



9TH ANNUAL REPORT
1995 - 96



ENERGY FOR EVER

NINTH ANNUAL REPORT

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



Visit by Hon'ble Second Sub-Committee of Parliament on Official Language to IREDA office

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NINE YEARS AT A GLANCE

(Rs. in lakhs)

	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90	1988-89	1987-88
RESOURCES									
Equity Capital	6235.00	2500.00	2400.00	1000.00	1000.0	1000.00	1000.00	675.00	425.00
Share Application Money	0.00	1335.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00
Reserves & Surplus	2160.15	1558.25	1079.43	770.44	273.37	108.78	98.04	43.81	10.49
International Assistance	6375.79	6068.57	1684.87	1678.59	1678.59	759.95	759.95	463.85	0.00
Market Borrowings	10500.00	7500.00	2500.00	2500.00	2500.00	2500.00	0.00	0.00	0.00
Bank Borrowings	1790.00	0.00	0.00	0.00	0.00	240.68	0.00	0.00	0.00
Govt. Borrowings	5149.00	0.00	0.00	0.00	400.000	0.00	0.00	0.00	0.00
Other Borrowings	5750.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	37959.94	18961.82	7664.30	6749.03	5851.96	4609.41	1857.99	1182.66	435.69
OPERATIONS									
Project sanctioned (Nos)	265	136	94	56	52	55	31	20	19
Financial Assistance									
Sanctioned	60491.49	24264.95	16239.19	3073.54	2484.05	2629.35	582.87	416.56	566.63
Disbursements	23847.01	13029.49	5591.91	1817.35	1018.96	822.92	491.59	465.73	155.10
Repayments by Borrowers	3102.35	2142.01	920.28	533.53	264.17	253.05	124.89	46.99	0.00
Outstanding Loans	39101.95	19145.18	8245.64	3544.63	2265.20	1510.41	940.54	573.84	155.10
WORKING RESULTS									
Total Income	3423.00	1386.04	837.46	826.41	602.21	182.08	104.06	53.98	19.60
Personnel & Administrative Expenses	393.90	288.16	128.39	62.62	37.76	31.92	23.02	6.12	4.17
Interest	1109.37	236.79	225.00	225.00	226.73	24.78	0.00	0.00	0.00
Depreciation	50.32	26.26	7.58	3.65	2.75	0.98	1.34	0.17	0.10
Profit before Tax	1504.18	750.01	458.87	526.33	333.92	124.32	79.21	47.68	15.32
Provision for Tax	751.81	224.00	149.88	166.85	169.34	113.58	24.98	14.36	4.83
Profit after Tax	752.37	526.01	308.99	359.48	164.58	10.74	54.23	33.32	10.49
Earnings per Share (Rs.)	120.67	210.40	128.75	199.71	164.58	10.74	54.23	49.36	24.68

BOARD OF DIRECTORS

Chairman	:	B.R. Prabhakara (upto 31-8-96)
Managing Director	:	Dr. V. Bakthavatsalam
Directors	:	T.L. Sankar
	:	M.Gopalakrishna
	:	Vinod Dhall (w.e.f 20-8-96)
	:	Dr. N.G. Hegde
	:	Lalitha Balakrishnan
	:	T.S. Krishna Murthy (upto 20-8-96)
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 Ninth Annual General Meeting of the Shareholders of Indian Renewable Energy Development Agency Limited will be held on Friday, the 27th September, 1996 at 4.00 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, 1996, 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

(R.K. Sachdeva)
Company Secretary

New Delhi
27th September, 1996

1. All Shareholders of 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.

DIRECTORS' REPORT

To the Members,

It gives me great pleasure to present, on behalf of the Board of Directors, the Ninth Annual Report on the working of the Indian Renewable Energy Development Agency Ltd. (IREDA) together with the audited statement of accounts and the Auditors' Report for the year ended 31st March, 1996.

Your Directors are happy to report that the overall performance of the Company during the year was excellent and that the Company registered a substantial growth in its operations. The highlights are given below:

HIGHLIGHTS

LENDING OPERATIONS

	1994-95	1995-96	% increase
No. of Projects sanctioned	136	265	94.85
Loan sanctioned (Rs./crores)	242.65	604.91	149.29
Loan disbursed (Rs./crores)	130.29	238.47	83.03

PROFITABILITY

	1994-95	1995-96	% increase
Gross Income	13.86	34.23	146.97
Profit before Tax	7.53	15.04	99.73
Profit after Tax	5.29	7.52	42.16

RESOURCE MOBILISATION (INTERNAL & INTERNATIONAL)

	1994-95	1995-96	Remarks
Grant from GEF	41.39	2.83	—
Loan under IDA & DANIDA Lines of Credit	—	51.49	—
Loans from FI/PSU/ Bank	50.00*	75.40	Increase of 50.80 %
Issue of IREDA Bonds	50.00	30.00	The entire allocation was fully subscribed

* Sanctioned by the Canara Bank but not utilised during the year 1994-95.

Following are the details of performance.

LENDING OPERATIONS

During the year, the lending operations of the Company scaled new peaks.

SANCTIONS

As many as 265 Projects were sanctioned during the year compared to 136 sanctioned during 1994-95, representing an increase of 94.85 %. The amount of loan sanctioned for these projects totalled Rs.604.91 crores, marking an impressive rise of 149.29% over the corresponding figure in the last year. The amount of loan sanctioned by the Company since 1987-88 aggregated to Rs.1107.48 crores for 728 Projects. Statewise and Sectorwise sanctions for the period 1987-88 to 1995-96 are given in Annexures I & II respectively.

DISBURSEMENTS

On the disbursement front, the Company achieved an all-time record. The disbursements at Rs.238.47 crores, effected during 1995-96, were higher by about 83% over



19 MW Bagasse based Co-generation project set up with IREDA's assistance at Nagai Quaid-E- Milleth district of Tamil Nadu.

the level achieved during the last year. Cumulative amount disbursed since 1987-88 is of the order of Rs. 472.40 crores. Statewise and Sectorwise disbursements during the period 1987-88 to 1995-96 are indicated in Annexures III & IV respectively.

The sectoral sanctions and disbursements during 1995-96 are given below :-

(Rs. in crores)

Sector	Sanctions	Disbursements
Wind Energy	327.15	172.31
Small Hydro	118.78	10.06
Solar Energy	90.79	16.98
Biogas Generation	4.99	4.09
Co-generation	39.85	23.48
Biomass Power	22.00	10.89
Biomass Briquetting	0.84	0.66
Biomass Gasification	0.51	0.00
Total	604.91	238.47

From the above, it will be seen that the Company has been giving greater thrust to generation of electricity, as more than 84% of the loan amount has been sanctioned for such projects. Another notable feature is the priority given to Solar Energy because as much as Rs.90.79 crores were sanctioned to this Sector during the year under report compared to only Rs.19.59 crores during 1994-95.



A view of 'Digester' of Biomethanation Plant set up with IREDA's assistance at Dharwar district of Karnataka



14,200 LPD Solar Water Heating System installed with IREDA's assistance at a school in Bhiwani, Haryana

FINANCIAL PERFORMANCE

The overall financial results for the year 1995-96 are very satisfactory. These are summarised below :

(Rs. in crores)

	1994-95	1995-96
Gross Income	13.86	34.23
Profit before Tax	7.53	15.04
Provision for Income Tax	2.24	7.52
Profit after Tax	5.29	7.52
Add: Carry-forward Surplus and Transfer from General Reserve	0.00	0.46
Profit available for Appropriation	5.29	7.98
APPROPRIATIONS		
Provision for dividend	0.50	1.50
Transfer to Special Reserve U/Sec 36(1)(viii) of the Income Tax Act, 1961	3.21	1.48
Transfer to Debenture Redemption Reserve (DRR)	1.12	5.00
Transfer to General Reserve	0.45	0.00
Transfer to P & L		
Appropriation Account	0.01	0.003

It will be seen from the above that gross income at Rs. 34.23 crores during the year marks an increase of 146.97% over the previous year's figure. Similarly, the "Profit before Tax" and "Profit after Tax" have registered substantial increases, i.e. 99.73% and 42.16% respectively, over the corresponding previous year's levels.

It may also be noted that the Profit & Loss Account for the year has been prepared after making provision for "sub-standard and doubtful assets" in terms of the prudential norms laid down by the Reserve Bank of India. Though this provision has reduced the surplus available for appropriations, it reflects the state of the Company affairs in terms of standard accounting practices.

APPROPRIATIONS AND DIVIDEND

An appropriation of Rs.5.00 crores has been recommended to the "Debenture Redemption Reserve" to adhere to the Government guidelines for the protection of the interest of Debenture Holders. The Government of India has given a special approval to your Company upto 1997-98 to transfer annually 40% of the total income to the Special Reserve as per the provisions of Income Tax Act, 1961. Appropriation to this Reserve is exempted from payment of Income tax. However, in view of the latest Government guidelines to the PSUs to declare dividend equivalent to atleast 20% of the post-tax profit or 150% of the dividend declared last year, whichever is higher, it is recommended that dividend @2.41 % on the enhanced Share Capital of Rs.62.35 crores, which will involve an amount of Rs.150.47 lakhs, be declared for the year 1995-96. It is recommended that after making provision for dividend at this rate, the remaining surplus be transferred to the Special Reserve. This will, however, imply an additional Income tax liability of Rs. 2.93 crores bringing the total tax payable during the year to Rs. 7.52 crores.

