



ANNUAL REPORT
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IREDA

ENERGY FOR EVER



EIGHTH ANNUAL REPORT

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IREDA

Indian Renewable Energy Development Agency Limited
(A Government of India Enterprise)

CONTENTS



Hon'ble Minister of State for Non-Conventional Energy Sources & Agriculture and Secretary of Energy, USA at Indo-US Energy Summit in connection with ENCON '95 organised by CII at New Delhi.

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EIGHT YEARS AT A GLANCE

(Rs. in lakhs)

	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90	1988-89	1987-88
RESOURCES								
Equity Capital	2500.00	2400.00	1000.00	1000.00	1000.00	1000.00	675.00	425.00
Share Application Money	1335.00	—	800.00	—	—	—	—	—
Reserves & Surplus	1558.25	1079.43	770.44	273.37	108.78	98.04	43.81	10.49
International Assistance	6068.57	1684.87	1678.59	1678.59	759.95	759.95	463.85	—
Market Borrowings	7500.00	2500.00	2500.00	2500.00	2500.00	—	—	—
Bank Borrowings	—	—	—	—	240.68	—	—	—
Govt. Borrowing	—	—	—	400.00	—	—	—	—
Total	18961.82	7664.30	6749.03	5851.96	4609.41	1857.99	1182.66	435.49
OPERATIONS								
Projects sanctioned (Nos.)	136	94	56	52	55	31	20	19
Financial Assistance								
Sanctioned	24265.00	16239.19	3073.54	2484.05	2629.35	582.87	416.56	566.63
Disbursements	13029.49	5591.91	1817.35	1018.96	822.92	491.59	465.73	155.10
Repayments by Borrowers	2142.01	920.28	533.53	264.17	253.05	124.89	46.99	—
Outstanding Loans	19145.18	8245.64	3544.63	2265.20	1510.41	940.54	573.84	155.10
WORKING RESULTS								
Total Income	1386.04	837.46	826.41	602.21	182.08	104.06	53.98	19.60
Administrative Expenses	288.16	128.39	62.62	37.76	31.92	23.02	6.12	4.17
Interest	236.79	225.00	225.00	226.73	24.78	—	—	—
Depreciation	26.26	7.58	3.65	2.75	0.98	1.34	0.17	0.10
Profit before Tax	750.01	458.87	526.33	333.92	124.32	79.21	47.68	15.32
Provision for Tax	224.00	149.88	166.85	169.34	113.58	24.98	14.36	4.83
Profit after Tax	526.01	308.99	359.48	164.58	10.74	54.23	33.32	10.49
Earnings per Share (Rs.)	210.40	128.75	199.71	164.58	10.74	54.23	49.36	24.68

BOARD OF DIRECTORS

Chairman

: B.R. Prabhakara (w.e.f. 1-2-95)
: L.M. Menezes (upto 31-1-95)

Managing Director

: Dr. V.Bakthavatsalam

Directors

: T.L. Sankar (w.e.f. 26-10-94)
: T.S. Krishnamurthy (w.e.f. 29-3-95)
: M. Gopalakrishna (w.e.f. 9-5-95)
: Dr. N.G. Hegde (w.e.f. 26-10-94)
: Lalitha Balakrishnan (w.e.f. 26-10-94)
: R.K. Sinha (upto 5-5-95)
: M.P. Gupta (upto 30-11-94)
: S.W. Oak (upto 26-10-94)

Company Secretary

: R. K. Sachdeva

Registered Office

India Habitat Centre,
East Court, Core-4 'A',
1st Floor, Lodi Road,
New Delhi-110 003

Auditors

Uberoi, Sood & Kapoor
Chartered Accountants
606, Vishal Bhawan,
95, Nehru Place,
New Delhi-110 019

Bankers

State Bank of Hyderabad
State Bank of India
(Overseas Branch)
Canara Bank

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

(A Government of India Enterprise)
India Habitat Centre, East Court, Core-4'A'
1st Floor, Lodi Road, New Delhi-110 003.

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Shareholders of Indian Renewable Energy Development Agency Limited will be held on Monday, the 21st August, 1995 at 4.30 p.m. at IREDA's Registered Office at India Habitat Centre, Lodi Road, New Delhi-110 003 to transact the following business:

1. To receive, consider and adopt the Directors' Report, audited Balance Sheet and Profit and Loss Account for the year ended on 31st March, 1995 and Auditors' Report and Comments of Comptroller and Auditor General of India thereon annexed herewith.
2. To declare a Dividend.

The meeting has been convened by giving a shorter notice than required under the Companies Act, 1956 with the consent of all the Shareholders.

By Order of the Board of Directors

New Delhi
August 16, 1995

(R.K. Sachdeva)
Company Secretary

1. All Shareholders of the Indian Renewable Energy Development Agency Limited.
2. The Chairman and Directors of the Indian Renewable Energy Development Agency Limited.
3. Uberoi, Sood & Kapoor, Chartered Accountants, 606, Vishal Bhawan, 95, Nehru Place, New Delhi-110 019.

Note:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member.

CHAIRMAN'S SPEECH



Esteemed Shareholders,

It gives me great pleasure to welcome you to the Eighth Annual General Meeting of the Shareholders of the Indian Renewable Energy Development Agency Limited (IREDA). The Directors' Report and the audited Statements of Accounts for the year ended on 31st March, 1995, duly certified by the Comptroller and Auditor General of India, have already been circulated and, with your permission, I shall take them as read.

Liberalisation of economic environment with emphasis on competitiveness and transparency have made it imperative for the corporate sector to re-orient its outlook. The recent reforms in the financial sector and access to foreign capital markets have opened up vast vistas for your company to mobilise additional resources. Mobilisation of funds from the capital markets, however, has thrown up greater challenges for the renewable energy sector which has necessarily to be more competitive. The Government's latest charter to IREDA is to promote viable technologies by raising resources from the market rather than depend upon budgetary support. The Government will at the best extend interest subsidy in respect of a few sectors rather than provide full component of the loan as in the past. This has added a new dimension to the above constraints as your company will have to function in a competitive market and at the same time perform its developmental and promotional role. This is not an easy task given the newness of renewable energy technologies compared to the well established non-renewable technologies and the indirect support to the later. But I am sure, with your cooperation and the increasing commitment of the Government of India to develop renewable energy in a big way, we will be able to take the company to greater heights.

PERFORMANCE DURING THE YEAR

You would be pleased to observe from the Directors'

Report already circulated to you, the highly satisfactory performance of your Company during the year. Loans sanctioned and disbursements during the year 1994-95 were Rs. 242.65 Crores and Rs. 130.29 Crores respectively against the corresponding figures of the previous year, namely Rs. 162.39 Crores and Rs. 55.92 Crores respectively. The growth was 49.42% in Sanctions and 133.00% in Disbursements. This is a commendable achievement. Gross Income at Rs. 13.86 Crores during 1994-95 increased by 65.59%. Similarly, Profit before Tax at Rs. 7.50 Crores and Profit after Tax of Rs. 5.26 crores registered substantially high increase of 63.40% and 70.23% respectively over the corresponding achievements during the last year. One of the reasons for this improved performance is the regular review and re-orientation of the policies of the Company taking note of the changes in market conditions and control on expenditure and introducing new Schemes such as Equipment Financing Scheme to meet the requirements of the customers.

The Reserve Bank of India has issued guidelines on asset classification, income recognition, provisioning, etc. Last year, the company presented separately the impact of adopting these guidelines. However, for the year 1994-95, the entire accounts have been worked out after taking into account the RBI guidelines. IREDA's financial results are, thus, comparable with those of the other national and State-level financial institutions.

DIVIDEND

On the basis of six-monthly financial results, your Company, for the first time, declared and paid Interim Dividend of 1% to the Shareholders. I am happy to inform you that your Directors have proposed and recommended a final dividend of 2% for the entire year.

RECOVERY OF DUES

Recovery of total dues both by way of repayment of loan instalments and payment of interest continued to be very satisfactory. Recoveries constituted 91.05% of the total dues and exceeded the MoU target of 86% for the year.

RESOURCE MOBILISATION

AUTHORISED SHARE CAPITAL

You will be pleased to know that the Government has accepted your Company's request to increase its Authorised Share Capital from Rs. 25 Crores to Rs. 100 Crores.

The Annual Plan allocation of Rs. 14.15 Crores was

released by the Government during the year. The Company also issued 10.5% Tax Free Bonds amounting to Rs. 50 Crores which were fully subscribed. In addition, the Company availed of Rs. 41.39 Crores of Grant-in-Aid from the Global Environment Facility under the World Bank Project. Further, the Company realised its dues from its borrowers amounting to Rs. 25.34 Crores (both principal and interest).

EXTERNAL ASSISTANCE

In addition to the World Bank Line of Credit, the Asian Development Bank is considering extending a Loan of US \$ 150 Million for assisting Solar Thermal Systems, Bio-methanation of Industrial Effluents, Bagasse based Co-generation in Sugar Mills and Wind based Electric Power Generation. Negotiations with ADB are at an advance stage and the formal documents are likely to be signed during the current year. Similarly, the draft Loan Agreement given by DANIDA for US \$ 50 Million for the Wind Sector is under examination and the loan will also become operative during the current year.

MONITORING AND EVALUATION

The Company conducts concurrent monitoring of the projects and also post-evaluation impact studies. One of the notable features during 1994-95 was physical inspection of all the Solar Water Pumping Systems installed under the SPV Water Pumping Programme being implemented at the behest of the Government of India. The Inspection Teams reported that all the pumps supplied were available at site and were operational. Minor defects noticed were immediately got rectified from the suppliers. This has been very much appreciated by the beneficiaries.

DEVELOPMENT AND SOCIAL OBLIGATIONS

ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES

While supporting NRSE projects, the Company has not lost sight of its other developmental role and social obligations. It is fully conscious of the need to attract new entrepreneurs in this sector. With this end in view, three Entrepreneurship Development Programmes were organised at Ahmedabad, Bhubaneswar and Pune in collaboration with professional institutions of excellence to motivate the fledgling entrepreneurs to take up ventures in this field. The participants were selected on a scientific basis and were given training in various facets of project management. I am happy to inform you that the response to these EDPs was very

encouraging and some of the participants have taken up NRSE projects.

WOMEN IN DEVELOPMENT

Involvement of women in NRSE Sector received greater attention during the year. In order to induce women to get into this sector, an exclusive EDP was organised for them at Ahmedabad in collaboration with MITCON. They were also given preference while selecting candidates for other EDPs. A number of financial concessions such as reduced promoter's contribution, waiver of documentation charges, commitment fee, legal expenses, etc. are being given to the women entrepreneurs. A few participants have shown interest to set up ventures in this area as a result of the training received.

CREATION OF AWARENESS

As a result of dissemination of information, increased awareness of New and Renewable Sources of Energy technologies and systems and devices has been created in the country. Much more is required to be done in this field particularly in rural areas, if renewables are to become a mass movement. Keeping this in view, a concerted publicity and dissemination of information campaign was launched through the print and electronic media. A number of exhibitions were organised where various systems and devices were displayed and demonstrated. Sectoral video films have been prepared and these were screened for the benefit of the beneficiaries. Seminars, Workshops and Business Meets were organised to propagate the policies and programmes and also the physical and financial incentives being given by the Central and State Governments so as to motivate new entrepreneurs/beneficiaries into this Sector. These evoked favourable response and as a result, a large number of projects were generated.

