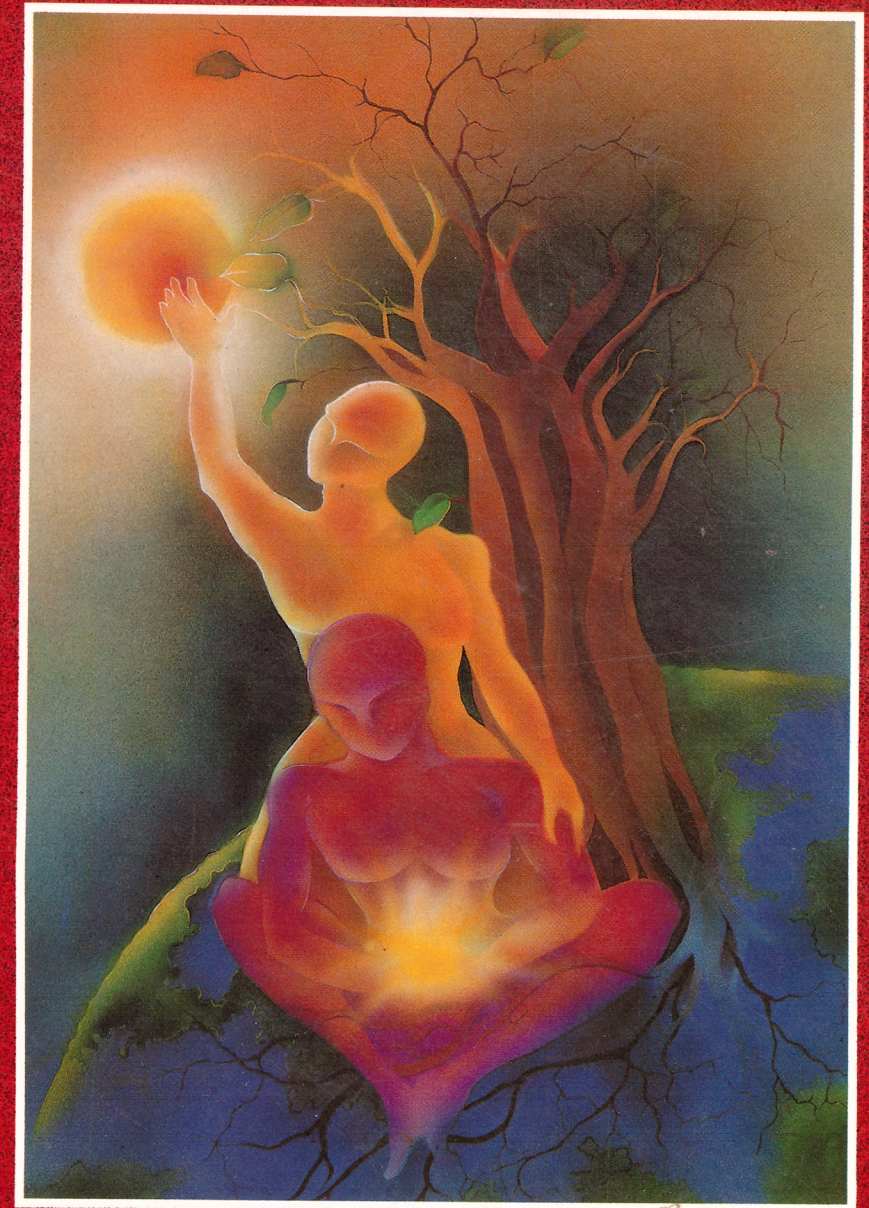


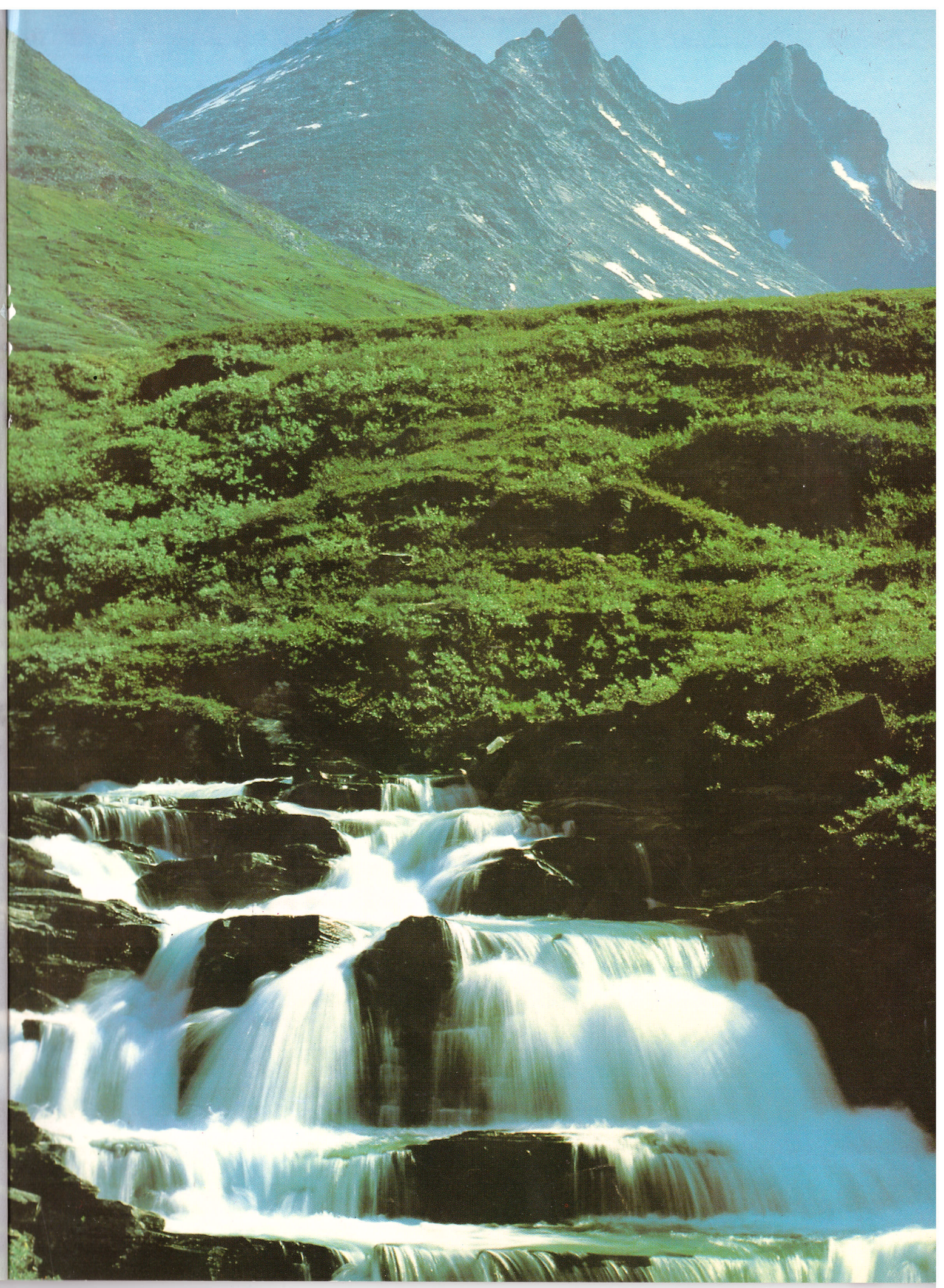


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1997-98



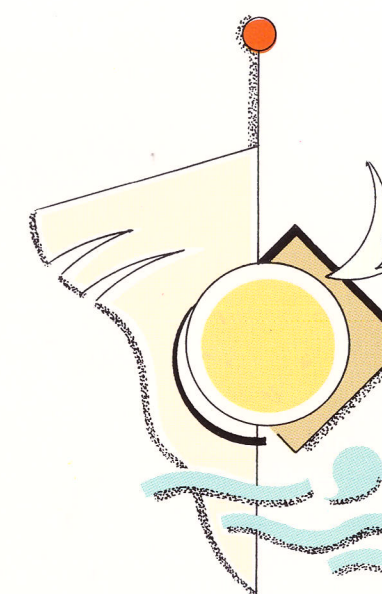
*“The beauty of our planet lies in the green of her field and forests.
Her every shade of nature is precious treasure to us. We are
committed to protect and preserve these jewels of mother earth.”*

committed to protect and preserve these jewels of mother earth.  Her every shade of nature is precious treasure to us. We are  The beauty of our planet lies in the green of her field and forests.



MISSION

“ Be a pioneering, participant friendly and competitive institution for financing and promoting self-sustaining investment in energy generation from renewable sources and energy efficiency for sustainable development. ”



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NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Shareholders of Indian Renewable Energy Development Agency Limited will be held on Wednesday, the 30th September, 1998 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:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, audited Balance Sheet and Profit & Loss Account for the year ended on 31st March, 1998, Auditors' Report and Comments of Comptroller and Auditor General of India thereon annexed therewith.

SPECIAL BUSINESS

To consider, and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