RECOVERY OF DUES

The recovery of dues by way of repayment of loan instalments and payment of interest constituted 83.75% of the total dues during the year. The details are as under:

(Rs. in crores)

	Amount Due	Amount Recovered	Col. 2 as % of Col. 1
Repayment of Principal Amount	38.58	31.02	80.40
Interest	30.41	26.76	88.00
Total	68.99	57.78	83.75



100 KW Grid connected SPV Power Plant set up in the existing wind farm in Tamil Nadu, financed by IREDA under the 'SPV Market Development Programme' of World Bank.

The shortfall in the recovery rate is mainly due to liquidity crunch being faced by the borrowers and to circumstances beyond their control. Sectorwise overdues as on 31st March, 1996 are given in Annexure V.

RESOURCE MOBILISATION

PAID UP CAPITAL

The Government of India contributed an amount of Rs. 24.00 crores towards the Company's Equity during the year, with the result that the Paid-up Capital has now increased to Rs. 62.35 crores as on 31st March, 1996 against the authorised share capital of Rs.100 crores. An allocation of Rs. 28.00 crores as Equity contribution has been made for 1996-97.

BORROWINGS

INTERNAL

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. 30 crores during the year. The issue was fully subscribed.

b) OTHER LOANS

Your Company successfully negotiated and availed of the following additional loans during the year:

(Rs. in crores)

		Loan Amount	
		Sanctioned	Utilised
(I)	Housing & Urban Development Corpn.Ltd.	50.00	50.00
(II)	Life Insurance Corpn. of India	7.50	7.50
(III)	Canara Bank	50.00*	17.90

*Sanctioned during 1994-95

EXTERNAL LINES OF CREDIT

a) ASSISTANCE FROM THE WORLD BANK

Under the "India: Renewable Resources Development Project" (IRRDP), the Government of India released an amount of Rs. 41.49 crores as loan to IREDA from the allocation under IDA loan. It may be mentioned that the Government of India had earlier indicated a rate of interest of 12.5% per annum in respect of this loan. However, the

rate has been increased to 14% per annum by the Government for the year 1995-96.

In addition, an amount of Rs. 2.83 crores was received from Global Environment Facility (GEF) Grant under the World Bank Project.



A view of 'canal lining panel casting' of 1.5 MW Small Hydro Project funded by IREDA from World Bank funds under the "India: Renewable Resources Development Project" at Shimoga district of Karnataka.



'SPV Street Lighting' financed by IREDA, under the 'SPV Market Development Programme' of World Bank in Coimbatore, Tamil Nadu.

b) ASSISTANCE FOR PRIVATE WIND FARMS FROM DANIDA

An amount of Rs.10.00 crores was released by the Government of India under the DANIDA Line of Credit. This Line of Credit is also now being routed through the Government of India and attracts a rate of interest of 14% per annum.

DEBT EQUITY RATIO

IREDA's total borrowings from all sources as on 31st March, 1996 stood at Rs. 231.89 crores, against

equity of Rs. 62.35 crores and net-worth of Rs. 144.26 crores. The total debt as a ratio to net-worth works out to 1.61 which is well below the corresponding ratio of 4:1 stipulated in the Operational Policy Statement of the Company.

INTERNATIONAL ASSISTANCE IN THE PIPELINE

ASIAN DEVELOPMENT BANK (ADB)

An Appraisal Mission of the Asian Development Bank appraised IREDA in August, 1995 and recommended for the proposed loan of US \$ 150 Million to your Company. This was followed by a Follow-up Mission in January, 1996. The ADB is willing to sanction the amount mentioned above. However, the Board of Directors of IREDA has approved the availing of US \$ 100 Million from the ADB. The Government of India's approval for this is awaited.

SECOND LINE OF CREDIT FROM THE WORLD BANK

A mid-term Review Mission was fielded by the World Bank during November 1-10, 1995. The Mission expressed its satisfaction about the progress of the implementation of the World Bank Project. On the basis of this review, the World Bank may consider a second Line of Credit to the Company for a capacity addition of 200 MW for Small Hydro Projects.

GOVERNMENT OF THE NETHERLANDS

As reported last year, the release of Dutch grant-in-aid of 22 million Guilders (Dfl) will be made to the Company after an evaluation by the Indo-Dutch Evaluation Mission. The Mission visited India from September 04-29, 1995 and appraised the absorptive capacity of the Company. It has recommended the release of Dfl 22 million under Phase-III. However, this assistance is yet to be released, though Technical Assistance amounting to Dfl 800,000 has become effective.

GOVERNMENT OF NORWAY

On the basis of the recommendations of the Norwegian Mission which had discussions with your Company during November-December 1995, the Government of Norway is considering to extend a Line of Credit of US \$ 20 Million under the NORAD Programme for promotion of Small Hydro sector in India.

GOVERNMENT OF FEDERAL REPUBLIC OF GERMANY

The Government of Federal Republic of Germany and KfW, Germany have shown interest in assisting your

Company in promoting grid and stand alone power generation and other applications through renewables. Your Company has submitted proposals to the Government of India for favourable consideration and the Line of Credit may materialise based on the appraisal by the Government of Germany.

OVERSEAS ECONOMIC CO-OPERATION FUND (OECF), JAPAN

The OECF, Japan has also shown interest in the activities of your Company and discussed with its officials regarding possible financial assistance to it in view of the environment-friendly nature of the projects being assisted by it. A comprehensive proposal for availing a Line of Credit from the Government of Japan through OECF for the commercialisation of renewable energy systems was submitted to the Government of India for its consideration.

REVIEW OF POLICIES

The Company has been reviewing its policies from time to time and making suitable changes in the light of the market conditions. As a result of the de-regulation of the rates of interest and other reforms introduced in the financial sector by the Reserve Bank of India, the financial institutions and the banks have made revisions in their rates of interest. Your Company also has reviewed its policies and revised the lending terms.

NEW INITIATIVES

A new scheme for financing small biogas plants of capacity 20-100 CuM/day based on animal dung/night



300 Sq. Mtr. Solar Air Heating System installed with IREDA's assistance in a tea estate at Conoor in Tamil Nadu.

soil was introduced during the year. Under this scheme, loan assistance upto 75% of the project cost (subject to a ceiling of Rs.50 lakhs) can be extended to the users at a rate of interest of 10.50% per annum.

Following the tremendous response to the Equipment Financing Scheme introduced for the Wind Sector, the same was extended to other sectors, viz. Portable Micro Hydel Sets, Gasifiers, Solar Photovoltaics and Battery-powered Vehicles.

Your Company has started diversifying, among others, into the field of energy efficiency/energy conservation and consultancy. It has made a small beginning by assisting BECOM, France in the preparation of a Study on the assessment of barriers to the implementation of energy policy in different Asian countries. This augurs well for exploiting the potential of IREDA in this field.

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

The Company continued to implement market-oriented programmes relating to Solar Thermal, Wind, Solar Photovoltaics and Solar Photovoltaics Water Pumping Systems for Agriculture & related uses entrusted to it by the MNES.

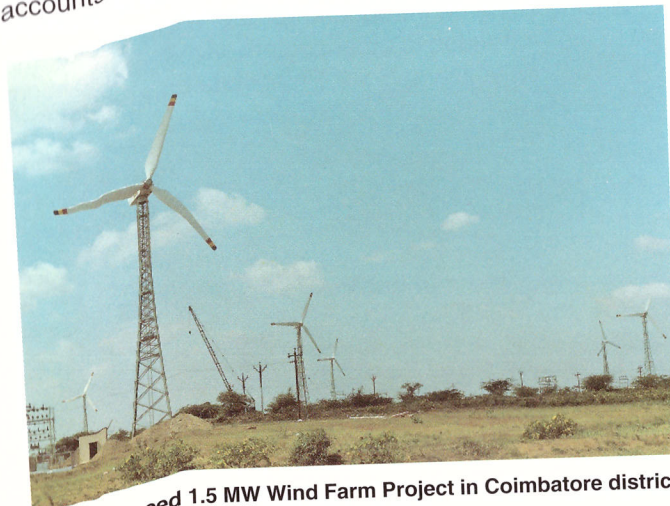


Solar Photovoltaic Water Pumping System funded by IREDA under the 'SPV Pumping Programme' of MNES in U.T. of Pondicherry.

DEVELOPMENT OF BACKWARD AREAS

Infrastructure development in the backward areas continued to receive high priority. During the year, loan assistance to the tune of Rs.516.33 crores was sanctioned for as many as 171 projects located in the

backward districts of different States. This constitutes 85.36 % of the total sanctions. The cumulative amount sanctioned in these areas at the end of March, 1996 works out to Rs.879.78 crores for 421 projects and accounts for 79.44 % of total sanctioned loan amount.



IREDA financed 1.5 MW Wind Farm Project in Coimbatore district of Tamil Nadu.

MONITORING AND EVALUATION

The Company has been periodically monitoring the assisted projects through inspections and field visits. It has also been engaging the services of other consultants to monitor major projects. A comprehensive Evaluation Study of the Wind Farms is being taken up through competent consultants so as to assess the impact of



Sh. B.R. Prabhakara, former Secretary, MNES and MD, IREDA signing the Memorandum of Understanding (MoU) for the year 1995-96.

these farms and also to suggest suitable policy measures for promoting wind farms in future. In order to evolve a scientific and systematic monitoring and evaluation policy, consultants have been assigned the task of suggesting a suitable monitoring evaluation system for your Company and preparation of Manuals on the subject.

WOMEN DEVELOPMENT

From the very beginning, your Company has been laying stress on women development. In addition to organising Entrepreneurship Development Programmes exclusively for women, the Company has been encouraging women entrepreneurs to set up self-employment ventures. A number of financial concessions such as 0.5% rebate on interest, a 5 % reduction in promoters contribution and exemptions from payment of initial processing and documentation charges, legal charges, front-end-fee, expenditure incurred on Nominee Director(s) and inspection fees, have been extended. Further, the projects assisted by the Company have provided gainful direct and indirect employment to a large number of women, thereby leading to a rise in their overall standard of living.