The Company has also established a net-working arrangement with reputed organisations such as Maharashtra Industrial and Technical Consultancy Organisation Ltd, Industrial and Technical Consultancy Organisation of Tamil Nadu, Confederation of Indian Industry, etc. and has signed MoUs with these organisations to generate new projects at the local level. The beneficiaries have welcomed this arrangement as it resulted in speedier sanctioning of the projects.

ECOLOGY AND ENVIRONMENT

Projects supported by IREDA are eco-friendly and have a benign environmental impact. These have not only

conserved energy and generated electricity but have also yielded intangible benefits such as generation of employment opportunities at the local level, saving of foreign exchange and reduction of pollution levels.

MEMORANDUM OF UNDERSTANDING (MoU)

Your Company entered into an MoU with MNES for the year 1994-95. The actual achievements exceeded the targets in respect of several parameters. The performance of the Company, on the basis of a comprehensive evaluation, based on provisional data, has been rated as "Very Good" for the year.

HUMAN RESOURCE DEVELOPMENT

In order to keep employees abreast with the latest developments in the sector, a number of employees were nominated to attend Seminars/Workshops both within the country and abroad. They were also deputed for specialised training abroad. Interactions with experts in various sectors were also arranged at Headquarters. These have enriched the employees' knowledge about the respective sectors and improved their professional expertise. The Administrative Staff College of India, Hyderabad, have been entrusted with a Study to identify the training needs of all the staff members so as to further improve their skills.

INSTITUTIONAL DEVELOPMENT

During the year, the Company shifted its headquarters to **India Habitat Centre Complex, Core 4A, East Court, Lodi Road, New Delhi-110 003**. The institutional framework has been strengthened with the assistance from the World Bank under Technical Assistance component of the World Bank. It is now equipped with modern facilities which not only facilitate more effective co-ordination and communication with other agencies but have also increased the efficiency of the staff in effectively discharging their duties in a more professional manner.

INDUSTRIAL RELATIONS

Relations with the employees continued to be cordial during the year. The mechanism of periodical interaction with staff in general and also with specific categories of staff has proved very effective in resolving the issues and promptly redressing the problems of the staff.

FUTURE OUTLOOK

The package of incentives announced by the Government of India to attract Private Sector investment in the Power Sector has already shown encouraging

results. Further, a number of State Governments have re-oriented their policies and have announced incentives to promote renewables in their respective States. These policy initiatives have struck a positive chord with the Indian entrepreneurs, foreign companies and NRIs who have shown keen interest in investing their resources for power generation through renewables. The latter have also expressed interest in setting up joint ventures in collaboration with the Indian counterparts. This will give a boost to harnessing renewables for productive purposes and will also result in transfer of the latest technologies thereby reducing the cost of generation and augmenting the industrial infrastructure. These developments augur very well for the future growth of this sector as increased inflow of investment coupled with the latest technologies will help in setting up self sustaining decentralised power plants, particularly in rural areas. The present state of developments calls for formulation of a comprehensive Renewable Energy Policy to exploit these resources in a systematic and scientific manner. And your Company will have to play a substantive role in implementing this Policy in association with the private sector.

ACKNOWLEDGEMENTS

The Company is grateful to the Government of India, Ministry of Non-Conventional Energy Sources, Ministry of Finance, Planning Commission and other Ministries and Departments for continued guidance, support and assistance.

The Company is also grateful to the World Bank, Swiss Development Cooperation, Global Environment Trust Fund, Asian Development Bank, Government of Denmark, DANIDA, the Government of Netherlands and Government of Norway for their continued co-operation and assistance.

I also express my sincere thanks to my colleagues on the Board of Directors for their unstinted support as well as to the Bankers and Subscribers to IREDA Bonds for reposing confidence in us.

I also take this opportunity to express my sincere appreciation of the dedication and devotion to duty of employees and officers of the Company which was instrumental in the commendable performance by the Company during the year.

Place: New Delhi
Date: 7th August, 1995

(B R Prabhakara)
Chairman

DIRECTORS' REPORT

TO

The Shareholders

Your Board of Directors have pleasure in presenting the Eighth Annual Report on business and operations of the Company alongwith the Audited Accounts for the year ending 31st March, 1995.

Your Directors informed last year that Asian Development Bank (ADB) had assigned a Study on "Renewable Energy Development Project" with the objective of formulating a Project in respect of technologies which are viable and can be considered by ADB for assistance. Your Directors are happy to inform you that the Study has been completed and a Project prepared which recommends assistance for promoting large Solar Thermal Systems, Biomethanation of Industrial Effluents, Bagasse-based Co-Generation in Sugar Mills and Wind-based Electric Power Generation. ADB is extending loan assistance amounting to US \$ 150 Million for the Project.

Your Directors also apprised you of the Danish International Development Agency's (DANIDA) willingness to give assistance of US \$ 50 Million for Wind Energy. All the formalities have been completed and the formal Agreement will be signed shortly.

With the availability of resources from ADB and DANIDA together with assistance already sanctioned by the World Bank and the additional funds being mobilised internally, not only will it be possible to expand the Company's activities manifold but also leverage additional investment from the Private Sector in the field of NRSE.

Your Directors are happy to report that the overall performance of the Company was very satisfactory and that the operations registered substantial growth during the year. A brief Summary of the financial results is given below:

LOAN OPERATIONS

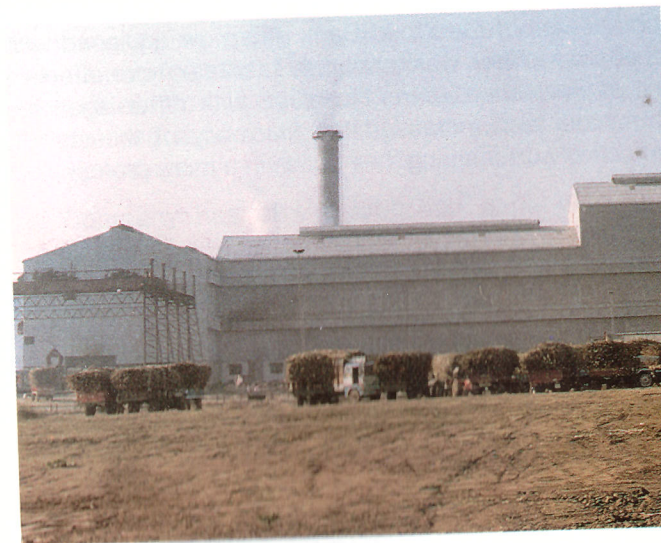
	(Rs. in Crores)	
	1993-94	1994-95
Loan Sanctions	162.39	242.65
Disbursements	55.92	130.29

PROFITABILITY

	(Rs. in Crores)	
	1993-94	1994-95
Gross Income	8.37	13.86
Profit before Tax	4.59	7.50
Profit after Tax	3.09	5.26



View of Biogas Holder plant alongwith gas pipe lines and Digester feed pipe line set up with IREDA's assistance at Sameerwadi Distt., Bijapur, Karnataka.



Biogas based 3 MW Co-generation project set up with IREDA's assistance at Distt. Khargone, Madhya Pradesh.

RESOURCES

	(Rs. in Crores)	
	1993-94	1994-95
Utilisation of External Assistance	Nil	42.88
Issue of IREDA Bonds	Nil	50.00
Loan from Canara Bank	Nil	50.00

LENDING OPERATIONS

SANCTIONS AND DISBURSEMENTS

During the year, the lending operations registered a very satisfactory growth. 136 new projects were sanctioned, an increase of 44.68% over the corresponding figure of 94 projects during 1993-94. Similarly, the loan assistance sanctioned at Rs. 242.65 Crores and disbursements of Rs. 130.29 Crores recorded a growth of 49.42% and 133.00%, respectively, a phenomenal increase, over the corresponding amount during the last year.

The total loans sanctioned by the Company since inception aggregated to Rs. 502.57 Crores for 463 Projects. The cumulative disbursements since inception are of the order of Rs. 233.93 Crores. Statewise sanctions during 1994-95 and the Cumulative Sanctions upto 31st March, 1995 are indicated in Annexure I. Statewise and Yearwise Sanctions and Sectorwise and Yearwise Disbursements are indicated in Annexures II and III respectively.

Sectorwise sanctions and disbursements during 1994-95 are given below:

	(Rs. in Crores)	
Sector	Sanctions	Disbursements
Wind Energy	140.25	104.75
Small Hydro	53.12	6.06
Solar Energy	19.59	8.57
Biogas Generation	10.06	8.94
CO-generation	8.50	1.50
Biomass Power	6.00	—
Biomass Briquetting	2.13	0.40
MSW based Power	3.00	Nil
Others	Nil	0.07
Total	242.65	130.29

FINANCIAL PERFORMANCE

Financial results of the year 1994-95 are summarised below:

	(Rs. in Crores)	
	1993-94	1994-95
Gross Income	8.37	13.86
Profit before Tax	4.59	7.50
Provision for Income Tax	1.50	2.24
Profit after Tax	3.09	5.26

Add:

Excess provision for Income Tax for previous year reversed	Nil	0.03
Profit available for Appropriation	3.09	5.29

APPROPRIATION

Proposed Dividend	Nil	0.50
Transfer to Special Reserve U/Section 36 (I) (viii) of the Income Tax Act, 1961	1.87	3.21
Transfer to Debenture Redemption Reserve Fund (DRR)	1.22	1.12
Transfer to General Reserve	Nil	0.45
P&L Appropriation Account	—	0.01

It will be seen that Gross Income at Rs. 13.86 Crores during 1994-95 increased by 65.59% over the corresponding figure during the last year. Similarly, Profit before Tax was substantially higher, i.e. by 63.40%. You will be happy to know that Profit after Tax at Rs. 5.26 Crores has substantially gone up by 70.23% over the corresponding figure of Rs. 3.09 Crores during 1993-94.

An appropriation of Rs.1.12 Crores has been recommended to the "Debenture Redemption Reserve Fund" as per the Government guidelines. After appropriations to Special Reserve under Section 36(I)(viii) of the Income Tax Act and to the Debenture Redemption Reserve Fund, an amount of Rs. 0.45 Crore is proposed to be transferred to General Reserve.

DIVIDEND

On the basis of six-monthly financial results, your Company, for the first time, declared and paid Interim

Dividend at 1% to the Shareholders. Your Directors propose and recommend that the final Dividend be declared at 2% for the entire year.

RECOVERY OF DUES/OUTSTANDINGS

Recovery of total dues both by way of repayment of loan instalments and payment of interest continued to be very satisfactory. Recoveries constituted 91.05% of the total dues and exceeded the MoU target of 86%. The details are as under:

(Rs. in Crores)

	Amount Due	Amount recovered	Amount Outstanding	Col. 2 as % of Col. 1
	1	2	3	4
Repayment of:				
Principal Amount	17.68	15.71*	1.97	88.86
Interest	10.15	9.63	0.52	94.88
Total	27.83	25.34	2.49	91.05

* Excludes an amount of Rs. 5.71 crores adjusted as grant earlier released as advance subsidy.

It may be mentioned that a substantial portion of the outstandings of Rs. 2.49 Crores is expected to be received as a result of the follow up action taken in terms of the recovery guidelines.