“RESOLVED as a Special Resolution that the Articles of Association of the Company be altered by substituting the following in place of existing Article 81(ii)(c):

Prior approval of the President to be obtained in respect of

ii) Notwithstanding any of the provisions contained in the other Articles, prior approval of the President shall be obtained in respect of:-

- x x x x x x x x x x
- (c) any programme of capital expenditure which exceeds Rs.10,00,00,000/- (Rupees Ten Crores) in each case subject to the condition that the project to be approved under the enhanced delegated powers is included in the approved

Five Year and Annual Plans and the required funds can be found from the internal resources of the Company and the expenditure is incurred on schemes included in the capital budget approved by the Government. However, in regard to the sanction of expenditure on township and residential quarters, this limit shall be Rs.5,00,00,000/- (Rupees Five Crores).

BY ORDER OF THE BOARD OF DIRECTORS

New Delhi
28th September, 1998

(R.K. Sachdeva)
Company Secretary

1. All Shareholders of Indian Renewable Energy Development Agency Ltd.
2. The Chairman and Directors of Indian Renewable Energy Development Agency Ltd.
3. M/s. K.K. Ghei & Co., Chartered Accountants, 806, Hemkunt House, 6, Rajendra Place, New Delhi – 110 008.

NOTES:

1. The meeting has been convened by giving a shorter notice than required under the Companies Act, 1956 with the consent of all the Shareholders.
2. The relevant explanatory statement on Special Business pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member.

Capt. Jai Narain Prasad Nishad, Hon'ble former Union Minister of State for Non-Conventional Energy Sources releasing "IREDA Decade of Service Souvenir" on 24th October, 1997 at Vigyan Bhavan, New Delhi.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

(a) According to IREDA's Articles of Association [No. 81 (ii) (c)] prior approval of the President of India is required for any programme of capital expenditure for an amount exceeding Rs.4 crores in each case and for sanction of expenditure on township and residential quarters, the limit is Rs.50 lakhs. The Government of India in the Ministry of Industry, Department of Public Enterprises vide their OM No: DPE/16/22/90-Fin. dated 6.5.1997 decided to revise the powers delegated to the Boards of Public Enterprises to sanction capital outlay in their Enterprises without prior approval of the Government. Enhanced delegated powers are on account of giving greater autonomy to Public Enterprises.

(b) The matter was considered by IREDA's Board of Directors at their 90th meeting held on 27th August, 1997 and approval accorded for revision of limits contained in Article 81 (ii) (c) subject to obtaining of approval of the Ministry of Non-Conventional Energy Sources (MNES).