MEMORANDUM OF UNDERSTANDING (MoU)

Your Company entered into an MoU with the MNES for the year 1995-96. The Company has achieved "Excellent" rating for the year on the basis of comprehensive evaluation of its performance.

IREDA AS A PUBLIC FINANCIAL INSTITUTION

Your Directors are happy to inform you that the Government has declared your Company as a Public Financial Institution under Section 4A of the Companies Act, 1956. This has, in addition to other benefits under the Income Tax Act, empowered the Company to file its claims for recovery of its overdue with the Debt Recovery Tribunal. This will speed up realisation of overdue.

IREDA'S PROGRAMMES AS SOCIALLY ORIENTED SECTOR

Considering the nature of the programmes being implemented by your Company, the Planning Commission has decided to include the programmes of your Company for being eligible for allocation of funds as "Socially Oriented Sector." An allocation of Rs.7.50 crores was made under this head during 1995-96.

INTERNATIONAL CO-OPERATION

Your Company has been maintaining close collaboration with the World Bank, Swiss Development Cooperation, Asian Development Bank, Danish International Development Agency and the Governments of Netherlands, Norway and Federal Republic of Germany. It has further signed MoUs with a number of prominent



Signing of MoU with US Export Council for Renewable Energy (US/ECRE) for co-operation in project development and commercialisation of renewable energy technologies in India.

international organisations/institutions for exchange of information and promotion of renewables in the country.

During 1995-96, your Company signed MoUs with IT Power Ltd and ETSU, UK, United States Export Council for Renewable Energy and the Centre for Renewable Energy & Sustainable Technology, USA and International Centre for Application of Solar Energy, Australia. This will help your Company to have wider access to technical information and expertise from abroad.

DISSEMINATION OF INFORMATION

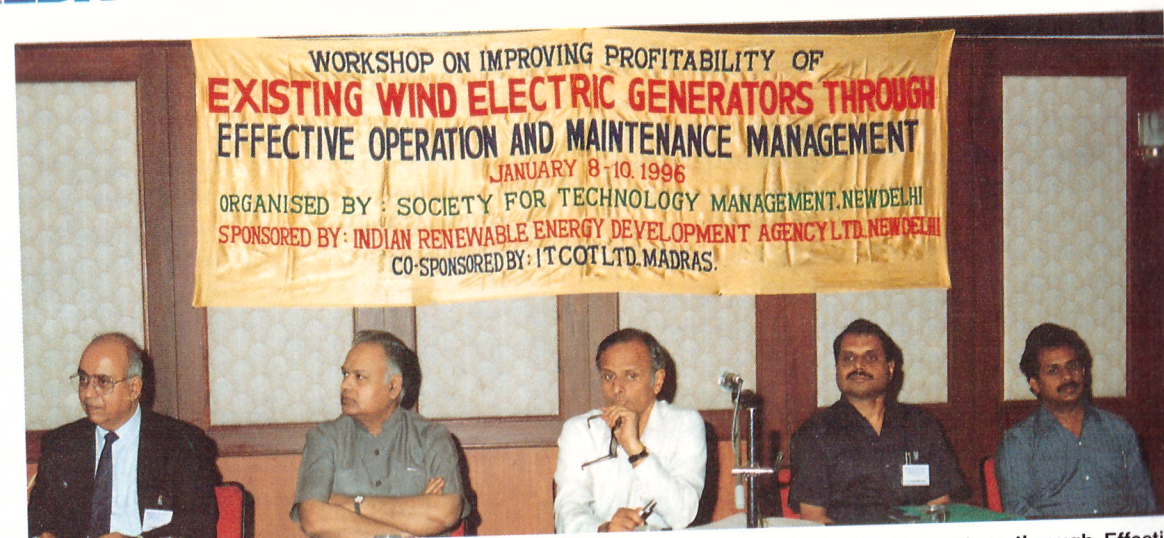
The importance of creating greater awareness of renewable energy technologies, systems and devices is of paramount importance. During the last few years concerted efforts have been made by the Government, your Company and those engaged in this field to spread the message of renewables. However, much more



IREDA sponsored 'National Training Programme on Economic and Financial Analysis of Renewable Energy Technologies' held at Hyderabad, Andhra Pradesh.



Inauguration of Solar Photovoltaic Training Programme at I.I.T., Madras by Prof. P. J. Kurien, former Hon'ble Minister of State for Non-Conventional Energy Sources.



IREDA sponsored 'Workshop on Improving Profitability of Existing Wind Electric Generators through Effective Operation and Maintenance Management' held at Madras, Tamil Nadu.

requires to be done especially in the rural areas. Your Company utilised the print and the electronic media, both national and regional, to disseminate information about the renewable energy systems and devices. Video films in various Indian languages in respect of major technologies have been prepared and are distributed free for larger viewing. These films also educate the users about the maintenance of the systems. Brochures and other publicity material were also printed in local languages and distributed for the benefit of the industry, entrepreneurs and the consumer.

The message of renewable energy movement was also propagated by organising Seminars, Workshops and Business Meets, which incidentally also helped in the generation of large number of projects.

A quarterly publication under the title "IREDA NEWS" is being brought out regularly to highlight current developments in NRSE sector and the activities of the Company, besides providing a forum for those connected with NRSE sector to exchange ideas. During the year, a number of improvements were made in the quality and the coverage of the publication, which has received all-round appreciation.

HUMAN RESOURCE DEVELOPMENT

The importance of Human Resource Development in an expanding organisation like your Company, which deals with technologies that are undergoing rapid developments cannot be over emphasised. The Company has been sponsoring officers at all levels for short-term training courses in India and abroad. Further, they were deputed to attend seminars on specific technical and professional

subjects. The entire staff has been imparted computer training by a professional organisation so that they can efficiently operate computers. The above approach has considerably improved the skills, knowledge and understanding of the staff members. The task for assessing the training needs of the staff has been assigned to a reputed Consultant.

INSTITUTIONAL DEVELOPMENT

In a developing institution like IREDA, institutional development assumes added importance so as to meet the increasing demands of its diversified activities. The Company has suitably strengthened its manpower, imparted training to the staff and equipped the



Distribution of Certificates by Managing Director on successful completion of 'In-house Computer Training Programme' of IREDA employees.

organisation to meet its needs speedily and efficiently. The software development needs of the Finance Department have been identified and a similar exercise is in progress for other Departments. On the completion of this exercise, the development of application-based software will be assigned to professional firms. Local Area Network (LAN) with two Servers, a Work Station and an Ethernet with a connectivity has been installed which will provide speedy accessibility and retrieval of information data-base maintained by the Company. E-Mail connectivity is operational.

CORPORATE PLAN AND THE PERSPECTIVE PLAN

The long-term perspective has also not been ignored. With this in view, your Company has got the Corporate Plan and the Perspective Plan upto 2010 prepared from a reputed institution. The Company has now a well defined Mission and goals for the achievement of which it will dedicate itself.

RESERVATION FOR SC/ST/OBC

In accordance with the Government policy, your Company has been making sustained efforts to ensure that the posts reserved for SCs/STs/OBCs are filled up by the candidates belonging to these categories.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

Your Company has continuously been making efforts to implement the Official Language Policy of the Government. In order to propagate the progressive use



Distribution of certificates by Shri. B.R. Prabhakara, former Secretary, MNES & Chairman, IREDA on Hindi Divas.

of Hindi, the meetings of Hindi Karyavan Samiti are held regularly under the Chairmanship of the Managing Director. Your Company also organised Hindi Divas and workshops to educate the employees about the Official Language Policy. A second Sub-Committee of Parliament on Official Language visited your Company during the year to inspect the implementation of Official Language Policy. It was satisfied with the progress made by your Company in this regard.

AUDITORS

M/s Uberoi, Sood and Kapoor, Chartered Accountants, New Delhi were re-appointed as Statutory Auditors of the Company for the financial year 1995-96 by the Company Law Board, Government of India.

AUDIT REVIEW

The comments of the Comptroller and Auditor General of India on the Accounts together with Review on Accounts, Statutory Auditors Report to the Members and comments of the Management thereon are annexed (Annexure VI).

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] is given in Annexure VII.

FOREIGN EXCHANGE EARNINGS AND OUTGO

A net receipt in foreign exchange equivalent to Rs. 416.93 lakhs was earned during 1995-96.

INDUSTRIAL RELATIONS

Your Company continued to maintain healthy, cordial and harmonious relations with the employees during the year under review and the grievances of employees were redressed through dialogues/discussions by the Director (Grievance).

VIGILANCE

Your Company has been paying attention to preventive vigilance. The Government of India appointed Dr. B.S.K. Naidu, General Manager (PTS) as a part-time Chief Vigilance Officer of the Company.

BOARD OF DIRECTORS

ACKNOWLEDGEMENTS

The Board of Directors express their gratitude to Shri S. Krishnakumar, former Hon'ble Minister of State for Non-Conventional Energy Sources & Agriculture and Prof. P. J. Kurien, former Hon'ble Minister of State for Non-Conventional Energy Sources for the guidance given by them during their tenure.