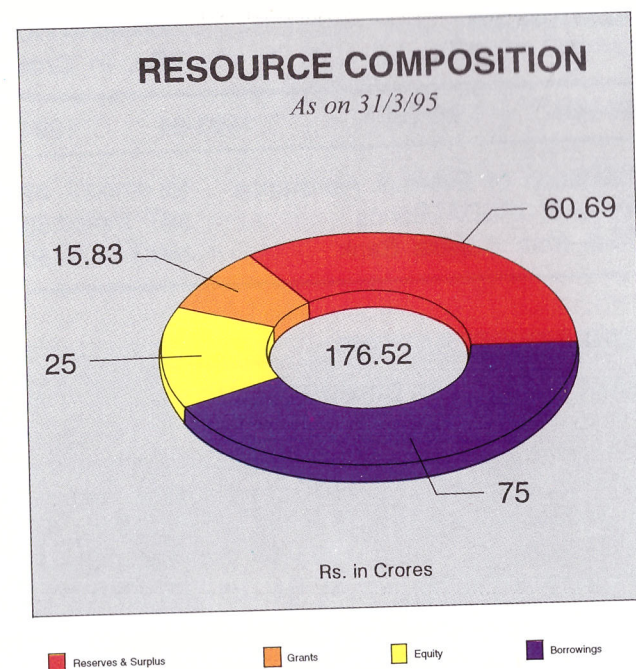
The total loan outstanding as on 31st March, 1995 amounted to Rs. 191.95 Crores.

PUBLIC FINANCIAL INSTITUTION

IREDA have approached Company Law Board, Ministry of Law, Justice & Company Affairs to declare it as a Public Financial Institution under Section 4A of the Companies Act. In addition to other benefits under the Income Tax Act, it will entitle it to file its claims for recovery of its overdues with Debt Recovery Tribunal. The Company's request is in advanced stage of consideration by Company Law Board.

TAX EXEMPTIONS

IREDA also approached Income Tax Department to exempt the Company from the Income Tax liability under Section 10(23C)(iv) of the Income Tax Act, 1961. The Company's application was forwarded to the Director General (Exemption), Income Tax Department, Calcutta. This matter was referred to the concerned Assessing Officer of Income Tax Department, New Delhi for their consideration/ comments. The Company have also approached Ministry of Finance and Reserve Bank of India to exempt it from payment of Interest Tax on its



Interest Income as IREDA is not passing on this burden to its beneficiaries as otherwise IREDA's terms and conditions will no more be attractive. The matter is being pursued with concerned authorities.

RESOURCE MOBILISATION AUTHORISED SHARE CAPITAL

You are aware that the Company had requested the Government of India to increase its Authorised Share Capital from Rs. 25 Crores to Rs. 100 Crores.* You will be pleased to know that the Government has accepted this request and the Authorised Share Capital of the Company now stands increased to Rs. 100 Crores.

PAID-UP CAPITAL

With the contribution of an amount of Rs. 14.15 Crores towards Equity by the Government of India, the Paid-up Capital of the Company stood at Rs. 25.00 Crores at the end of March, 1995. An advance of Rs. 13.35 Crores was also received against Share Application Money. The entire Paid-up Capital is being held by the President of India and his Nominees. An allocation of Rs. 24 Crores as Equity contribution has been made for 1995-96.

MARKET BORROWINGS

a) TAX FREE BONDS

With the approval of the Government, the Company issued Tax Free Bonds on private placement basis for an amount of Rs. 50 Crores during the year. In spite of very tight money market conditions, the Issue was over-subscribed.

b) LOAN FROM CANARA BANK

Your Company successfully negotiated a loan of Rs. 50 Crores from Canara Bank. The amount is expected to be utilised during the current year.

EXTERNAL LINE OF CREDIT

a) ASSISTANCE FROM WORLD BANK

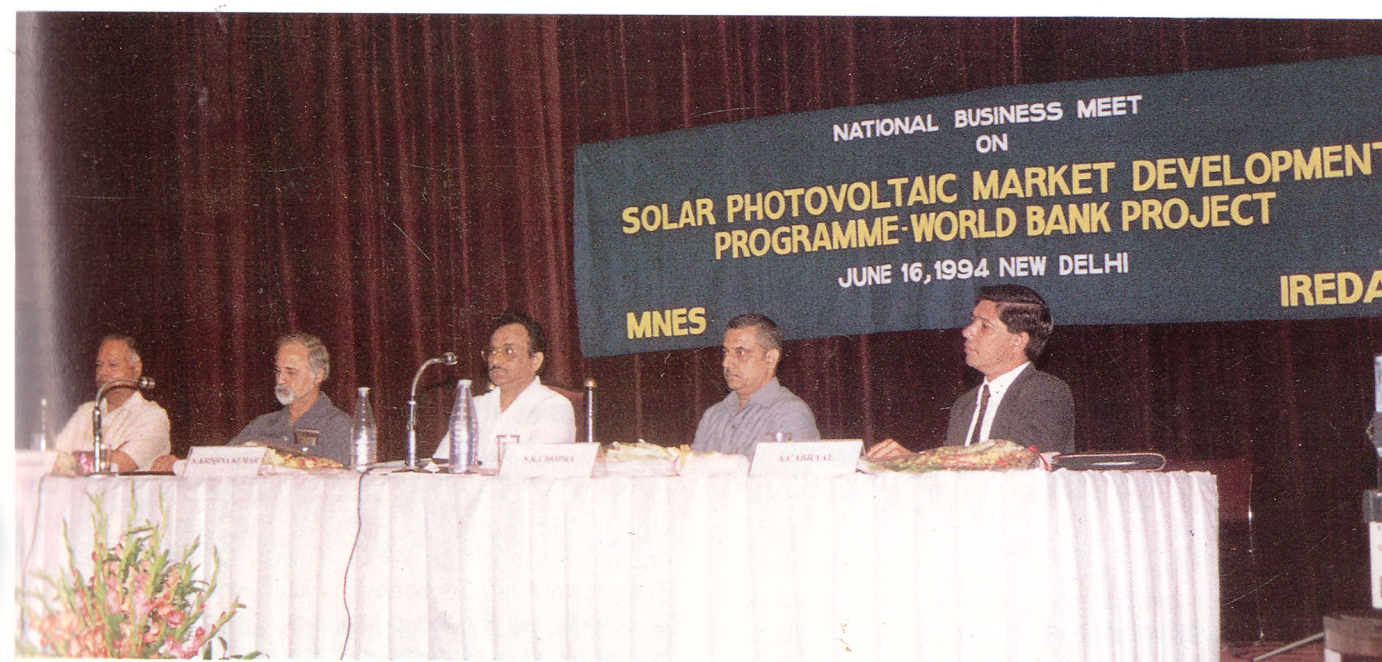
Under the World Bank Project, the Company has utilised Rs. 42.88 Crores of assistance including Rs. 41.39 Crores of project grant during the year. This Grant component has been reimbursed by the Bank.

b) ASIAN DEVELOPMENT BANK/DANIDA

As already mentioned, the negotiations are at a very advance stage and the Line of Credit from both these organisations is expected to be available during 1995-96.



2 MW Small Hydro Project funded by IREDA under "India: Renewable Resources Development project of the World Bank at Tungabhadra, Karnataka.



Hon'ble Minister of State for Non-Conventional Energy Sources & Agriculture at the National Business Meet on Solar Photovoltaic Market Development Programme-World Bank Project.

c) ASSISTANCE FROM THE GOVERNMENT OF NETHERLANDS

You are aware that the Government of Netherlands had agreed to give additional grant of 30 million Guilders (including 1 million Guilders of Technical Assistance) under Phase-II of the Programme. The first tranche of 7 million Guilders (equivalent to Rs. 9.18 Crores) was received during 1991-92. The remaining assistance of 22 million Guilders will be released on the recommendations of a Joint Indo-Dutch Mission which will be appraising IREDA's requirements next year. Out of the Technical Assistance of 1 million Guilders, the Dutch Government had agreed to route 8,00,000 Guilders through World Bank and the balance of 2,00,000 Guilders has been earmarked for evaluation of the impact of the Technical Assistance Programme of the Government of Netherlands.

In order to further augment its resource base, the Company entrusted the Society for Development Studies (SDS) with the task of advising a strategy for mobilisation of resources both internally and externally. SDS has submitted a report which is under examination.

RBI GUIDELINES ON INCOME RECOGNITION AND PROVISIONING

The Reserve Bank of India (RBI) had earlier issued guidelines to commercial banks regarding income recognition, asset classification, provision for debts, etc. These guidelines were not applicable to your Company, but their impact was estimated and given as additional information in the Annual Report for 1993-94. RBI have now issued detailed guidelines on the subject for All-India Term Lending Institutions. Your Company has also implemented these guidelines and the Accounts have been prepared taking these norms into account. This will ensure uniformity of accounting practices adopted by different institutions.

MEMORANDUM OF UNDERSTANDING (MoU)

Your Company entered into an MoU with MNES for the year 1994-95. The performance of the Company, on the basis of a comprehensive evaluation based on provisional data, has been rated as "Very Good" for the year.

CREDIT ASSESSMENT OF IREDA BY "CRISIL"

The Company assigned the task of assessment of IREDA to CRISIL, a reputed company in this field in

India. CRISIL have assessed that the capacity of your Company, as regards timely payment of interest and principal of its debts, is "Strong". This confirms the fact that your Company has been following sound prudential policies and is an healthy organisation.

THRUST AREAS

During the year, efforts were concentrated on power generation projects. For example, loan sanctions and disbursements in respect of projects relating to generation of power during 1994-95 constituted 86.90% and 86.20% respectively of the corresponding total figures. The sanctioned projects during the year, when completed, are estimated to generate 124.72 MW power on annual basis.

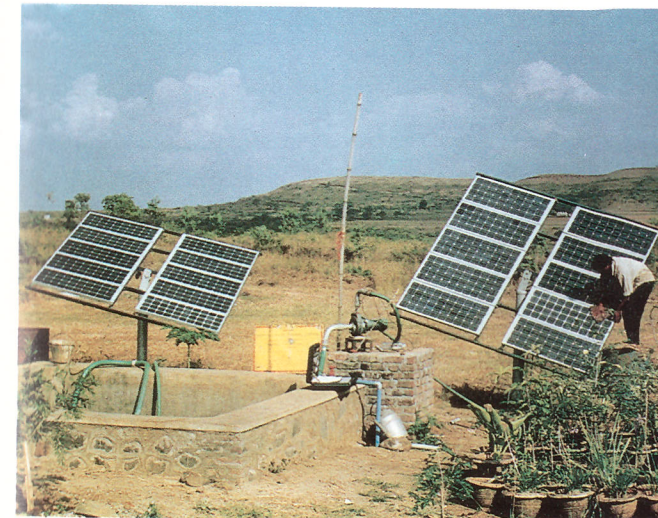
The national project on SPV Water Pumping System will be directly saving electricity in addition to resulting in increased agricultural production.



IREDA financed 0.75 MW Wind Farm Project in the State of Tamil Nadu

EQUIPMENT FINANCING SCHEME

An Equipment Financing Scheme (upto 1 MW per party) for the Wind Sector only was introduced during the year. Under the Scheme, 90% of the cost of eligible equipments such as WEG, Tower, Control Panel and Transformer is sanctioned as loan; the remaining 10% is contributed by the developer. The response to the Scheme has been very encouraging and the Company may consider extending the Scheme to other Sectors also.