(c) The MNES has communicated approval to the amendment in the Articles of Association vide their letter No. 1/35/97-IREDA dated 23.12.1997.

(d) The Shareholders of IREDA are, therefore, requested to consider and accord approval to the amendment in IREDA's Articles of Association as proposed in the notice. The resolution is on the lines of approval accorded by the MNES.

(e) The relevant documents can be inspected at the registered office of the Company during business hours.

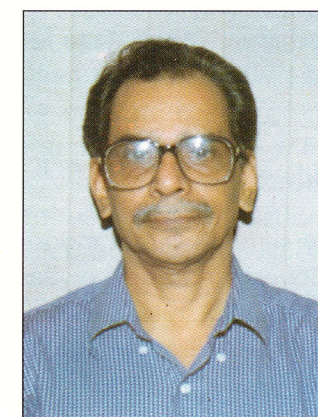
(f) None of the Directors of the Company is concerned or interested in this resolution.

BY ORDER OF THE BOARD OF DIRECTORS

New Delhi
28th September, 1998

(R.K.Sachdeva)
Company Secretary

CHAIRMAN'S SPEECH



Esteemed Shareholders,

It gives me great pleasure to welcome you to the Eleventh Annual General Meeting of the Shareholders of the Indian Renewable Energy Development Agency Limited. The Directors' Report and the audited Statements of Accounts for the year ended on 31st March, 1998, duly certified by the Comptroller and Auditor General of India, have already been circulated and with your permission, I take them as read.

I have very recently taken over as Chairman of your Company and I am happy to note the pioneering role being played by your Company in the promotion, development and financing of projects in the Renewable Energy Sector. It has been able to attract assistance from international institutions and other countries. Vigorous efforts made by the Government of India and your Company in co-operation with the private sector during the past few years have generated momentum for the Renewable Energy movement in the country. This has led to greater awareness of the potential of Renewable Energy technologies, systems and devices and their uses particularly in the rural areas.

Review of Performance

The year under review has not been very good. Your Company was, however, able to show moderate

results and continues to play a significant promotional and developmental role in the Renewable Energy Sector. The projects supported by IREDA during the year, when implemented, will result in additional installed capacity of 178 MWs of electricity and also result in saving/conservation of energy equivalent to more than 50,000 MTCR as against 154 MWs and 14,300 MTCR respectively during 1996-97. The total capacity addition and MTCR with IREDA's sanctioned projects upto 31st March, 1998 stood at 808.77 MW and 762600 MTCR/year. The total installed capacity in the country from the Renewable Energy Sector works out to about 1300 MWs. Nearly one-fourth of this capacity was created by projects assisted by IREDA in the last ten years.

There was about 52 per cent increase in the sanctions at Rs. 498.96 crores during the year. Disbursements at Rs. 187.26 crores fell short of the MoU target and last year's achievement. This along with other factors such as substantial increase in Non-Performing Assets (NPAs) and consequent provision for bad and doubtful debts have adversely affected the performance of the Company during the year. The rate of recovery of about 74 percent of the total dues, compares favourably with that of other All India Financial Institutions.

The financial performance during the last year is being thoroughly reviewed so as to take corrective measures immediately to accelerate the pace of implementation of the projects and consequently the disbursements. The Company has also taken a number of measures to strengthen its recovery mechanism. However, improvement in the rate of recovery during the current year will be the focus of Company's attention.

The quantum of NPAs is a cause for concern to the Company. The substantial increase in NPAs during the year was primarily due to difficult business environment, recessionary conditions faced by the industry and the norms relating to finance companies

prescribed by the RBI. The Company is committed to minimise, if not eliminate NPAs. The Company has also decided to strengthen the monitoring mechanism of projects and to improve its overall profitability by drastically reducing NPAs and containing growing revenue expenditure. It will be taking concrete measures during the current year to achieve this objective. Credit risk management, portfolio management, pro-active role in realising overdues, improvements in the appraisal systems etc. will receive high priority.