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

The Directors thank the Comptroller & Auditor General of India, the Statutory Auditors, the Bankers, Bondholders and clients of the Company 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. But for their unstinted co-operation, these achievements would not have been possible.

for and on behalf of the Board of Directors

LALITHA BALAKRISHNAN
Director

V BAKTHAVATSALAM
Managing Director

Place : New Delhi
Date : 27th September, 1996

ANNEXURE-I

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

(Rs. in Crores)

Name of State/ Union Territory	1987-88			1988-89			1989-90			1990-91			1991-92			1992-93			1993-94			1994-95			1995-96			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.	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	0	0.00	0	0.00	4	0.65	3	0.55	4	0.85	6	0.68	9	8.79	10	28.09	29	58.02	65	97.63								
Bihar	0	0.00	0	0.00	1	0.25	2	0.90	0	0.00	0	0.00	1	1.50	0	0.00	1	0.10	5	2.75								
Gujarat	1	0.10	2	0.26	5	0.27	4	0.53	1	0.02	4	1.81	5	14.63	12	15.81	14	43.60	48	77.03								
Goa	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.03	0	0.00	1	0.03								
Haryana	0	0.00	0	0.00	1	0.25	1	0.50	5	1.47	1	0.04	2	0.18	3	3.13	2	5.40	15	10.97								
Himachal Pradesh	1	0.50	0	0.00	0	0.00	1	1.43	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3	3.18								
Jammu & Kashmir	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	1.25								
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	28	60.76	75	117.86								
Kerala	0	0.00	0	0.00	0	0.00	0	0.00	2	5.02	4	11.85	3	34.77	6	60.18	15	111.82	15	111.82								
Madhya Pradesh	0	0.00	3	0.02	1	0.12	7	15.01	6	2.90	3	0.76	4	4.15	8	10.33	11	10.60	43	43.89								
Maharashtra	1	0.14	3	0.53	1	0.03	11	1.10	8	1.94	14	1.22	16	1.58	13	3.95	24	36.90	91	47.39								
National Capital Territory of Delhi	1	0.01	0	0.00	0	0.00	1	0.01	0	0.00	0	0.00	1	0.38	2	0.85	11	8.10	16	9.35								
Orissa	0	0.00	1	0.25	0	0.00	0	0.00	4	5.72	0	0.00	0	0.00	0	0.00	0	0.00	5	5.97								
Punjab	2	1.91	0	0.00	2	0.32	3	0.65	0	0.00	1	0.38	0	0.00	1	0.03	0	0.00	9	3.29								
Rajasthan	0	0.00	1	0.49	0	0.00	5	0.24	0	0.00	1	0.68	3	0.82	2	1.94	3	0.77	15	4.94								
Tamil Nadu	5	1.02	5	1.54	7	2.13	3	0.56	15	6.14	11	16.90	20	68.24	66	131.31	126	314.30	258	542.14								
Uttar Pradesh	6	1.90	4	0.96	6	1.50	8	3.62	5	3.48	1	0.02	2	3.34	4	3.94	5	1.98	41	20.74								
West Bengal	1	0.05	0	0.00	1	0.03	1	0.09	1	0.98	6	1.49	1	0.21	2	0.27	4	2.95	17	6.07								
Total 'A'	19	5.66	20	4.17	31	5.83	54	26.04	52	24.84	56	30.74	93	160.94	135	242.54	265	604.91	725	1105.67								
B. UNION TERRITORY																												
Andaman-Nicobar	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.11	0	0.00	1	0.11								
Jaman	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	1.45	0	0.00	0	0.00	1	1.45								
Pondicherry	0	0.00	0	0.00	0	0.00	1	0.25	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.25								
Total 'B'	0	0.00	0	0.00	0	0.00	1	0.25	0	0.00	0	0.00	1	1.45	1	0.11	0	0.00	3	1.81								
Grand Total 'A'+ 'B'	19	5.66	20	4.17	31	5.83	55	26.29	52	24.84	56	30.74	94	162.39	136	242.65	265	604.91	728	1107.48								

ANNEXURE-II
SECTORWISE AND YEARWISE SANCTIONS DURING 1987-88 TO 1995-96

(Rs. In lakhs)

Category	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	Cumulative
Wind Energy	0.00	0.00	161.70	25.00	552.66	1630.86	7738.65	14025.62	32714.36	56848.85
Small Hydro	0.00	0.00	0.00	1375.79	571.70	540.50	4994.11	5311.70	11878.00	24671.80
Solar Energy	83.10	80.48	64.81	353.89	139.81	174.06	1929.01	1958.90	9079.66	13863.72
Biogas Generation	200.00	213.50	225.00	583.60	939.10	454.62	1212.15	1006.30	499.27	5333.54
Co-generation	0.00	0.00	0.00	0.00	100.00	0.00	200.00	850.00	3985.00	5135.00
Agro-Waste/MSW based Power	160.00	0.00	0.00	50.00	0.00	0.00	0.00	900.00	2200.00	3310.00
Briquetting/MSW	40.00	117.40	95.16	228.92	144.78	233.76	95.27	212.43	84.20	1251.92
Biomass Gasification	15.25	0.00	0.00	9.00	0.00	32.58	70.00	0.00	51.00	177.83
Improved Chullahs/Tropiculator	3.18	0.00	36.20	3.15	0.00	7.16	0.00	0.00	0.00	49.69
Miscellaneous	65.10	5.18	0.00	0.00	36.00	0.00	0.00	0.00	0.00	106.28
Total	566.63	416.56	582.87	2629.35	2484.05	3073.54	16239.19	24264.95	60491.49	110748.63

ANNEXURE-III
CUMULATIVE STATEWISE DISBURSEMENT UPTO 1995-96

(Rs. In lakhs)

Name of the State /U.T.	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	Total
A. State										
Andhra Pradesh	0.00	0.00	25.17	78.92	57.44	44.02	312.62	922.14	2515.76	3956.07
Bihar	0.00	0.00	0.00	25.00	12.09	0.00	0.00	0.00	0.00	37.09
Gujarat	1.55	8.70	4.50	31.93	55.36	1.72	233.66	1303.68	2764.13	4405.23
Haryana	0.00	0.00	0.00	21.00	2.68	1.32	16.93	279.32	20.11	341.36
Himachal Pradesh	30.00	20.00	0.00	143.33	0.00	0.00	0.00	0.00	0.00	193.33
Karnataka	0.00	11.78	3.75	4.17	61.60	90.74	175.08	959.38	1345.01	2651.51
Kerala	0.00	0.00	0.00	0.00	0.00	265.60	215.73	0.00	619.85	1101.18
Madhya Pradesh	0.00	0.00	0.00	262.47	232.31	586.18	148.08	339.21	758.14	2326.39
Maharashtra	0.00	45.00	7.50	77.97	68.02	85.05	88.25	263.51	139.17	774.47
National Capital Territory of Delhi	0.00	0.00	0.00	0.00	0.00	0.00	4.73	0.00	32.00	36.73
Orissa	0.00	0.00	0.00	0.00	0.00	118.09	262.72	0.00	0.00	380.81
Punjab	27.35	163.65	6.25	42.24	32.77	6.19	0.00	1.50	1.01	280.96
Rajasthan	0.00	0.00	48.75	0.00	12.71	1.10	4.98	131.00	41.39	239.93
Tamil Nadu	46.20	64.30	218.36	77.27	95.68	550.07	3723.64	8783.29	15455.45	29014.26
Uttar Pradesh	50.00	147.30	177.31	58.62	290.85	14.33	258.56	19.30	135.00	1151.27
West Bengal	0.00	5.00	0.00	0.00	97.45	52.94	16.93	27.16	4.99	204.47
Total 'A'	155.10	465.73	491.59	822.92	1018.96	1817.35	5461.91	13029.49	23832.01	47095.06
B. Union Territory										
Daman	0.00	0.00	0.00	0.00	0.00	0.00	130.00	0.00	15.00	145.00
Total 'B'	0.00	0.00	0.00	0.00	0.00	0.00	130.00	0.00	15.00	145.00
Grand Total 'A'+ 'B'	155.10	465.73	491.59	822.92	1018.96	1817.35	5591.91	13029.49	23847.01	47240.06

ANNEXURE-IV

SECTORWISE AND YEARWISE DISBURSEMENTS 1987-88 TO 1995-96

(Rs. In lakhs)

S.No.	Sector	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	Cumulative
1	Bio-Gas Generation	70.00	380.90	212.20	141.24	564.82	300.66	389.88	893.64	408.60	3361.94
2	Briquetting	25.00	10.00	62.91	107.02	101.97	52.31	99.34	40.45	66.12	565.12
3	Co-generation	0.00	0.00	0.00	0.00	0.00	0.00	50.00	150.00	2348.00	2548.00
4	Gasifier	1.55	8.70	0.00	0.00	9.00	0.00	11.34	0.00	0.00	30.59
5	Small Hydro	0.00	0.00	0.00	262.47	219.00	825.58	524.22	606.27	1006.24	3443.78
6	Solar	58.55	28.65	87.48	276.66	60.98	123.66	715.54	857.76	1697.89	3907.17
7	Wind Energy	0.00	0.00	129.00	21.00	58.87	515.14	3801.59	10474.59	17230.78	32230.97
8	Bio Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1089.00	1089.00
9	Others	0.00	37.48	0.00	14.53	4.32	0.00	0.00	6.78	0.38	63.49
Total		155.10	465.73	491.59	822.92	1018.96	1817.35	5591.91	13029.49	23847.01	47240.06

ANNEXURE-V

SECTORWISE OVERDUES AS ON 31.3.96

S. No	Category	Amount (Rs. in lakhs)	% of Recovery
1	Biomass Utilization	282.61	64.05
2	Briquetting	166.42	7.60
3	Solar Thermal	23.28	85.67
4	Wind	340.19	92.95
5	Co-generation	249.92	12.97
6	Small Hydro	47.64	88.31
7	SPV	10.58	95.13
8	Others	0.60	98.04
Total		1121.24	83.75

ANNEXURE-VI

ANNEXURE TO THE DIRECTORS' REPORT

Addendum-I

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 31st March, 1996:

[As Conveyed vide letter No. MAB-II/CAD-I/15-1/95-96/1023 dated 27th September, 1996 by the Office of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board-II, New Delhi]

PROFIT & LOSS ACCOUNT:

INCOME

Other Income (Schedule "N") -Rs. 4,37,73,129/-

This includes an amount of Rs. 319.76 lakhs being the Commitment Fee received from the Borrowers. As Commitment Fee is collected in the course of the normal business of the Company, this amount should have been shown distinctly under the head "Income from Operations" and not as "Other Income".