Solar Photovoltaic Water Pump funded by IREDA under SPV Pumping Programme of Ministry of Non-Conventional Energy Sources.

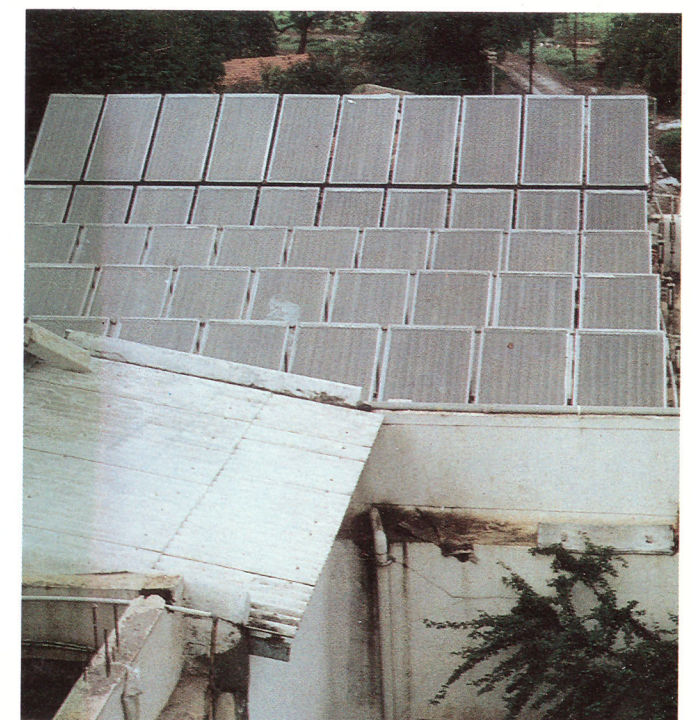


Street Lighting Systems with IREDA's assistance under SPV-MNES Programme in Gujarat.

PROGRAMMES ENTRUSTED BY MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (MNES)

During 1993-94, MNES entrusted to the Company implementation of a number of Programmes relating to Solar Thermal, Wind, Solar Photovoltaic Market Oriented Programme and Solar Photovoltaic Water Pumping Systems for Agriculture & related uses. These Programmes continued to be implemented during 1994-95 also.

SPV Water Pumping Programme which was initiated at the direct initiative of the Hon'ble Prime Minister posed a challenge to the Company in view of its decentralised nature. Your Company geared itself upto the



12000 LPD Solar Water Heating Systems installed with IREDA's assistance at a Dairy Farm in Bhilwadi, Maharashtra.

expectations and 511 Pumps were installed during 1994-95 bringing the total to 617 Pumps. The Programme has substantially benefitted the farmers and has solved their energy requirements for agricultural purposes.

PORTABLE MICRO HYDEL SCHEME

The hydro-electric resources all along the Himalayan foot-hills are abundant. The development of these resources has not at all been commensurate with the scale of resource availability and the demand due to lack of infrastructure and inaccessibility of the sites. On the other hand, growing population pressures and consequent high consumption of forest wood for fuel is increasing the pace of deforestation, degrading the environment.

In order to cater to the electrical power need of the remote, hilly and unelectrified areas of the country, MNES, in association with IREDA, has envisaged a scheme of decentralised power generation through 'Stand-alone' plug-in type micro hydel sets to be used by isolated communities as dedicated systems. The scheme involves procurement and installation of light weight 'Micro Hydel Sets' of capacities of 5, 10 and 15 KW portable in packages weighing less than 300 kgs. These sets can be installed and easily maintained



Shri S Krishnakumar, Hon'ble Minister of State for Non-Conventional Energy Sources & Agriculture and Ms. Hazel. R. O' Leary, Secretary of Energy, USA during signing of Memorandum of Understanding between IREDA and M/s. Solar Power and Light Inc. in Washington, U.S.A.

by the local bodies, communities, co-operatives and NGOs.

MNES entrusted to the Company the responsibility of procurement of 50 such sets to be installed at the identified sites in seven States, viz. Arunachal Pradesh, Bihar, Himachal Pradesh, Jammu & Kashmir, Meghalaya, Uttar Pradesh and West Bengal. The procurement process is virtually complete and the sets will be installed early next year. The estimated cost of Rs. 3.50 Crores for these sets will be borne by MNES.

ENERGY CONSERVATION/GENERATION

One of the guiding forces moving IREDA was to conserve conventional sources of energy/generate electricity through renewables. The projects sanctioned during 1994-95 (net after withdrawals) when fully commissioned are estimated to contribute additional savings on annual basis of 65219 MT of Coal valued at Rs. 913.00 lakhs and also generate 426.6 million units of Electricity. The projects sanctioned so far when fully commissioned are estimated to result in energy savings/generation amounting to Rs. 382.99 crores per annum at 1994-95 price level.

DEVELOPMENT OF BACKWARD/RURAL AREAS

Infrastructure development in backward areas continue

to receive high priority. During the year, loan assistance of Rs. 185.88 Crores was sanctioned to as many as 93 projects located in backward districts in different States. The former constitutes 76.60% of the total sanctions. Cumulative assistance in these areas by the Company at the end of March, 1995 works out to Rs. 363.45 Crores for 250 projects and accounts for 72.32% of total sanctioned loan amount.

ECOLOGY AND ENVIRONMENT

IREDA has been assisting technologies which are eco-friendly and have benign impact on environment. The projects promoted have resulted in tangible benefits, in terms of saving of foreign exchange and conventional fuel and also generation of electricity and in other intangible benefits, such as, direct and indirect employment in rural areas.

INTERNATIONAL CO-OPERATION

In addition to the financial collaboration with World Bank, Asian Development Bank, Danish International Development Agency (DANIDA) and the Government of Netherlands already mentioned, possibilities of obtaining additional assistance from other countries including the Government of Norway were explored.

A high-level delegation under the chairmanship of Hon'ble MOS (NES & A) visited USA to explore the

possibilities of setting up joint ventures and further co-operation between India and the interested institutions in USA. During the visit, a number of MoUs with important organisations such as, Solar Power & Light Inc. (SPL), USA; International Development Business Consultants, USA; International Fund for Renewable Energy and Energy Efficiency (IFREE), USA; Princeton Economic Research Inc. (PERI), Environmental Enterprises Assistance Fund (EEAF), for closer co-operation in promoting NRSE in India were signed. Missions from the World Bank, DANIDA, ADB also visited to review their respective Programmes so as to expedite the same.

GENERATION OF PROJECTS THROUGH STATE-LEVEL AGENCIES

Your Company having no branch office is constrained reaching entrepreneurs in every nook and corner of the country. In order to overcome this hurdle, in addition to close co-operation with State Nodal Agencies, the Company has also entered into MoUs with reputed organisations, such as Maharashtra Industrial and Technical Consultancy Organisation Ltd (MITCON); Industrial and Technical Consultancy Organisation of Tamil Nadu Ltd. (ITCOT); Confederation of Indian Industries (CII); Tata Energy Research Institute (TERI); and Andhra Pradesh Industrial & Technical Organisation (APITCO) to generate projects at local level. These organisations receive and also scrutinise the projects. The projects have even been sanctioned by your Company officials on the spot. This method has been appreciated widely as it results not only in speedy

sanctioning of the projects but also in financial saving to the entrepreneurs.

ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES (EDPs)

It is essential to make concerted efforts to attract new entrepreneurs in the new and emerging NRSE sector. In order to achieve this objective, the Company organised three additional EDPs during the year at Pune, Ahmedabad and Bhubaneshwar in collaboration with professional institutions to motivate the fledgling entrepreneurs. During the training, the participants are not only acquainted and familiarised with the new technologies but also with various facets of project formulation and implementation, financial management, etc. The EDPs evoked encouraging response.

WOMEN DEVELOPMENT

The interest of women were given special attention during the year. A regular Assistant Manager for Women Development, on full time basis, has been recruited to cater to the requirements of the women entrepreneurs. An EDP exclusively for women participants was organised at Ahmedabad and some of the participants have been motivated to set up ventures under the Sector. A number of concessions have also been given to the women entrepreneurs.

HUMAN RESOURCE DEVELOPMENT

Human Resource Development received special attention during the year. A Study has been assigned



Participants of Women Entrepreneurship Development Programme organised by IREDA at Ahmedabad.



Hon'ble Minister of State for Non-Conventional Energy Sources & Agriculture visits IREDA pavilion during Renewable Energy-Asia Pacific '95 Expo & Conference at New Delhi

to the Administrative Staff College of India to identify the training needs of the employees belonging to all categories for imparting necessary training so as to improve their skills. A number of employees were nominated to attend training courses both in India and abroad. They were also deputed to attend seminars and workshops. Experts from outside were invited to deliver lectures on various topics. Computer training will be imparted to all the members of the staff to enable them to efficiently handle computers. In order to improve computer proficiency, a loan facility to purchase computers for utilisation at residence has been introduced.

DISSEMINATION OF INFORMATION

The importance of creating greater awareness about the NRSE technologies, systems and devices among the masses, at large, has been well recognised. A vigorous publicity campaign through National and State-level media was launched. Information was also disseminated in local languages. Video films in respect of important sectors have been prepared which are screened in rural areas so as to provide basic information about technologies/systems, their operation and maintenance. This has helped the users to maintain the systems functional.

In addition, a number of seminars, workshops and business meets were organised throughout the country to propagate the message of renewable energy movement and also provide a forum for the entrepreneurs

to exchange their views for effecting further improvements in the system.

MONITORING AND EVALUATION

Concurrent and post-commissioning monitoring of the projects continued to be conducted during the year. In addition to the periodical reports regarding physical and financial progress of the projects, inspection teams were deputed to inspect the projects on site and provide necessary guidance to the developers. Technical expertise of the outside experts was also used, wherever required. One of the important activities was the physical inspection of all the SPV Water Pumps sanctioned and installed. All the pumps were found on site and the problems brought to the notice of the inspection teams by the beneficiaries were attended to immediately. Systematic monitoring and evaluation has provided very useful feedback for appraisal purposes also. Preparatory work in connection with the comprehensive evaluation of the Wind Farms has been completed and the assignment will be awarded next year.

INSTITUTIONAL DEVELOPMENT

During the year, the Company shifted its headquarters to India Habitat Centre Complex, Core 4A, East Court, Lodi Road, New Delhi 110 003. Institutional development received added attention with the technical assistance from the World Bank. The facilities now provided would not only facilitate more effective co-ordination with other agencies but also increase the efficiency of the staff in a more congenial and functional environment.

EMPLOYMENT OF SC/ST/OBC

The Presidential directives regarding reservations for SC/ST/OBC candidates were fully complied with.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

In order to promote greater use of Hindi, a Hindi Salahakar Samiti under the Chairmanship of Managing Director was constituted which periodically reviewed the progress of implementation of the Government's policy in this regard. In order to motivate the employees, special incentives are offered to them. A full time Hindi Typist has also been recruited.

AUDITORS

M/s Uberoi, Sood and Kapoor, Chartered Accountants, New Delhi were re-appointed as Statutory Auditors of the Company for the financial year 1994-95 by the Central Government in consultation with Comptroller and Auditor General of India.

AUDIT REVIEW

The Comments of the Comptroller and Auditor General of India on the Accounts are Annexed (Annexure-IV)

PARTICULARS OF EMPLOYEES

Information with regard to the particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies [Particulars of Employees (Amendment)] Rules, 1990 may be treated as NIL.

