branch/Camp Offices for better co-ordination/follow-up and providing better services to its borrowers/entrepreneurs with good environment /infrastructure facilities, your Company has acquired office space of about 1026 sq.ft. from Tamil Nadu Small Industrial Development Corporation Ltd. (TANSIDCO) at SIDCO Industrial Estate, Guindy, Tamil Nadu, for its Chennai Branch Office. Apart from this, to meet the organizational requirement, your Company has also made advance booking for an office space of about 40000 sq.ft. super area in upcoming office complex being developed by M/s. NBCC at East Kidwai Nagar (Near INA), New Delhi.

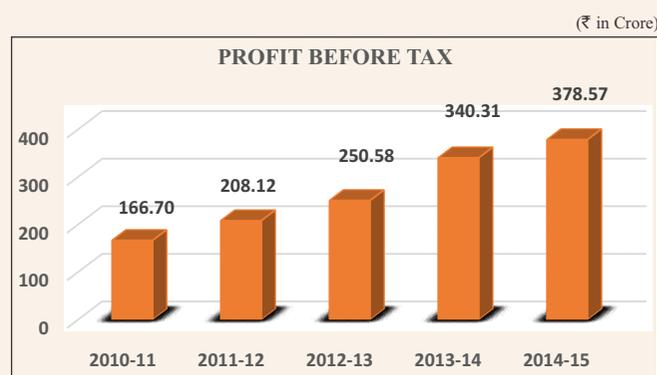
Brand building: Your Company was one of the main organizers for Re-Invest 2015 under the aegis of MNRE which has showcased India as an important destination for Renewable energy investment. Your company was represented as a strategically important organization for

support of Renewable Energy in the country. Your Company has also been conferred with "Mini-Ratna" status, which has enhanced its prestige and also boosted the confidence of the lenders. Consequently, your Company now has access to more International Lines of Credit without sovereign guarantee.

Performance Highlights

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:-

Your Company's gross income has grown to ₹1118.35 crores showing a growth of 24.90% over the previous year 2013-14. The profit before tax and profit after tax grew to ₹378.57 crore and ₹271.90 crores respectively, registering an increase of 11.24% and 13.05% respectively over the previous year.



Net worth of your company increased to ₹2178.56 crores, growing by 12.71% over the previous year's level.

IREDA-financed projects with total capacity of 494.28 MW were commissioned during the year. Loans sanctioned during the year by way of sole, co-financing and consortium financing arrangements are expected to result in a capacity addition of 1544.21 MW.

IREDA also tied up long term lines of credit with AFD and JICA for € 100 million and Yen 30 Billion respectively.

Corporate Social Responsibility

Your company has a dedicated CSR unit in compliance with Department of Public Enterprises (DPE) guidelines to undertake the CSR activities of the company. IREDA made a provision of ₹5.26 crore towards CSR for the financial year 2014-15 which is 2% of the average net profit for previous three financial years.

Under its CSR initiatives, IREDA supported two projects as under:

- a) A project for Construction of new/repair of 338 toilet blocks in 256 Government School located in the state of Chhattisgarh, Haryana and Rajasthan under “Swachh Vidyalaya Abhiyan” as a part of “Swachh Bharat Abhiyan” mission launched by the Hon’ble Prime Minister of India.
- b) IREDA also supported the installation of 30KWp Solar PV systems and 500 LPD Solar Water Heating System for an Old Age Home at Vrindavan. Both these projects now stand completed.

In addition, your Company also distributed blankets, solar lanterns and essential medicines to the flood affected people through NGOs in Jammu & Kashmir.

ERP Based integrated Information System

Your company has leveraged Information technology to increase the efficiency of its business process and has incorporated IT Tools and Applications across all functionalities related to its various Departments and operations in order to provide quality services externally as well as internally, within the stipulated time standards. The entire business value chain has been mapped with IT Systems using state-of-the-art software applications. The Loan Management System and Loan Accounting System have been developed on an ERP Platform with a secured environment. Your Company has established data centers at two different locations having seamless integration and these have been designed using latest specifications/features with optimal security features and protocols. The email services of the organisation are hosted on the secured exchange servers of National Informatics Centre. An Intranet Portal has been developed in-house with the primary objective of efficient communication and minimizing the use of paper.