Noted.

EXPENDITURE

Administrative & Others (Schedule "P"). Rs. 2,78,66,305/-.

This includes Rs. 22.50 lakhs being the amount of fee paid to the Registrar of Companies on account of increase in Authorised Share Capital in 1994-95, which should have been shown under "Prior Period Adjustments". As this was not done, Administrative and other expenditure has been over-stated by Rs.22.50 lakhs and Profit for the year under-stated to the same extent.

Noted.

for and on behalf of the Board of Directors

SHAILENDRA PANDEY
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-II.
Place : New Delhi
Date : 27th September, 1996

LALITHA BALAKRISHNAN V BAKTHAVATSALAM
Director Managing Director

Place : New Delhi
Date : 27th September, 1996

**REVIEW OF ACCOUNTS OF INDIAN RENEWABLE ENERGY DEVELOPMENT
AGENCY LTD FOR THE YEAR ENDED 31ST MARCH 1996 BY THE COMPTROLLER
AND AUDITOR GENERAL OF INDIA**

Note: Review of Accounts has been prepared without taking into account comments under Section 619(4) of the Companies Act, 1956 and qualifications contained in the Statutory Auditors' Report.

1. Financial Position

The table below summarises the financial position of the Company under broad headings for the last three years:

LIABILITIES	1993-94	1994-95	1995-96
			(Rs. in lakhs)
a) Paid up Capital			
i) Government	2400.00	2500.00	6235.00
ii) Others	—	—	—
iii) Share Application Money	—	1335.00*	—
b) Reserves & Surplus			
i) Free Reserves & Surplus	1079.43	1558.25	2160.15
ii) Capital Grants	6.28	250.98	275.62
iii) Share Premium Account	—	—	—
iv) Capital Reserves	1678.59	5817.59	6100.17
BORROWINGS			
c) i) From Govt. of India	—	—	5149.00
ii) From Financial Institutions	—	—	7540.00
iii) Foreign Currency Loans	—	—	—
iv) Cash Credit	—	—	—
v) Others (Tax free bonds)	2500.00	7500.00	10500.00
vi) Interest accrued and due	—	—	—
d) i) Current Liabilities & Provisions	4516.22	6458.80	9179.13
ii) Provision for Gratuity	—	—	—
TOTAL	12180.52	25420.62	47139.07

* From Government of India

ASSETS	1993-94	1994-95	1995-96
e) Gross Block	39.16	356.01	639.42
f) Less: Depreciation	16.74	41.71	90.69
g) Net Block	22.42	314.30	548.73
h) Capital works in progress	219.95	218.58	0.25
i) Investments	—	12.00	12.00
j) Current Assets, Loans & Advances	11917.07	24738.94	46232.39
k) Misc-expenditure not written off	21.08	136.80	345.70
l) Accumulated loss	—	—	—
TOTAL	12180.52	25420.62	47139.07
m) Working Capital {j-d(i)-c(vi)}	7400.85	18280.14	37053.26
n) Capital Employed	5279.43	12175.75	30384.15
o) Net Worth [a+b(i)-k-1]	3458.35	5256.45	8049.45
p) Net Worth per Rupee of paid up capital (in Rs.)	1.44	2.10	1.29

2. Ratio Analysis

Some important financial ratios on the financial health and working of the Company at the end of last 3 years are as under:

	1993-94	1994-95	1995-96
A. Liquidity Ratio			(In percentage)
Current Ratio (Current Assets to Current Liabilities & Provisions and interest accrued & due but excluding provisions for Gratuity [j/d(i)+c(vi)])	263.87	383.03	503.67
B. Debt Equity Ratio			
Long term Debt to Net Worth [c(i) to v but excluding short term loans/(o)]	72.28	142.68	288.08
C. Profitability Ratios			
a) Profit before Tax to			
i) Capital employed	8.69	6.18	4.95
ii) Net Worth	13.27	14.32	18.69
iii) Operational Income	63.46	64.03	50.71
b) Profit after Tax to Equity	12.87	21.15	12.07
c) Earning per share (in Rupees)	128.75	211.53	120.67

3. SOURCES AND USES OF FUNDS:

Funds amounting to Rs. 19263.06 lakhs were generated and utilised during 1995-96 as given below:

SOURCES OF FUNDS

Funds from operations:

Profit After Tax	752.37	
Add: Preliminary expenses	0.17	
Miscellaneous expenses written off	63.42	
	815.96	
Less: Profit on sale of Fixed Assets	(-) 0.21	
Miscellaneous income (Capital grant)	(-) 29.92	
	785.83	
Add: Depreciation	50.32	836.15
Others		
World Bank Project Grants		282.58
Capital Grants		54.56
Issue of Shares		2400.00
Term loan from FIs/Bank		7540.00
Tax Free Bonds		3000.00
Loan from Government of India		5149.00
Sale of Fixed Assets		0.77
Total		19263.06

UTILISATION OF FUNDS

Increase in Fixed Assets	285.31	
Less: Decrease in Capital work-in-progress	218.33	66.98
Increase in working capital		18897.78
Bond / Loan raising expenses		272.50
Dividend Payment		25.80
Total		19263.06

4. WORKING RESULTS

	1993-94	1994-95	1995-96
Gross Income	837.46	1386.05	3422.99
Profit Before Tax	458.87	752.83	1504.18
Profit After Tax	308.99	528.83	752.37
Percentage of Profit Before Tax			
(a) To Gross Income	54.79	54.31	43.94
(b) To Capital Employed	8.69	6.18	4.95
Percentage of Profit After Tax			
(a) To Net Worth	8.93	10.06	9.35
(b) To Equity Capital	12.87	21.15	12.07

5. LOAN DISBURSED

The following table indicates the loans disbursed, interest on outstanding loans, repayment received and amount outstanding at the end of the last three years ending 31st March, 1996 are:

Year	Balance outstanding at the beginning of the year				Loans disbursed during the year	Interest for the year on outstanding loans	Repayments received during the year	Amount outstanding at the end of the year			
	Repayment outstanding but not due	Repayment due	Total	Interest accrued and due				Repayment outstanding but not due	Repayment due	Total	Interest accrued and due
1993-94	3452.36	96.65	3549.01	17.48	5616.91	403.00	920.28	8197.84	47.80	8245.64	3.62
1994-95	8197.84	47.80	8245.64	3.62	13091.16	1015.00	2142.01	18997.51	197.29	19194.80	52.27
1995-96	18997.51	197.29	19194.80	52.27	23847.07	3041.00	3613.29	38672.70	755.87	39428.57	365.37

Place: New Delhi
Date : 27th September, 1996

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

Annexure to the Directors' Report

Comments of IREDA's Management on Statutory Audit Report [Required under Section 217 (3) of the Companies Act, 1956]

- 4(i) As per the terms and conditions of lending, the Company takes post dated cheques as part of security to ensure timely recovery of the instalments. In case the borrower fails to pay the loan instalments on the due dates, the post dated cheques are sent for collection and legal action initiated in case of dishonour. As per Prudential Norms of Reserve Bank of India, the Company has to classify its assets as standard, sub-standard, doubtful and loss and create provision as per RBI norms. The classification and provisioning have been done as per the RBI norms and also as per the legal opinion obtained in those cases.
- 4(ii) During the year 1995-96, IREDA made a provision of Rs. 2.77 crores for sub-standard/doubtful assets, as per the RBI guidelines for the assets classification and provisioning. The realisable value of security in respect of 14 borrowers has been worked out based on the cost of assets given as security reduced by depreciation upto 31st March, 1996. Based on the W.D.V. as on 31.3.1996, necessary provision has been made for sub-standard and doubtful assets, which is in order.
- 4(iii) As per the Company's records, only six borrowers have taken loan from other financial institutions/banks. Loan availed of by two borrowers have been taken into account while making

provision/classification, as per RBI guidelines. The Auditors' observations are noted for future guidance.

- 4(iv) As per terms of issue of tax free bonds, the tax free bonds are secured by Negative Lien on the book debts of the company. This was indicated/ will be indicated on the bond certificates. The trustees to the tax free bonds are also aware of this. This practice is being followed by other PSUs also. As per the legal opinion, the borrowings covered by Negative Lien are secured loan. Therefore, the loan classification is in order.
- 4(v) As per the terms and conditions of HUDCO loan, they have accepted Negative Lien on book debts as security for the term loan. Since loan covered by Negative Lien is a secured loan, as per the legal opinion, the classification of loan in our books is in order.
- 4(vi) The Ministry of Urban Development is yet to enter into an agreement with the India Habitat Centre. IHC can enter into agreement with IREDA only after signing lease agreement with the Ministry of Urban Development. This is the position in respect of other occupants of IHC also.

for and on behalf of the Board of Directors

LALITHA BALAKRISHNAN
Director

V BAKTHAVATSALAM
Managing Director

Place : New Delhi
Date : 27th September, 1996

INFORMATION AS PER SECTION 217 (2) (A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) (AMENDMENT) RULES, 1990 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1996

Sl No	Name	Age (yrs)	Designation/ Nature of Duties	Nature of Employment	Remuneration Received (Rs.)	Qualifications	Date of Commencement of Employment/ Experience (No. of years)	Last Employment
1	2	3	4	5	6	7	8	9

A. Employed throughout the financial year under review and were in receipt of remuneration of not less than Rs. 3,00,000/- per annum or Rs. 25,000/- per month

1.	Dr. V. Bakthavatsalam	52	Managing Director	Presidential Appointment	3,56,030	B.E., (Mech.) MBA (Mkt.), D.Sc. (Renewable Energy)	1.2.89/27	Managing Director, Non-Conventional Energy Dev. Corpn. of A.P. Ltd., Hyderabad
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B. Employed for a part of the year and were in receipt of remuneration of not less than Rs. 25,000/- p.m.