FOREIGN EXCHANGE EARNINGS AND OUTGO

A net income in foreign exchange equivalent to Rs. 99.04 lakhs was earned during 1994-95.

INDUSTRIAL RELATIONS

Industrial Relations continued to be cordial during the year. The mechanism of interacting with staff in general and also with specific categories of staff by Director (Grievances) proved very effective for harmonious employer-employee relations in the Company.

BOARD OF DIRECTORS

During the year, 11 Board Meetings were held for transaction of business of the Company. Following changes took place in the composition of Board of Directors:

- a) Shri B.R. Prabhakara took over as Chairman of the Company with effect from 1st February, 1995 in place

of Shri L M Menezes on his superannuation.

- b) The Board was totally reconstituted and three non-official Directors, viz., Shri T. L. Sankar, Dr. N. G Hegde and Smt. Lalitha Balakrishnan were appointed on the Board of IREDA in addition to CMD of M/s Rural Electrification Corporation (Shri R. K. Sinha).
c) Shri S. W. Oak, Joint Secretary & Financial Adviser, MNES, was Director upto 26th October, 1994.
d) Shri M P Gupta ceased to be Director on his retirement with effect from 30th November, 1994.

The Board placed on record their appreciation for outgoing Chairman/Directors and welcomed new Directors.

ACKNOWLEDGEMENTS

The Board of Directors express their gratitude to Shri S Krishnakumar, the Hon'ble Minister of State for Non-Conventional Energy Sources & Agriculture for the dynamic leadership provided by him which helped IREDA in substantially increasing its operations and diversifying its activities.

The Directors also place on record their appreciation of the continued support and co-operation provided by the Ministry of Non-Conventional Energy Sources, Ministry of Finance, Planning Commission and other Ministries/Departments of Government of India.

The Directors are also thankful to the World Bank, Swiss Development Cooperation, Global Environment Facility, Asian Development Bank, Government of Denmark, DANIDA, Government of Netherlands and Government of Norway for their co-operation and assistance.

The Directors thank the Comptroller & Auditor General of India, the Statutory Auditors and the Bankers for their valuable co-operation.

The Directors also take this opportunity to express their appreciation of the valuable contribution made by the employees of the Company at all levels for their commendable performance during the year.

for and on behalf of
the Board of Directors

New Delhi
Date: 8.8.95

B.R. Prabhakara
Chairman

ANNEXURE-I

STATEWISE SANCTIONS DURING 1994-95 AND CUMULATIVE SANCTIONS SINCE INCEPTION

(Rs. in Crores)

Sl No.	Name of State/ Union Territory	1994-95		Cumulative	
		No. of Projects	IREDA's Loan Amount	No. of Projects	IREDA's Loan Amount
1	2	3	4	5	6
A. STATE					
1.	Andhra Pradesh	10	28.09	36	39.61
2.	Bihar	—	—	04	2.65
3.	Gujarat	12	15.81	34	33.43
4.	Goa	—	—	01	0.03
5.	Haryana	03	3.13	13	5.57
6.	Himachal Pradesh	—	—	02	1.93
7.	Jammu & Kashmir	—	—	01	0.62
8.	Karnataka	09	8.12	49	57.10
9.	Kerala	03	34.77	09	51.64
10.	Madhya Pradesh	08	10.33	32	33.29
11.	Maharashtra	13	3.95	67	10.49
12.	National Capital Territory of Delhi	02	0.85	05	1.25
13.	Orissa	—	—	05	5.97
14.	Punjab	01	0.03	09	3.29
15.	Rajasthan	02	1.94	12	4.17
16.	Tamil Nadu	66	131.31	132	227.84
17.	Uttar Pradesh	04	3.94	36	18.76
18.	West Bengal	02	0.27	13	3.12
B. UNION TERRITORY					
1.	Andaman-Nicobar	01	0.11	01	0.11
2.	Daman	—	—	01	1.45
3.	Pondicherry	—	—	01	0.25
Total		136	242.65	463	502.57

ANNEXURE-II

NUMBER OF PROJECTS SANCTIONED AND IREDA'S LOAN AMOUNT
(STATEWISE & YEARWISE)

Name of State/ Union Territory	1987-88		1988-89		1989-90		1990-91		1991-92		1992-93		1993-94		1994-95		Cumulative	
	No. of Projects	IREDA's Loan Amt.	No. of Projects	IREDA's Loan Amt.	No. of Projects	IREDA's Loan Amt.	No. of Projects	IREDA's Loan Amt.	No. of Projects	IREDA's Loan Amt.	No. of Projects	IREDA's Loan Amt.	No. of Projects	IREDA's Loan Amt.	No. of Projects	IREDA's Loan Amt.	No. of Projects	IREDA's Loan Amt.
A. STATE																		
Andhra Pradesh	—	—	—	—	4	0.65	3	0.55	4	0.85	6	0.68	9	8.79	10	28.09	36	39.61
Bihar	—	—	—	—	1	0.25	2	0.90	—	—	—	—	1	1.50	12	15.81	4	2.65
Gujarat	1	0.10	2	0.26	5	0.27	4	0.53	1	0.02	4	1.81	5	14.63	—	—	34	33.43
Goa	—	—	—	—	—	0.25	—	—	—	—	—	—	2	0.03	3	3.13	1	0.03
Haryana	1	0.50	—	—	1	—	1	0.50	5	1.47	1	0.04	—	—	—	—	13	5.57
Himachal Pradesh	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	1.93
Jammu & Kashmir	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	0.62
Karnataka	1	0.03	1	0.12	2	0.28	4	0.85	3	1.34	6	1.74	23	44.62	9	8.12	49	57.10
Kerala	—	—	—	—	—	—	—	—	—	—	—	—	4	11.85	3	34.77	9	51.64
Madhya Pradesh	—	—	—	—	—	0.12	—	—	6	2.90	3	5.02	2	4.15	8	10.33	32	33.29
Maharashtra	1	0.14	3	0.53	1	0.03	11	1.10	8	1.94	14	1.22	16	1.56	13	3.95	67	10.49
National Capital Territory of Delhi	1	0.01	—	—	—	—	—	—	—	—	—	—	1	0.38	2	0.85	5	1.25
Orissa	—	—	1	0.25	—	—	—	0.01	4	5.72	—	—	—	—	—	—	5	5.97
Punjab	2	1.91	—	—	2	0.32	3	0.65	—	—	1	0.38	—	—	—	—	9	3.29
Rajasthan	—	—	—	—	—	—	5	0.24	—	—	—	—	3	0.82	2	1.94	12	4.17
Tamil Nadu	5	1.02	1	0.49	7	2.13	3	0.56	15	6.14	11	16.90	20	68.24	66	131.31	132	227.84
Uttar Pradesh	6	1.90	5	0.96	6	1.50	8	3.62	5	3.48	1	0.02	2	3.34	4	3.94	36	18.76
West Bengal	1	0.05	—	—	1	0.03	1	0.09	1	0.98	6	1.49	1	0.21	2	0.27	13	3.12
B. UNION TERRITORY																		
Andaman-Nicobar	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	0.11	1	0.11
Daman	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	1.45
Pondicherry	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	0.25
Total	19	5.66	20	4.17	31	5.83	55	26.29	52	24.84	56	30.74	94	162.39	136	242.65	463	502.57

ANNEXURE-III

YEARWISE & SECTORWISE DISBURSEMENTS DURING 1987-88 TO 1994-95

(Rs. In lakhs)

Sl No.	Sector	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	Total
1.	Bio-Gas Generation	70.00	380.90	212.20	141.24	564.82	300.66	389.88	893.64	2953.34
2.	Briquetting	25.00	10.00	62.91	107.02	101.97	52.31	99.34	40.45	499.00
3.	Co-generation	0.00	0.00	0.00	0.00	0.00	0.00	50.00	150.00	200.00
4.	Gasifier	1.55	8.70	0.00	0.00	9.00	0.00	11.34	0.00	30.59
5.	Small Hydro	0.00	0.00	0.00	262.47	219.00	825.58	524.22	606.27	2437.54
6.	Solar	58.55	28.65	87.48	276.66	60.98	123.66	715.54	857.76	2209.28
7.	Wind Energy	0.00	0.00	129.00	21.00	58.87	515.14	3801.59	10474.59	15000.19
8.	Others	0.00	37.48	0.00	14.53	4.32	0.00	0.00	6.78	63.11
	Total	155.10	465.73	491.59	822.92	1018.96	1817.35	5591.91	13029.49	23393.05

ANNEXURE-IV

Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the Accounts of Indian Renewable Energy Development Agency Limited for the Year ended 31 March, 1995.

(As Conveyed vide letter No. MAB-II/CAD-I/18-11/95-96/829 dated 8.8.95 by the office of Principal Director of Commercial Audit & Ex- Officio Member Audit Board-II, Indian Audit & Accounts Department, New Delhi)

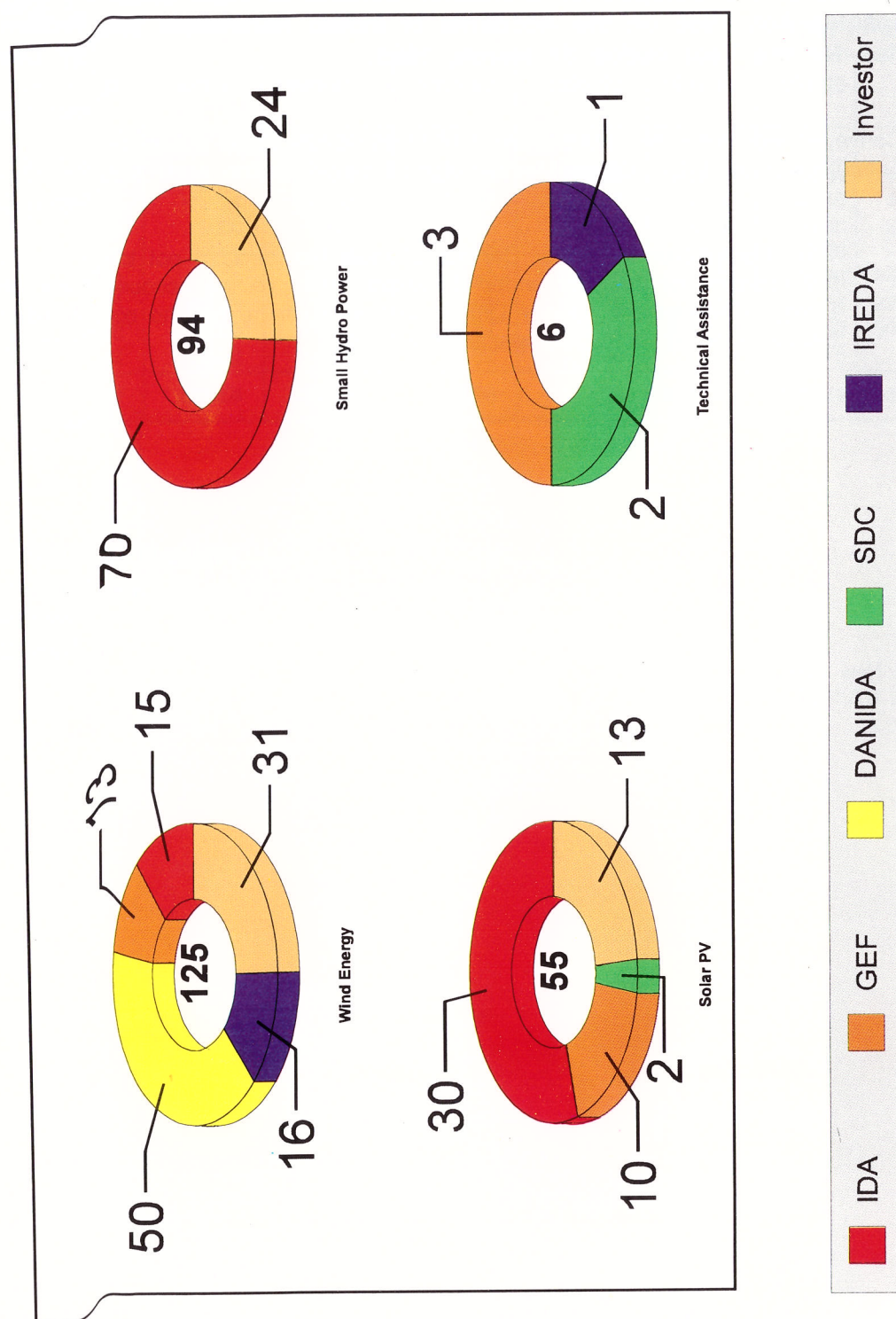
The Comptroller & Auditor General of India has decided not to review the report of the Auditors' for the year ended 31 March, 1995 on the accounts of Indian Renewable Energy Development Agency Limited and as such he has no comments to make under Section 619 (4) of the Companies Act, 1956.