MOU Rating & Award

It is a matter of great honour and pride for your company that it was awarded:

1. “Best in R & D Innovation Award” on 21st August, 2014 by India Today Group based on India Today Group PSUs survey in association with Marketing and Development Research Associates (MDRA)
2. “Excellence in the Renewable Energy” Sector on 1st January, 2015 by CBIP for outstanding contribution to the nation in the development of Renewable Energy sector; for extending financial support for the last 25 years to various organizations.
3. “Energy Administrator of the year Award” was presented by Association of Energy Engineers [USA] India Chapter on the occasion of Observance of Energy Conservation Day on 14th Dec, 2014.
4. “Outstanding Performance in providing highest lending to Renewable Energy projects in the Country” for FY 2014-15 was awarded by the Association of Renewable Energy Agencies of States (AREAS).
5. First prize in the E-Patrika category at the 41st meeting of Nagar Rajbhasha Karyanvaya Samiti (Undertaking), Delhi

Your Company looks forward to its performance being rated as “Excellent” in terms of MOU for the financial year 2014-15 signed with the Ministry of New and Renewable Energy, Government of India.

Human Resources Development

Organizations can become vibrant and grow only through continuous upgradation of the knowledge and talent pool in the organization. Your Company has taken steps to enhance and augment the knowledge and skills of the work force to achieve its target and goals for the future through various training programmes organized by reputed institutions. Your company has taken steps to implement the recommendations of the Administrative Staff College of India (ASCI) on ‘Organizational Restructuring’ that has been approved by Board. Your company has started recruiting manpower across various departments to meet the growing organizational requirement.

Corporate Governance

Your company is committed to accelerate growth with ethically driven business process enhancing IREDA’s brand and reputation. At IREDA, it is imperative that the company affairs are managed in a fair and transparent manner. This is



vital to gain and retain the trust of all stakeholders. It shall continue to maintain the best standards of corporate governance. IREDA's ultimate aim is to enhance the long term economic value of all our stakeholders, and of society at large. IREDA is compliant with the guidelines on corporate governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises(DPE). Our Corporate governance report for FY 2014-15 forms part of this Annual Report.

The Future & Strategy

The Government's growth plan for achieving 175 GW of renewable energy by 2022 would require investments to the tune of US\$ 160 billion (the banking sector's total exposure to the power sector is presently approximately US\$85 billion). In the context of GOI's target, IREDA has increased its target for sanction and disbursement by 40% and 47% respectively for 2015-16 over the previous year's levels.

To achieve this, your Company would focus on introducing innovative products and schemes keeping in view market needs. Given its long experience with the sector, this is expected to help your Company to increase its market share significantly. With a view to achieving long-term sustainability, your Company would also be adopting an aggressive strategy for upgrading its asset quality. To this end, it would undertake on-going improvements of its originating and monitoring operations.

As part of its support in helping your Company to make available adequate, affordable resources for the sector, Government of India has permitted your Company to mobilize ₹2000 crores by way of Tax Free Bonds during 2015-16. Your company will also continue with its efforts with various international and multilateral lenders for new lines of credit to meet the resource needs of the sector.

Acknowledgements

I place on record my personal and your Company's grateful appreciation for the Government of India, Ministry of New and Renewable Energy, NITI Ayog and other Ministries and Departments, Ministry of Finance, Reserve Bank of India and other Regulatory Authorities for their continued guidance, support and assistance.

I am thankful to the Japan International Cooperation Agency (JICA), Kreditanstalt für Wiederaufbau (KfW), Germany, European Investment Bank, Agence Française de

Development (AFD), Asian Development Bank, World Bank, International Finance Corporation(IFC), USAID and other financial institutions, agencies and investors for their co-operation, guidance and help. Your Company looks forward to their continued support and encouragement.

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

My colleagues on the Board have always been a strong guiding force. I thank the valuable and inspired advice coming from them that has helped me in taking important and critical decisions. I would like to place on record the valuable contribution made by my colleagues on the Board in the growth of your Company.

Our employees complete commitment, faith, loyalty and excellent teamwork needs to be commended. They have ably shouldered responsibilities and produced timely results. I, on behalf of the Board and on your behalf, place on record our deep appreciation of all employees for their individual and collective efforts towards the Company's performance.

May I now request that the Directors' Report, the Audited Balance Sheet, the Profit and Loss Account and Auditors' Report for the year ended 31st March 2015, be adopted.

Thank you,

Dated : 23.09.2015
Place : New Delhi

KULJIT SINGH POPLI
Chairman and Managing Director
DIN :- 01976135