Nil

Notes:

- Remuneration includes all salary, allowances, leave encashments, value of perquisites and Company's contribution towards Provident Fund.
- The above employee is not related to any of the Directors within the meaning of Section 6 of the Companies Act, 1956.

AUDITORS' REPORT

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

We have audited the attached Balance Sheet as at March 31, 1996 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:

1. 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.
2. 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.
3. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts of the Company.
4. 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 'R' thereon, and subject to:
 - i) Note No. 15, regarding classification and consequent inadequate provision in respect of loan of Rs. 602 lakhs.
 - ii) Note No. 16, regarding the basis of valuation of security for making provisions for non performing assets.
 - iii) Note No. 17, regarding non-availability of confirmation from participating institutions in case of Joint/Consortium Finance and consequent change in classification and short provision, if any.
 - iv) Note No. 18, regarding security for Tax Free Bond Series I, II and III.
 - v) Note No. 19, regarding Security for loan from HUDCO.
 - vi) Note No. 20, regarding non-execution of lease documents in respect of office building from INDIA HABITAT CENTRE.

give the information required by the Companies Act, 1956 in the manner so required and give true and fair view:

- a) In the case of Balance Sheet, of the state of the Company's affairs as at March 31, 1996; and
 - b) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
5. 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:
- a) 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.
 - b) No fixed assets of the Company have been revalued during the year.
 - c) 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.
 - d) 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.
 - e) 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.
 - f) 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.

- g) 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.
- h) The Company has not accepted deposits from the public.
- i) The Company has an adequate internal audit arrangement commensurate with its size and nature of its business.
- j) The Central Government has not prescribed maintenance of cost records under Section 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 : 24th August, 1996

(S D SHARMA)
PARTNER

BALANCE SHEET AS AT 31st MARCH, 1996

	SCHEDULE	As at 31.3.96 Rs.	As at 31.3.95 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	623,500,000	250,000,000
Share Application Money		—	133,500,000
Reserves and Surplus	B	826,032,733	737,584,457
Capital Grants			
Loan Funds	C	27,561,729	25,098,075
Secured Loans	D	1,729,000,000	750,000,000
Unsecured Loan	E	589,900,000	—
		3,795,994,462	1,896,182,532
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	F	63,942,226	35,600,961
Less : Depreciation		9,069,394	4,171,009
Net Block		54,872,832	31,429,952
Capital Works-in-progress	G	25,305	21,858,040
Investments	H	1,200,000	1,200,000
Current Assets, Loans & Advances			
Current Assets	I	525,072,385	450,344,173
Loans & Advances	J	4,098,166,260	2,023,549,881
		4,623,238,645	2,473,894,054
Less : Current Liabilities & Provisions			
Current Liabilities	K	789,857,543	602,692,628
Provision for Taxation	L	128,055,350	43,187,171
		917,912,893	645,879,799
Net Current Assets		3,705,325,752	1,828,014,255
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		17,159	34,317
Energy Bond Issue expenses		34,553,414	13,645,968
		3,795,994,462	1,896,182,532
Accounting Policies and Notes on Accounts	R		

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 : 24th August, 1996

C P MALHOTRA
Executive Director

R K SACHDEVA
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 1996

	SCHEDULE	As at 31.3.96 Rs.	As at 31.3.95 Rs.
INCOME			
Interest on Loans & Deposits	M	296,621,009	117,578,132
Application fee		1,905,000	757,500
Other Income	N	43,773,129	20,268,886
		342,299,138	138,604,518
EXPENDITURE			
Personnel	O	11,524,453	10,503,988
Administrative and Others	P	27,866,305	18,312,069
Depreciation		5,031,825	2,626,099
Interest on borrowings	Q	110,937,487	23,679,425
Interest tax		9,687,180	3,885,371
Provision for bad and doubtful debts		27,700,000	4,961,531
		192,747,250	63,968,483
PROFIT FOR THE YEAR			
Prior period Adjustments (net)		149,551,888	74,636,035
Add: Excess Provision made in earlier years written back		(1,589,223)	365,031
		2,455,611	281,717
PROFIT BEFORE TAX			
Provision for Income-tax		150,418,276	75,282,783
		75,181,000	22,400,000
PROFIT AFTER TAX			
		75,237,276	52,882,783
Carried forward Surplus		92,783	
Add: Transfer from General Reserve		4,500,000	
PROFIT AVAILABLE FOR APPROPRIATION			
		79,830,059	52,882,783
APPROPRIATIONS			
Special Reserve		14,750,000	32,100,000
Debenture Redemption Reserve		50,000,000	11,190,000
General Reserve			4,500,000
Proposed Dividend (including interim dividend)		15,047,000	5,000,000
Surplus carried to Balance Sheet		33,059	92,783
		79,830,059	52,882,783
Accounting Policies and Notes on Accounts	R		

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 : 24th August, 1996

C P MALHOTRA
Executive Director

R K SACHDEVA
Company Secretary

Schedules to Financial Statements for the year ending 31st March, 1996

Particulars	As at 31.3.96 Rs.	As at 31.3.95 Rs.
A. SHARE CAPITAL		
Authorised		
10,00,000 (10,00,000) Equity Shares of Rs. 1,000 each	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid up		
6,23,500 (2,50,000) Equity Shares of Rs. 1,000 each fully paid up	623,500,000	250,000,000
	623,500,000	250,000,000
B. RESERVES & SURPLUS		
Capital Reserve :		
Grant-in-Aid from :		
Government of Netherlands	167,858,986	167,858,986
World Bank - Project Grant	442,158,000	413,900,000
	610,016,986	581,758,986
Special Reserve under Section 36(1)(viii) of the Income-Tax Act, 1961		
Balance from Previous year	96,173,145	64,073,145
Addition during the year	14,750,000	32,100,000
	110,923,145	96,173,145
Debenture Redemption Reserve		
Balance from Previous year	55,059,543	43,869,543
Addition during the year	50,000,000	11,190,000
	105,059,543	55,059,543
General Reserve:		
Balance from Previous year	4,500,000	—
Transferred to Profit & Loss A/c	(4,500,000)	4,500,000
	—	4,500,000
Surplus:		
Balance from Previous year	92,783	—
Less: Transfer to Profit & Loss Appropriation A/C	(92,783)	92,783
Add : Transfer from Profit & Loss A/C	33,059	—
	33,059	92,783
	826,032,733	737,584,457
C. CAPITAL GRANTS		
a. Capital Grant from World bank for purchase of Fixed Assets		
Balance from Previous year	25,098,075	628,023
Received during the year	5,456,149	25,895,156
	30,554,224	26,523,179
Less: Transferred to Miscellaneous Income	2,992,495	1,425,104
	27,561,729	25,098,075

Schedules to Financial Statements for the year ending 31st March, 1996

Particulars	As at 31.3.96 Rs.	As at 31.3.95 Rs.
D. SECURED LOANS		
9% Tax free Secured Redeemable Energy Bonds (Series I)		
Redeemable at par after the expiry of 10 years i.e., on 19.02.2001	250,000,000	250,000,000
10% Tax free Secured Redeemable Energy Bonds (Series II)		
Redeemable at par after the expiry of 7 years i.e., on 20.03.2002	1,000,000	1,000,000
10.5% Tax free Secured Redeemable Energy Bonds (Series II)		
Redeemable at par after the expiry of 7 years as under:		
Tranche I on 20.3.2002	150,000,000	150,000,000
Tranche II on 23.3.2002	100,000,000	100,000,000
Tranche III on 29.3.2002	199,000,000	199,000,000
Tranche IV on 30.3.2002	50,000,000	50,000,000
10.5% Tax free Secured Redeemable Energy Bonds (Series III)		
Redeemable at par after the expiry of 7 years, i.e., on 30.03.2003	300,000,000	—
The Above Bonds		
i) Are secured in regard to payment of interest and repayment of principal by a charge on the current Assets		
ii) Are redeemable with buy back facility at par on the expiry of lock-in-period of 3 years upto the face value of Rs. 40,000/- per bond holder.		
Term loans		
Canara Bank	179,000,000	—
HUDCO Loan	500,000,000	—
	1,729,000,000	750,000,000
E. UNSECURED LOAN		
Life Insurance Corporation of India (Guaranteed by the Government of India)	75,000,000	—
GOVERNMENT LOANS		
Against		
IDA Credit	414,900,000	—
DANIDA Credit	100,000,000	—
	589,900,000	—

Schedules to Financial Statements for the year ending 31st March,1996

F. FIXED ASSETS

(Amount in Rs.)									
Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1.4.1995	Additions during the year	Disposals/ written off during the year	As at 31.03.96	As at 1.4.1995	For the year	Disposals/ written off during the year	As at 31.03.1996	As at 31.03.1995
Buildings-residential-freehold	4,143,149	—	—	4,143,149	160,050	199,155	—	359,205	3,983,099
Buildings-office-leasehold	23,349,369	85,189	—	23,434,558	438,200	1,149,818	—	1,588,018	22,911,169
Office Equipment	2,384,457	743,555	15,844	3,112,168	634,349	268,208	12,504	890,053	1,750,108
Computers	1,927,681	26,890,276	—	28,817,957	1,029,249	2,700,930	—	3,730,179	898,432
Furniture & Fixtures	3,407,293	480,764	57,662	3,830,395	1,549,155	607,155	30,670	2,125,640	1,858,138
Vehicles	116,270	252,207	116,270	252,207	87,264	27,509	90,266	24,507	29,006
Library	272,742	79,050	—	351,792	272,742	79,050	—	351,792	—
	35,600,961	28,531,041	189,776	63,942,226	4,171,009	5,031,825	133,440	9,069,394	54,872,832
Previous year	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