(Shailendra Pandey)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-II,
New Delhi.

Place: New Delhi
Dated: 8.8.1995

FINANCING PLAN OF WB PROJECT INDIA : RENEWABLE RESOURCES DEVELOPMENT PROJECT

Figures in US\$ millions



AUDITORS' REPORT

The Members,
Indian Renewable Energy
Development Agency Ltd.,
India Habitat Centre,
Lodi Road,
New Delhi.

We have audited the attached Balance Sheet as at March 31, 1995 and the annexed Profit & Loss Account of Indian Renewable Energy Development Agency Limited, New Delhi for the year ended on that date and report as follows:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts of the Company.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Notes as per Schedule 'Q' there on, and subject to Notes No.13 and 14 relating to security for Tax Free Bonds Series I & II give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - In the case of Balance Sheet, of the state of the Company's affairs as at March 31, 1995; and
 - In the case of the Profit and Loss Account, of the profit of the company for the year ended on that date.
- We further report, pursuant to the paragraph 4 and 5 of the Manufacturing and other Companies (Auditor's) Report Order, 1988 issued in terms of Section 227 (4A) of the Companies Act, 1956, that:
 - The Company has maintained proper records to show full particulars, including quantitative details and situations of fixed assets. According to the information given to us, physical verification of such assets was conducted by

the management and no discrepancies were noticed on such verification.

- No fixed assets of the Company have been revalued during the year.
- The Company has not accepted any loans, secured or unsecured, from companies, firms or other parties which are required to be listed in a register to be maintained under Section 301 and/or from the Companies under the same management.
- The Company has not granted any loans, secured or unsecured, to companies, firms or other parties as listed in the register maintained under Section 301 and/or to the Companies under the same management.
- In our opinion, reasonable steps for recovery of principal and interest have been taken in the cases where defaults have been made by parties to whom loans have been given by the Company. However, generally the various parties and employees to whom Loans and advances in the nature of loans are given are repaying the principal amount as stipulated or rescheduled from time to time and are generally regular in payment of interest wherever applicable.
- In our opinion, there are adequate internal control procedures commensurate with the size of the Company and nature of business for purchase of stores items and fixed assets.
- In our opinion and according to the information and explanations given to us, the Company has not entered into the transactions of purchase of goods and materials and sale of goods, materials and services which are required to be entered into the register maintained under section 301 of the Companies Act, 1956 as aggregating during the year to Rs. 50,000 (Rupees Fifty thousand) or more in respect of each party.
- The Company has not accepted deposits from the public.
- The Company has an adequate internal audit arrangement commensurate with its size and nature of its business.
- The Central Government has not prescribed maintenance of cost records under 209 (1) (d) of the Companies Act, 1956 for any of the

products/activities of the Company.

- (k) The Company has been regular in depositing the Provident Fund dues with the appropriate authorities.
- (l) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding, as at the last day of the financial year, for a period of more than six months from the date they become payable.
- (m) During the course of our examination of books of accounts carried in accordance, with the generally accepted guiding auditing practices, we have not come across any personal expenses other than those payable under the contractual obligations with the Company's employees and/or generally, accepted business practices, which have been charged to Revenue Account.
- (n) The Company is not a Sick Industrial Company within the meaning of clause (o) sub-section

(1), Section 3 of the Sick-Industrial Companies (Special Provisions) Act, 1985.

- (o) In respect of service activities, we have to state that the Company is engaged in financing the projects with primary objective of conserving and promotion of New and Renewable Sources of Energy, subject to Note No. 15 relating to Securities documents in our opinion, proper documents have been obtained and records are maintained in respect of loans and advances granted on the basis of securities and bank guarantees obtained thereon.
- (p) Para 4A (iii), (iv), (v), (vi), (xii), (xiv) and 4D (iii) and (iv) of the said Order are inapplicable.

for UBEROI, SOOD & KAPOOR
Chartered Accountants,

Place : New Delhi
Dated : 6th July, 1995

(S. D. SHARMA)
PARTNER

Balance Sheet as at 31st March, 1995

	SCHEDULE	As at 31.3.95 Rs.	As at 31.3.94 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	250,000,000	240,000,000
Share Application Money		133,500,000	—
Reserves and Surplus	B	737,584,457	275,801,674
Capital Grants			
Loan Fund	C	25,098,075	628,023
Secured Loans	D	750,000,000	250,000,000
		<u>1,896,182,532</u>	<u>766,429,697</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	35,600,961	3,916,194
Less: Depreciation		<u>4,171,009</u>	<u>1,674,162</u>
Net Block		31,429,952	2,242,032
Capital Works-in-progress	F	21,858,040	21,995,255
Investments	G	1,200,000	—
Current Assets, Loans & Advances			
Current Assets	H	450,344,173	298,171,675
Loans & Advances	I	<u>2,023,549,881</u>	<u>893,535,267</u>
		2,473,894,054	1,191,706,942
Less: Current Liabilities & Provision			
Current Liabilities	J	602,692,628	403,375,916
Provision for Taxation	K	<u>43,187,171</u>	<u>48,246,708</u>
		645,879,799	451,622,624
Net Current Assets		<u>1,828,014,255</u>	<u>740,084,318</u>
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Preliminary Expenses		34,317	51,476
Energy Bond Issue expenses		<u>13,645,968</u>	<u>2,056,616</u>
		<u>1,896,182,532</u>	<u>766,429,697</u>

Accounting Policies and Notes on Accounts

As per our Report of even date

For UBEROI, SOOD & KAPOOR
Chartered Accountants

S.D. SHARMA
Partner

Place : New Delhi
Date : 6th July '95

B.R. PRABHAKARA
Chairman

C.P. MALHOTRA
Executive Director

V. BAKTHAVATSALAM
Managing Director

R.K. SACHDEVA
Company Secretary

Profit and Loss Account for the year ending 31st March, 1995

	SCHEDULE	As at 31.3.95 Rs.	As at 31.3.94 Rs.
INCOME			
Interest on Loans & deposits	L	117,578,132	72,310,263
Application fee		757,500	405,000
Other Income	M	20,268,886	11,030,620
		<u>138,604,518</u>	<u>83,745,883</u>
EXPENDITURE			
Personnel	N	10,986,560	3,383,150
Administrative and Others	O	17,829,497	9,456,664
Depreciation	E	2,626,099	757,969
Interest	P	23,679,425	22,500,000
Interest tax		3,885,371	1,511,000
Provision as per RBI Norms		4,961,531	—
		<u>63,968,483</u>	<u>37,608,783</u>
PROFIT FOR THE YEAR		74,636,035	46,137,100
Prior period Adjustments (net)		365,031	(250,239)
PROFIT BEFORE TAX		75,001,066	45,886,861
Provision for Income-tax			
For current year		22,400,000	14,510,000
For earlier year		—	477,838
PROFIT AFTER TAX		52,601,066	30,899,023
Add: Excess Provision for Income-tax made in earlier years written back		281,717	nil
PROFIT AVAILABLE FOR APPROPRIATION		52,882,783	30,899,023
APPROPRIATIONS			
Special Reserve		32,100,000	18,675,595
Debenture redemption reserve		11,190,000	12,223,428
General Reserve		4,500,000	—
Proposed Dividend (including interim dividend)		5,000,000	—
Surplus carried to Balance sheet		92,783	—
		<u>52,882,783</u>	<u>30,899,023</u>

Accounting Policies and Notes on Accounts

Q

As per our Report of even date

For UBEROI, SOOD & KAPOOR
Chartered AccountantsS.D. SHARMA
PartnerPlace : New Delhi
Date : 6th July '95B.R. PRABHAKARA
ChairmanC.P. MALHOTRA
Executive DirectorV. BAKTHAVATSALAM
Managing DirectorR.K. SACHDEVA
Company Secretary

Schedules to Financial Statements for the year ending 31st March, 1995

	1994-95 Rs.	1993-94 Rs.
A. SHARE CAPITAL		
Authorised		
10,00,000 (2,50,000) Equity Shares of Rs. 1,000 each	1,000,000,000	250,000,000
Issued, Subscribed & Paid up		
2,50,000 (2,40,000) Equity Shares of Rs. 1,000 each fully paid up	250,000,000	240,000,000
	<u>250,000,000</u>	<u>240,000,000</u>
B. RESERVES & SURPLUS		
Capital Reserve:		
Grant-in-Aid from:		
Government of Netherlands	167,858,986	167,858,986
World Bank-Project Grant	413,900,000	—
	<u>581,758,986</u>	<u>167,858,986</u>
Special Reserve under section 36 (1) (viii) of the Income-tax Act, 1961		
Balance from Previous year	64,073,145	45,397,550
Addition during the year	32,100,000	18,675,595
	<u>96,173,145</u>	<u>64,073,145</u>
Debenture Redemption Reserve		
Balance from Previous year	43,869,543	31,646,115
Addition during the year	11,190,000	12,223,428
	<u>55,059,543</u>	<u>43,869,543</u>
General Reserve:		
Transferred from profit & Loss A/c	4,500,000	—
	<u>4,500,000</u>	<u>—</u>
Surplus:		
Transferred from Profit & Loss A/c	92,783	—
	<u>92,783</u>	<u>—</u>
	<u>737,584,457</u>	<u>275,801,674</u>
C. CAPITAL GRANTS		
a. Capital Grant from World Bank for purchase of Fixed Assets		
Balance from Previous year	628,023	—
Received during the year	25,895,156	905,737
	<u>26,523,179</u>	<u>905,737</u>
Less: Transfer to Miscellaneous Income	1,425,104	277,714
	<u>25,098,075</u>	<u>628,023</u>

Schedules to Financial Statements for the year ending 31st March, 1995

	1994-95 Rs.	1993-94 Rs.
D. SECURED LOANS		
9% Tax Free Secured Redeemable Energy Bonds (Series I)		
Secured in regard to payment of interest and repayment of principal by a charge on the Current Assets of the Company. Bonds are redeemable at par after the expiry of 10 years, i.e., on 19.02.2001 with buy-back facility at par, on the expiry of lock in period of three years upto the face value of Rs. 40,000/-per bond holder.	250,000,000	250,000,000
10% Tax Free Secured Redeemable Energy Bonds (Series II)		
Secured in regard to payment of interest and repayment of principal by a charge on the Current Assets of the Company. Bonds are redeemable at par after the expiry of 7 years i.e., on 20.03.2002 with buy-back facility at par, on the expiry of lock in period of three years upto the face value of Rs. 40,000/-per bond holder.	1,000,000	—
10.5% Tax Free Secured Redeemable Energy Bonds (Series II)		
Secured in regard to payment of interest and repayment of principal by a charge on the Current Assets of the Company. Bonds are redeemable at par after the expiry of 7 years with buy-back facility at par, on the expiry of lock in period of three years upto the face value of Rs. 40,000/-per bond holder as under:		
Tranche I on 20.3.2002	150,000,000	—
Tranche II on 23.3.2002	100,000,000	—
Tranche III on 29.3.2002	199,000,000	—
Tranche IV on 30.3.2002	50,000,000	—
	750,000,000	250,000,000

E. FIXED ASSETS SCHEDULE

(Amount in Rs.)										
Particulars	G R O S S				B L O C K				D E P R E C I A T I O N	
	As at 1.04.1994	Additions off during the year	Disposals/ written off during the year	As at 31.03.95	As at 1.04.94	for the year	Disposals/ written off during the year	As at 31.03.95	As at 31.03.95	As at 31.03.94
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings-residential-freehold	—	4,143,149	—	4,143,149	—	160,050	—	160,050	3,983,099	—
Buildings-office-leasehold	—	23,349,369	—	23,349,369	—	438,200	—	438,200	22,911,169	—
Office Equipment	1,528,766	1,027,208	171,517	2,384,457	418,955	318,703	103,309	634,349	1,750,108	1,109,811
Computers	1,471,181	456,500	—	1,927,681	683,766	345,483	—	1,029,249	898,432	787,415
Furniture & Fixtures	553,736	2,903,316	49,759	3,407,293	248,033	1,327,063	25,941	1,549,155	1,858,138	305,703
Vehicles	116,270	—	—	116,270	77,167	10,097	—	87,264	29,006	39,103
Library	246,239	26,503	—	272,742	246,239	26,503	—	272,742	—	—
	3,916,192	31,906,045	221,276	35,600,961	1,674,160	2,626,099	129,250	4,171,009	31,429,952	2,242,032
Previous year	2,469,856	1,446,338	—	3,916,194	916,193	757,969	—	1,674,162	2,242,032	1,553,663

Schedules to Financial Statements for the year ending 31st March, 1995

	1994-95 Rs.	1993-94 Rs.
F. CAPITAL WORK-IN-PROGRESS		
Advances for capital expenditure:		
Computers	21,551,300	—
EPABX	306,740	—
Interior Design	—	282,882
Office Building	—	19,586,400
Staff Quarters	—	2,026,095
Furniture	—	99,878
	21,858,040	21,995,255
G. INVESTMENTS (unquoted)		
1,20,000 Equity shares of Rs. 10/-each in MP WIND FARMS LTD., fully paid up	1,200,000	—
	1,200,000	—
H. CURRENT ASSETS		
1. Cash and Bank balances		
Bank balances		
With Scheduled Banks		
a) In Current Account	183,833,326	89,083,599
b) In Deposit Account		
-Short term Deposit	225,600,000	169,077,087
-Special Dollar Deposit	3,128,928	26,588,173
c) Others	104,255	24,386
	412,666,509	284,773,245
2. Interest accrued on Loans and Deposits	37,677,664	13,398,430
	450,344,173	298,171,675
I. LOANS & ADVANCES@		
Loans to constituents		
As per last Balance Sheet	824,564,439	354,901,372
Add: Disbursements during the year	1,309,115,847	561,690,567
	2,133,680,286	916,591,939
Less: Repayments during the year	214,200,733	92,027,500
	1,919,479,553	824,564,439
Less: Provision as per RBI Norms	(4,961,531)	—
	1,914,518,022	824,564,439
Interest accrued and due on Loans	1,700,571	3,460,346
Loans to Employees	1,920,498	577,640
	*1,918,139,091	828,602,425

@ Includes Rs. 1641.86 Lakhs (Rs. 720.48 Lakhs) being Loans and Subsidy released to constituents under MNES Programmes

Schedules to Financial Statements for the year ending 31st March, 1995

	1994-95 Rs.	1993-94 Rs.
Advances (Unsecured, considered good) (Recoverable in cash or in kind or for value to be received)		
Security Deposits	109,703	350,300
Staff Deposits	525,814	587,550
Others	58,395,930	3,338,044
Advance Tax	46,379,343	60,656,948
	<u>105,410,790</u>	<u>64,932,842</u>
	<u>2,023,549,881</u>	<u>893,535,267</u>
*Particulars of Loans & Advances		
— Loans considered good in respect of which the Company is fully secured (less provision under RBI norms [previous year-nil])	1,363,103,745	435,125,469
— Loans considered good for which the Company holds no security other than personal security of the debtor	555,035,346	393,476,956
— Loans considered doubtful	—	—
	<u>1,918,139,091</u>	<u>828,602,425</u>
— Due by Directors of the Company	373,138	24,324
— Due by other officers of the Company	1,702,492	113,400
— Maximum amount due at any time during the year by Directors of the Company	457,092	46,633
— Maximum amount due at any time during the year by officers of the Company	3,201,677	132,000
J. CURRENT LIABILITIES		
Other Liabilities	117,019,344	34,695,712
MNES Programme Funds	479,790,846	366,214,451
Interest accrued but not due	3,302,438	2,465,753
Proposed Dividend	2,580,000	—
	<u>602,692,628</u>	<u>403,375,916</u>
K. PROVISION FOR TAXATION		
For Income-tax	36,910,000	45,611,174
For Interest-tax	6,277,171	2,635,534
	<u>43,187,171</u>	<u>48,246,708</u>
L. INTEREST ON LOANS AND DEPOSITS		
Interest on Loans	114,437,388	49,886,683
Less: Rebate on Interest	2,770,229	1,359,345
	<u>111,667,159</u>	<u>48,527,338</u>
Interest on Deposits with Banks	5,910,973	23,782,925
	<u>117,578,132</u>	<u>72,310,263</u>

Schedules to Financial Statements for the year ending 31st March, 1995

	1994-95 Rs.	1993-94 Rs.
M. OTHER INCOME		
Interest on Income-tax refund	1,091,073	1,970,660
Service charges	5,966,228	6,950,000
Commitment fee and charges	11,632,432	1,811,108
Miscellaneous income	1,548,044	298,852
Profit on Sale of Fixed Assets	31,109	—
	<u>20,268,886</u>	<u>11,030,620</u>
N. PERSONNEL EXPENSES		
Salaries, Wages and other amenities	9,572,878	2,332,042
Staff Welfare	451,686	151,532
Contribution to Gratuity and Provident Funds	422,474	138,062
Recruitment expenses	482,572	757,164
Human Resource Development	56,950	4,350
	<u>10,986,560</u>	<u>3,383,150</u>
O. ADMINISTRATIVE EXPENDITURE		
Preliminary expenses written off	17,159	17,159
Bond issue expenses written off	2,330,648	342,077
Travelling expenses	1,798,794	708,445
Printing and Stationery	1,387,476	689,147
Telephone expenses	1,079,249	438,083
Subscription charges	51,100	11,750
Newspapers and Periodicals	65,991	37,958
Postage & Telegram	294,628	107,771
Conveyance expenses	1,621,240	746,560
Legal expenses	17,350	45,260
Auditors' remuneration	38,000	14,000
Business Promotion	960,131	387,136
Rent	976,255	1,121,819
Insurance	72,842	1,505
Repairs & Maintenance	1,230,349	276,224
Bank Charges	24,551	1,649
Miscellaneous Expenses	822,497	83,456
Electricity & Water Charges	56,124	122,069
Study & Research	884,600	76,243
Seminars & Conference Expenses	255,039	348,493
Information & Dissemination	2,207,753	996,970
Entrepreneurship Development Programme	—	1,032,805
Professional Fees	1,627,721	1,740,085
Debenture Trusteeship expenses	10,000	10,000
Donation to PM's Relief Fund	—	100,000
	<u>17,829,497</u>	<u>9,456,664</u>
P. INTEREST		
Interest on 9% Tax Free Energy Bonds Series I	22,500,000	22,500,000
Interest on 10% Tax Free Energy Bonds Series II	3,014	—
Interest on 10.5% Tax Free Energy Bonds Series II	833,671	—
Interest on Bond Application Money	342,740	—
	<u>23,679,425</u>	<u>22,500,000</u>

SCHEDULE 'Q'

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. ACCOUNTING POLICIES:

1. Interest income on loans is provided net of rebate.
2. Interest on Loans and Deposits are provided on accrual basis.
3. Additional interest by way of liquidated damages is charged in the event of default in repayment of principal instalment and/or payment of interest in respect of the loan on due dates and is recorded in the year of its receipt.
4. Commitment Charge is levied in the event of failure of the borrower to comply with all legal formalities and draw first instalment of loan within the stipulated time period and is recorded in the year of receipt. Commitment Fees is levied on the Projects (excluding Consumer Loans) sanctioned by IREDA and calculated @ 1% of the sanctioned loan amount and is recorded in the year of receipt.
5. Monitoring charge is levied on the total cost of Small Hydro Power Projects for monitoring the projects and is recorded in the year of receipt.
6. Fixed Assets are valued at Cost.
7. Depreciation on Fixed Assets except Library Books is provided on Written Down Value basis at the rates specified in Scheduled XIV of the Companies Act, 1956, as amended up to date. Depreciation on Library Books is provided @ 100%.
8. Preliminary Expenses and Bond Issue expenses are written off in ten years in equal instalments in respect of Tax Free Bonds Series I and in seven years in respect of Tax Free Bonds Series II.
9. Provisions for all expenses including interest on Market Borrowings are accounted for on accrual basis.
10. Income & Expenditure in foreign currency are converted into Indian Rupees at the exchange rate prevailing on the date of the transaction. Value of the assets and liabilities held in foreign currency are converted into Indian Rupees at the exchange rate prevailing on Balance Sheet date.
11. A) Grant accrued for eligible Fixed Assets (as per relevant agreements entered into with respective Donors) is accounted for as Capital Grant. Such grant is allocated to income over the periods and in the proportions in which the depreciation on those assets is charged.

B) Grant accrued for eligible revenue expenditure is treated as Revenue Grant. The respective revenue expenditure for which the Grant has accrued is accounted net of Grant.

C) Grant-in-aid received for financing projects in the specified sectors of New and Renewable Sources of Energy (NRSE) is treated and accounted for as Capital Reserve.

D) Undrawn portion of US \$1 Million placed by the World Bank to be operated through Special Dollar Deposit Account in terms of GEF Grant Agreement has been shown under "Other Liabilities" to be utilised for reimbursement of Capital and Revenue Expenditure.
12. The Company has various Schemes of retirement benefits such as Provident Fund and Gratuity Fund recognized by the Income Tax authorities and are administered through Board of Trustees.