G. CAPITAL WORK IN PROGRESS

Particulars	As at 31.3.96 Rs.	As at 31.3.95 Rs.
Advances for capital expenditure:		
Computers	—	21,551,300
EPABX	—	306,740
Furniture (Interior Decoration)	25,305	—
	25,305	21,858,040

H. INVESTMENTS (unquoted)

120,000 Equity shares of Rs. 10/- in MP WIND FARMS LTD fully paid up

1,200,000	1,200,000
1,200,000	1,200,000

I. CURRENT ASSETS

1. Cash and Bank Balances

Cash in hand (imprest)	23,874	104,255
Cheque in hand	75,000,000	—
Bank balances		
With Scheduled Banks		
a) In Current Account	68,681,624	183,833,326
b) In Deposit Account		
—Short term Deposit	313,900,000	225,600,000
—Special Dollar Deposit	4,101,344	3,128,928
	461,706,842	412,666,509

2. Interest accrued but not due on Loans and Deposit

63,365,543	37,677,664
525,072,385	450,344,173

Schedules to Financial Statements for the year ending 31st March,1996

Particulars	As at 31.3.96 Rs.	As at 31.3.95 Rs.
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J. LOANS & ADVANCES

Loans to constituents

As per last balance sheet

Add: Disbursements during the year*

1,919,479,553	824,564,439
2,384,706,542	1,309,115,847

Less: Repayment during the year*

4,304,186,095	2,133,680,286
361,328,682	214,200,733

Less: Provision for bad and doubtful debts

3,942,857,413	1,919,479,553
(32,661,531)	(4,961,531)

3,910,195,882	1,914,518,022
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Interest accrued and due on Loans

14,528,424	1,700,571
------------	-----------

Loans to Employees

3,229,720	1,920,498
-----------	-----------

3,927,954,026	1,918,139,091
----------------------	----------------------

Advances (Unsecured, considered good)

(Recoverable in cash or in kind or for value to be received)

Security Deposits

132,280	109,703
---------	---------

Staff Advances

290,931	525,814
---------	---------

Others

62,386,327	58,395,930
------------	------------

Advance Tax

107,402,696	46,379,343
-------------	------------

170,212,234	105,410,790
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TOTAL

4,098,166,260	2,023,549,881
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*Includes Rs. 5.11 Crores as MNES Subsidy

Particulars of Loan & Advances:

- Loans considered good in respect of which company is fully secured (less provision under RBI norms)
- Loans considered good in respect of which company holds no security other than personal security of the debtor
- Loans considered doubtful

3,613,538,720	1,363,103,745
---------------	---------------

280,800,000	555,035,346
-------------	-------------

33,615,306	—
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3,927,954,026	1,918,139,091
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— Due by Directors of the Company

93,692	373,138
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— Due by other officers of the Company

3,229,720	1,702,492
-----------	-----------

— Maximum amount due at any time during the year by Directors of the company

645,303	457,092
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— Maximum amount due at any time during the year by officers of the company

4,359,733	3,201,677
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K. CURRENT LIABILITIES

MNES Programme Funds

647,234,924	479,790,846
-------------	-------------

Interest accrued but not due

13,987,813	3,302,438
------------	-----------

Proposed Dividend

15,047,000	2,580,000
------------	-----------

Other Liabilities

113,587,806	117,019,344
-------------	-------------

789,857,543	602,692,628
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Schedules to Financial Statements for the year ending 31st March,1996

Particulars	As at 31.3.96 Rs.	As at 31.3.95 Rs.
L. PROVISION FOR TAXATION		
For Income tax	112,091,000	36,910,000
For Interest-tax	15,964,350	6,277,171
	128,055,350	43,187,171
M. INTEREST ON LOANS AND DEPOSITS		
Interest on Loans	291,150,843	114,437,388
Less: Rebate on Interest	2,921,077	2,770,229
	288,229,766	111,667,159
Interest on Deposits with Banks	8,391,243	5,910,973
	296,621,009	117,578,132
N. OTHER INCOME		
Interest on Income-tax refund	—	1,091,073
MNES Service charges	8,390,649	5,966,228
Commitment fee	31,975,500	11,632,432
Miscellaneous income	3,386,234	1,548,044
Profit on Sale of Fixed Assets	20,746	31,109
	43,773,129	20,268,886
O. PERSONNEL EXPENSES		
Contribution to Gratuity and Provident Funds	617,850	422,474
Human Resources Development	205,796	56,950
Salaries, Wages and other amenities	9,704,085	9,572,878
Staff Welfare	912,815	451,686
Provision for Leave Encashment	83,907	—
	11,524,453	10,503,988
P. ADMINISTRATIVE EXPENDITURE		
Auditors' remuneration	28,000	38,000
Bank Charges	20,534	24,551
Bond Issue expenses written off	5,509,219	2,330,648
Business Promotion	1,106,564	960,131
Conveyance	1,996,886	1,621,240
Bond Trusteeship Fee	204,520	10,000
Electricity & Water Charges	158,418	56,124
HUDCO Loan expenses written off	833,333	—
IHC Maintenance	1,105,032	—
Information & Dissemination	2,882,444	2,207,753
Insurance	33,105	72,842
Legal	66,090	16,150
Miscellaneous	234,434	822,497
Newspapers and Periodicals	133,540	65,991
Office Maintenance	59,222	—
Postage & Telegram	401,334	294,627
Preliminary expenses written off	17,159	17,159
Printing and Stationery	2,107,466	1,387,476
Professional Fees	1,564,158	1,627,721

Schedules to Financial Statements for the year ending 31st March,1996

Particulars	As at 31.3.96 Rs.	As at 31.3.95 Rs.
Recruitment	86,519	482,572
Rent	820,457	976,255
Repairs & Maintenance	663,847	1,230,349
ROC Fee	2,252,900	1,200
Seminars & Conference Expenses	1,339,690	255,039
Study & Research	48,265	884,600
Subscription charges	44,525	51,100
Telephone	1,596,086	1,079,249
Travelling	2,552,558	1,798,794
	27,866,305	18,312,068
Q. INTEREST ON BORROWINGS		
Interest on		
9.00% Tax free Energy Bonds Series I	22,500,000	22,500,000
10.50% Tax free Energy Bonds Series II	52,495,000	836,685
10.50% Tax free Energy Bonds Series III	222,603	—
Bond Application Money	838,911	342,740
MNES funds	22,716,995	—
Government of India Loan (IDA & DANIDA)	2,935,512	—
Canara Bank Loan	8,438,056	—
HUDCO Loan	675,342	—
LIC Loan	115,068	—
	110,937,487	23,679,425

SCHEDULE 'R'

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. ACCOUNTING POLICIES:

- Interest income on loans is provided net of rebate.
- Interest on Loans and Deposits are provided on accrual basis.
- 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.
Commitment Charges are levied in the event of failure of the borrower to comply with all the legal formalities and draw first instalment of loan within the stipulated time period and accounted on the cash basis.
- Fixed Assets are valued at Cost.
- Depreciation on Fixed Assets except Library Books is provided on Written Down Value (WDV) basis at the rates specified in Schedule XIV of the Companies Act, 1956, as amended upto date. Depreciation on Library Books is provided @ 100%.
- Preliminary Expenses, Bond Issue expenses and other one time loan raising expenses like front-end-fee are written off during the tenure of the loan period in equal instalments.
- Provisions for all expenses including interest on Market Borrowings are accounted for on accrual basis.
- 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.
- 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 \$ 8,87,040.71 (previous year US \$ 10,00,000) 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.
- 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.
- Loans classified as fully secured are against Hypothecation, English Mortgage, Equitable Mortgage, Joint Equitable Mortgage as the case may be.
- The other loans are against Bank Guarantee, Government Guarantee, Promissory Notes, Personal Guarantee and post-dated cheques as the case may be.
- Investments are valued at cost.

- 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 and doubtful debts with effect from the year 1994-95.

B. NOTES ON ACCOUNTS :

- Information pursuant to the provisions of Part-II of Schedule VI of the Companies Act, 1956 :

a) Expenditure, in Foreign Currency:

-- On Travelling	Rs. 12,625/- (Previous Year Rs. 4,94,752)
-- Others	Nil (Previous Year Rs.1,57,750)

b) Earnings in Foreign Exchange:

-- Interest	Rs. 5,23,056/- (Previous Year Rs.8,83,717)
-- Revenue Grant (SDC/GEF)	Rs. 4,11,83,754/- (Previous Year Rs.96,72,764)

- The remuneration paid to Statutory Auditors of the Company is as under:-

For Statutory Audit	Rs.20,000/- (Previous year @ Rs.30,000)
For Tax Audit	Rs. 8,000/- (Previous year Rs. 8,000)

@ 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 09.06.95. For previous year amount includes differential amount for 1993-94.

- 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.3,900/- (previous year Rs.2,400/-).