Company's contributions to Provident Fund are charged against revenue each year. Gratuity is covered by Group Policies with Life Insurance Corporation of India. Premia payable on these group policies are charged to revenue. The provisions of the Payment of Bonus Act, 1965 do not apply to the Company. However, Ex-Gratia in lieu of Bonus is paid to employees and accounted for in accordance with notification issued by the Department of Public Enterprises, Ministry of Industry, Government of India on year to year basis.

13. Loans classified as fully secured are against Hypothecation, English Mortgage, Equitable Mortgage, Joint Equitable Mortgage and Hypothecation as the case may be.
14. The other loans are against Bank Guarantee, Government Guarantee, Promissory Notes, Personal Guarantee and post-dated cheques as the case may be.
15. Investments are valued at cost.
16. The company is following the Prudential norms prescribed by the Reserve Bank of India in respect of income recognition, classification of assets and provisioning for bad debts with effect from the year 1994-95.

B. NOTES ON ACCOUNTS:

1. Information pursuant to the provisions of Part-II of Schedule VI of the Companies Act, 1956.
a) Expenditure, in Foreign Currency:

– On Travelling	Rs. 4,94,752 (Previous Year Rs. 6,13,056)
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– Other	Rs. 1,57,750 (Previous Year Rs. 6,42,650)
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- b) Earnings in Foreign Exchange:

– Interest	Rs. 8,83,717 (Previous Year Rs. 4,53,020)
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– Revenue Grant	Rs. 96,72,764 (Previous Year Rs. 22,38,508)
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2. The remuneration paid to Statutory Auditors of the Company is as under:-

For Statutory Audit	@ Rs. 30,000 (Rs. 10,000/- in previous year)
For Tax Audit	Rs. 8,000 (Rs. 4,000/- in previous year)

@ The statutory audit fee has been enhanced from Rs. 10,000 to Rs. 20,000 effective 1993-94 as per CLB's letter No. I-004/2627265/94-IGC dated 9.6.95. Current year amount includes differential amount for 1993-94.

3. The Managing Director has been provided with a Staff Car for use, also for private journeys upto a ceiling of 1,000 kms per month on payment of Rs. 250/- per month in accordance with the provisions of Govt. of India, BPE O.M. No. 4 (12)/82-BPE (WC) dated 1.4.87 as amended from time to time. The monetary value of the above perquisite for the use of staff car, if calculated, in accordance with the provisions of the Income Tax Act, 1961 would amount to Rs. 2,400/-

4. Remuneration paid to the Managing Director :

	CURRENT YEAR	PREVIOUS YEAR
		(Amount in Rs.)
Salary	1,50,285	1,44,233
Medical reimbursement	NIL	7,718
Provident Fund	11,926	10,456
Leased accommodation	20,800	44,020
Value of perquisite for residential accommodation as per Income Tax Act	25,781	nil
LTC	5,730	14,547
Staff Car	2,400	2,400
(As per Income Tax Rules)		
Total:	2,16,922	2,23,374

5. The estimated amount of contracts (net of advances) remaining to be executed on Capital account and not provided for is **Rs.20.83 lakhs** (previous year Rs. 126.93 lakhs).
6. Debenture Redemption Reserve of **Rs. 111.90 lakhs** (previous year Rs. 122.23 lakhs) has been created to the extent required under "Guidelines for protection of the Interest of Debenture Holders" issued by the Ministry of Finance, Department of Economic Affairs vide their letter No. F-11/(20) CCI-(11)/86 dated 14.1.87.
7. No provision has been made for payment of Ex-Gratia (in lieu of Bonus) for 1994-95 in the absence of orders by the Government of India for its payment.
8. a) IREDA has signed four Memorandum of Understanding (MOU) with the Ministry of Non-Conventional Energy Sources (MNES) to implement its following Programmes:-
- Solar Photovoltaics Water Pumping Programme.
 - Solar Photovoltaics Thermal and Devices Market Promotion Programme
 - Low Grade Solar Thermal Devices Market Promotion Programme
 - Wind Farm Projects

In terms of the stipulations of each of the MOU, MNES has placed an agreed sum in respect of each of the above Programmes, with IREDA as "Grant-in-Aid" for Programme implementation. On closure of the Programmes, IREDA shall transfer the amount standing to the credit of account of MNES, including the interest accrued thereon to MNES after deducting the Service Charges admissible as per MOU and other dues and irrecoverable defaults.

b) The funds so received under each Programme together with interest received and accrued on unutilized funds are kept in Short-Term Deposits with Scheduled Banks, and interest accrued on loans and advances disbursed under the programmes during the year are shown under Current Liabilities in the Balance Sheet

Broad break-up of the funds utilised and balance funds under these Programmes are as under:-

MNES FUNDS AS ON 31ST MARCH, 1995

Programme	Balance as on 31.3.94	Grant Received 94-95	Interest Loan	Interest Total*	Service Charges Recoverable	Subsidy Disbursed	Total Amount	R E P R E S E N T E D B Y			
								Loans Disbursed	Income Accrued	Balance with Banks	Balance with the Company
1 SPV-WP Manufacture Loan	387.09	0.00	1.35	13.21	5.05		395.25	202.22	3.02	333.08	-105.04
2 SPV-WP User Loan	805.81	0.00	13.25	111.42	8.71		908.52	348.56	0.88	98.11	412.05
3 SPV- Users Subsidy	1,405.03	0.00	0.00	34.77	0.00	570.62	869.18	0.00	1.15	158.88	708.19
4 SPV Market Promotion	51.03	150.00	2.00	7.24	0.59		207.68	23.63	0.52	79.89	103.68
5 Solar Thermal	659.86	825.00	2.54	46.67	5.73		1,525.81	229.65	0.08	215.62	854.23
6 Wind Energy	353.32	500.00	27.91	46.61	8.45		891.48	837.80	0.25	106.61	184.85
TOTAL	3,662.14	1,475.00	47.04	259.92	28.53	570.62	4,797.91	1,641.86	5.90	992.19	2,157.95
DETAILS OF BALANCE AS ON 31.3.94											
TOTAL FUNDS RECEIVED FROM MNES	3630.00										
INCOME ACCRUED	32.14										
TOTAL	3662.14										
*BREAK-UP TOTAL INTEREST PAYABLE BY COMPANY	50.30										
SHORT TERM DEPOSIT INTEREST	162.57										
LOAN INTEREST	47.04										
TOTAL INTEREST	259.92										

9. Loans and Advances to constituents, Interest Accrued on Loans & Deposits, Balance in Current accounts with Scheduled Banks, and Balance in Short-Term Deposits with Scheduled Banks as provided for in the Balance Sheet and Profit and Loss Account as the case may be include **Rs.1641.86 lakhs** (Rs. 720.48 lakhs) including, **Rs. 5.90 lakhs** (Rs. 5.92 lakhs), **Rs. 315.19 lakhs** (Rs. 8.50 lakhs) and **Rs. 677.00 lakhs** (Rs. 1164.00 lakhs) respectively pertaining to various Programmes of MNES.
10. The Current Asset, Loans & Advances have a value on their realisation in the ordinary course of the business equivalent to the amount at which these are stated in the Balance Sheet.
11. During the year, the Company has made a provision in respect of its non-performing loans given to constituents, in accordance with Reserve Bank of India's guidelines issued vide Circular No: DFC(COC) 828.174. 92-93 dated 12.04.93 for compliance by Non-banking financial companies. Such provisions towards interest not recovered works out to **Rs. 63,89,790** (previous year-nil) while the provision made for substandard, doubtful and loss assets is **Rs. 49,61,531** (previous year-nil).
12. During the year, the company has provided for salary arrears in respect of its non-executive staff, pursuant to pay revision announced by the Government for PSU employees. The expenditure provided for is **Rs. 37,83,515** (previous year-nil).
13. Tax free bonds (Series I) of Rs. 25 crores issued during the year 1990-91 are covered by a negative lien on the book debts of the company.
14. As per the permission given by Ministry of Finance vide letter No. S-4(56)/CCI/94-8 dated 5.1.95, Tax free bonds of Rs. 50 crores (Series II) were issued during the year 1994-95. The bonds are to be secured against assets of the company. The company is in the process of creating the charge on its book debts.
15. Loans to constituents include a sum of **Rs. 28.60 crores** (previous year-nil) in respect of which the execution of final security documents are in the process of being completed by the constituents.
16. Office building is on sub-lease from India Habitat Centre, New Delhi. The lease deed documents are yet to be executed.
17. Pending receipt of claim from India Habitat Centre with details, no provision has been made for electricity charges for office building from November 1994 to March 1995.
18. Previous year's figures have been re-arranged/re-grouped wherever considered necessary to make them comparable with the current year's figures.
19. Schedules 'A' to 'Q' form an integral part of Balance Sheet and Profit & Loss Account and have been duly authenticated.
20. Figures are rounded off to the nearest rupee.

As per our report of even date

For UBEROI SOOD & KAPOOR

Chartered Accountants
S.D. SHARMA
Partner

B.R. PRABHAKARA
Chairman

V BAKTHAVATSALAM
Managing Director

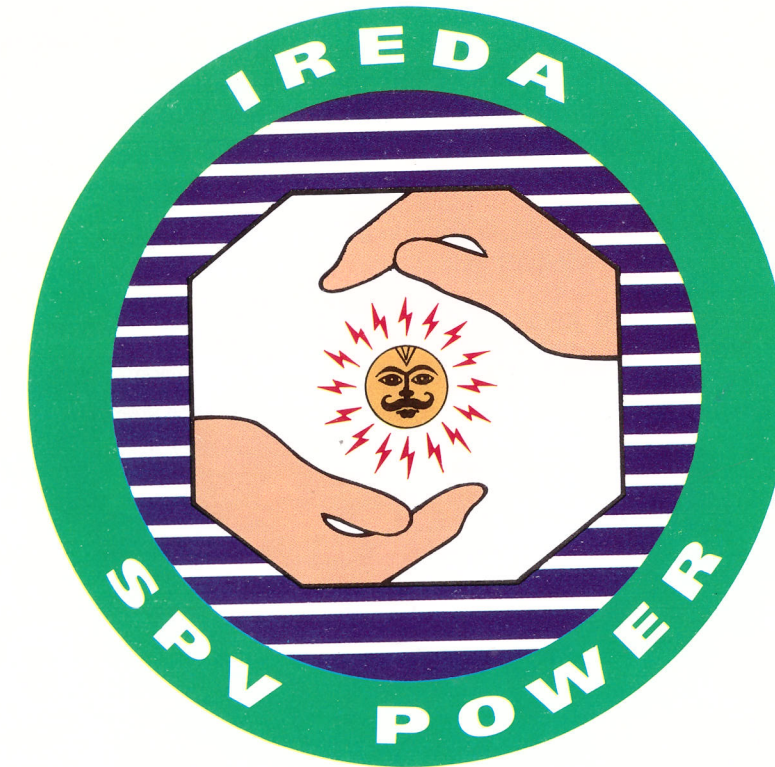
Place : New Delhi
Date : 6th July, 1995

C P MALHOTRA
Executive Director

R K SACHDEVA
Company Secretary



I R E D A N S '



S O L A R
PHOTOVOLTAIC
M A R K E T
DEVELOPMENT
PROGRAMME

ENERGY FOR EVER