- Remuneration paid to the Managing Director :

	(Amount in Rs.)	
	CURRENT YEAR	PREVIOUS YEAR
Salary	2,77,082.00	1,50,285.00
Medical Reimbursement	14,168.00	Nil
Provident Fund	17,001.00	11,926.00
Leased Accommodation	Nil	20,800.00
Value of Perquisite for Residential Accommodation as per Income Tax Act	19,999.00	25,781.00
LTC	23,880.00	5,730.00
Staff Car (as per Income Tax Rules)	3,900.00	2,400.00
Total	3,56,030.00	2,16,922.00

- The estimated amount of contracts (net of advances) remaining to be executed on Capital account and not provided for is NIL (Previous Year Rs.20.83 lakhs).
- As per the "Guidelines for protection of the interest of the debenture holders" issued by the Ministry of Finance, Department of Economic Affairs vide their letter No. F-11(20)CCI-(11)/86 dated 14.1.1987, IREDA has provided Rs.500 lakhs (previous year 111.90 lakhs) to the Debenture Redemption Reserve (DRR).

7. A) IREDA has provided Ex-gratia in lieu of bonus for the year 1993-94 and 1994-95 and paid but has not provided for the year 1995-96 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:-

- I. Solar Photovoltaics Water Pumping Programme.
- II. Solar Photovoltaics Market Promotion Programme
- III. Low Grade Solar Thermal Devices Market Promotion Programme
- IV. Wind Farm Projects

MNES has extended the time upto 31st March, 1996 for programme (I) and (III) above.

In terms of the stipulations of each of the MOUs, MNES has placed an agreed sum in respect of each of the above Programme, 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 Commercial Banks, and interest accrued on loans and advances disbursed under the Programmes during the year are shown under Current Liabilities in the Balance Sheet

9. MOU signed on 3-6-1996 with Ministry of Non-Conventional Energy Sources (MNES) acting through National Bio-energy Board (NBB) under United Nations Development Programme (UNDP) for the implementation of a process as means of reducing "Green House Gases Emission" in the country vide letter No.5/2/41/94 UI/GEF-6 dated 8-1-1996 issued by MNES.

As per this MOU, a sum of Rs.448 lakhs was held at the disposal of IREDA by MNES/ UNDP.

10. 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.2103.15 lakhs (Rs. 1641.86 lakhs) including, Rs.14.40 lakhs (Rs.5.90 lakhs), Rs.428.61 lakhs (Rs. 315.19 lakhs) and Rs.94.00 lakhs (Rs.677.00 lakhs) respectively pertaining to various Programmes of MNES.
11. Loans to constituents include a sum of Rs.8.55 Crores (Previous Year Rs.28.60 Crores) in respect of which the execution of final security documents are in the process of being completed by the Constituents.
12. During the year, the Company has made a provision in respect of its non-performing loans given to Constituents, in accordance with the 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.2,69,48,301.00 (previous year- Rs.63,89,790) while the provision made for sub-standard, doubtful and loss assets is Rs. 277 lakhs (previous year- Rs. 49,61,531).
13. 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.
14. During the year the company has written back the excess provisions of Salary arrears worth Rs.24.64 lakhs made in the previous year (previous year Nil).
15. The company has filed legal cases U/s 138 of the Negotiable Instruments Act against two of its constituents against whom Rs.602.00 lakhs is outstanding.

The company has taken legal opinion on the question of classification of these assets in the Balance Sheet and consequent provisioning for the same. Accordingly, these assets have been classified as sub-standard assets and provision of only 10% has been made against them.

16. For making provisions for Non Performing Assets under RBI Guidelines, the value of security for doubtful cases has been taken from the loan sanction letter issued by IREDA/Auditor Certificate of the constituent and depreciated as per rates prescribed under Schedule XIV of the Companies Act instead of realisable value of security as required under RBI Guidelines for provisioning of the doubtful assets.
17. In cases of constituents who have also obtained loans from other financial institutions, no confirmation has been obtained by the company from these institutions regarding amount outstanding as on 31st March, 1996 and this also includes non performing constituents.
18. Tax Free Bonds (Series I, II, III) issued by the Company are covered by a negative lien on the book debts of the Company.
19. The HUDCO Loan raised by the Company during the financial year 1995-96 is covered by a Negative lien on the book debts of the Company.
20. Office building is on sub-lease from India Habitat Centre, New Delhi. The lease deed documents are yet to be executed.
21. Contingent liability - Rs. 2,57,925.97 (Liquidated damages under disputes with M/s Decor India) (Previous year Nil) - Rs. 72,865/- (Disputes for Income Tax demand for A Y 1992-93) (Previous year Nil)
22. Previous year's figures have been re-arranged/re-grouped, wherever considered necessary, to make them comparable with the current year's figures.
23. Schedule 'A' to 'R' form an integral part of Balance Sheet and Profit & Loss Account and have been duly authenticated.

Figures are rounded off to the nearest rupee.

For UBEROI, SOOD & KAPOOR
Chartered Accountants

S. D. SHARMA
Partner

Place : New Delhi
Date : 24th August, 1996

B R PRABHAKARA
Chairman

C P MALHOTRA
Executive Director

V BAKTHAVATSALAM
Managing Director

R K SACHDEVA
Company Secretary

MNES FUNDS AS ON 31ST MARCH, 1996

(Rs. in Lakhs)

Programme	Balance as On 31.3.95	Grant Received 95-96	Interest Total	Service Charges Recoverable	Subsidy Disbursed	Total Amount	Loans Outstanding	Interest Accrued Short Term Deposit	Balance with Banks	Balance with IREDA	Inter MNES	Total Funds
1. SPV MFG. Loan	395.25	380.00	73.31	8.16	0.00	840.40	325.25	0.00	2.24	606.38	-104.83	945.23
2. SPV User Loan	908.52	0.00	27.49	13.07	0.00	922.94	523.59	0.00	0.15	289.01	108.38	814.56
3. SPV Users Subsidy	869.18	0.00	89.34	0.00	607.14	351.38	0.00	0.00	0.04	1,337.79	-986.44	1337.82
4. SPV User Loan-95-96	0.00	400.00	-0.87	0.00	0.00	399.13	137.50	0.00	0.15	-10.87	272.35	126.78
5. SPV Users Subsidy 95-96	0.00	600.00	0.00	0.00	0.00	600.00	0.00	0.00	0.15	0.00	600.00	0.00
6. SPV Market Development	207.68	0.00	19.20	0.49	0.00	226.39	19.45	0.00	0.83	105.21	100.89	125.50
7. Solar Thermal	1525.81	0.00	122.50	9.70	0.00	1638.61	394.25	0.00	0.29	1271.89	-29.07	1667.68
8. Wind Energy	891.48	0.00	127.96	17.49	0.00	1001.95	699.67	1.08	95.82	166.67	38.72	963.23
Sub - Total	4,797.92	1,380.00	458.93	48.91	607.14	5980.80	2099.71	1.08	99.67	3766.08	0.00	5980.80
9. Micro Hydel Grant	290.00	0.00	0.00	0.00	147.73	142.27	0.00	0.00	0.00	142.27	0.00	142.27
10. SPV Pumping Publicity Grant-93-94	21.51	0.00	0.00	0.00	16.14	5.37	0.00	0.00	0.00	5.37	0.00	5.37
11. SPV Pumping Publicity Grant-94-95	0.00	198.00	0.00	0.00	22.02	175.98	0.00	0.00	0.00	175.98	0.00	175.98
12. Solar Thermal Grant 93-94	0.34	0.00	0.00	0.00	0.18	0.16	0.00	0.00	0.00	0.16	0.00	0.16
13. Solar Thermal Grant 94-95	9.60	0.00	0.00	0.00	9.21	0.39	0.00	0.00	0.00	0.39	0.00	0.39
14. Capital Subsidy- HCL Agro Power Ltd	420.00	0.00	5.41	10.50	0.00	414.91	0.00	0.00	0.00	414.91	0.00	414.91
15. Capital Subsidy Thiru Arooran Sugar Ltd.	0.00	50.00	0.04	0.00	0.00	50.04	0.00	0.00	0.00	50.04	0.00	50.04
Total	5,539.37	1,628.00	464.38	59.41	802.42	6769.92	2099.71	1.08	99.67	4555.20	0.00	6769.92

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. State Code (Refer Code List)

Balance Sheet Date
Date Month Year

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement (Govt. Contribution)

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investment

Net Current Assets

Misc. Expenditure & Others

Accumulated Losses

IV Performance of Company (Amount in Rs. Thousands)

Turnover (Gross Income)

Total Expenditure

Profit before tax

Profit after tax

(Please tick Appropriate box + for Profit, - for Loss)

Earnings per share in Rs. (PAT)

Dividend Rate %



V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

N	O	T		A	P	P	L	I	C	A	B	L	E
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As per our Report of even date

For UBEROI, SOOD & KAPOOR
Chartered Accountants

S D SHARMA
Partner

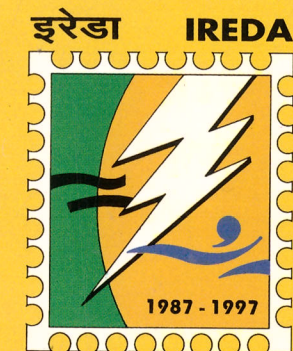
B R PRABHAKARA
Chairman

C P MALHOTRA
Executive Director

V BAKTHAVATSALAM
Managing Director

R K SACHDEVA
Company Secretary

Place : New Delhi
Date : 24th August, 1996



सेवा में एक दशक
DECADE OF SERVICE

The "DECADE OF SERVICE" logo reflects IREDA's commendable efforts & commitment in promoting self sustaining investments in renewable energy and energy efficiency. The logo has five integral parts, denoting power, sun, wind, water and finally the green earth.

The yellow circle represents sun, two black strips on the left, suggest the blowing wind power. Water is represented by the traditional blue colour waves. The symbol of electricity denotes power through these renewable sources. The green part on the left of the square, represents green earth. The shape of the stamp encompassing these elements commemorates the occasion and is dedicated towards providing energy for ever.



Indian Renewable Energy Development Agency Limited

(A Government of India Enterprise)

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