Appropriations

In spite of the adverse environment in which your Company had to function, it recorded a net profit of Rs.1.21 crores. The total amount available for appropriation, after taking effect of the excess provision for income tax made in the earlier years, was Rs.1.61 crores of which Rs.0.24 crore was transferred to NBFC Reserve Fund as per the Reserve Bank of India guidelines and a sum of Rs.1.37 crores to Special Reserve created pursuant to Section 36(1)(viii) of the Income Tax Act. In the absence of adequate surplus, benefits under Section 36(1)(viii) of Income Tax Act could not be availed of to the full extent permissible. After the above appropriations, there was no surplus available for distribution of dividend. Therefore, the Board of Directors have not recommended any dividend for the year.

Resource Mobilisation

The Company raised an amount of Rs. 220.99 crores which includes equity contribution of Rs. 24 crores and internal and external borrowings of Rs. 193.83 crores and grant in aid of Rs. 3.16 crores. It mobilised the entire allocation of tax-free-bonds of Rs. 100 crores at comparatively lower cost.

I am happy to inform you that the Company successfully negotiated a project proposal with the World Bank for a second line of credit amounting to US \$ 130 million and for grant assistance of US \$ 5 million from GEF for the "Second Renewable Energy Project" which will be utilised for financing Small Hydro and Energy Efficiency/DSM projects. However, consideration of the project proposal has been presently deferred by the World Bank. This deferment is likely to affect financing of Small Hydro and Energy

Efficiency projects. The Company is exploring alternative avenues of raising resources from the domestic market viz., commercial banks, financial institutions etc. It is also proposed to request for additional equity/soft loans from the Government and enhancement in the allocation of tax free bonds. In addition, negotiations reached an advance stage for lines of credit for the first time with KfW, Germany and OECF, Japan.

Memorandum of Understanding

As in the past, the Company signed Memorandum of Understanding with the Government for the year 1997-98. Its performance is likely to be rated "Good" on the basis of its achievements vis-a-vis MoU targets.

New Initiatives

In addition to streamlining the existing procedures and systems, the Company announced new initiatives during the year. These, inter alia, included Solar Cooker Market Development Programme; Direct Discounting of Bills Scheme; Equipment Financing Scheme for Biomass Fuel Processing Machines; Funding of Hybrid Systems; Mobilisation Advance Scheme etc.

Golden Jubilee Celebrations

The Company participated in the Golden Jubilee Celebrations of India's Independence in a solemn manner. As a part of these celebrations, the then Secretary, Ministry of Non-Conventional Energy Sources, Government of India, released the First Day Cover of IREDA. Further, installation of Solar Powered Traffic Signal Lighting System in the Capital was initiated. Your Company also acted as co-ordinator for organising "Renewable Energy Runs" in all States and Union Territories on behalf of the MNES.

Decade of Service

The Company celebrated its first decade in a befitting manner. As a part of the celebrations, it established "IREDA Professor Renewable Energy Chair" at IIT, Delhi for promoting Renewable Energy Sector; organised competitions on important topics in schools and colleges; sponsored lectures by eminent

experts in the field and launched a campaign to create greater awareness about the renewable energy systems and devices particularly in rural areas. An all-India Painting Competition was also organised. The Company also announced the implementation of "IREDA Akshay Urjagram Scheme" under which six villages have been adopted for providing Renewable Energy systems and devices to meet the minimum energy needs of these villages. A "Run for the Sun" was also organised in Delhi in which a large number of school children enthusiastically participated. As a finale to the celebrations, Capt. Jai Narain Prasad Nishad, the then Hon'ble Union Minister of State for Ministry of Non-Conventional Energy Sources gave away awards to entrepreneurs, professionals, experts and institutions in recognition of their services to the Renewable Energy Sector.

Human Resource Development

Human resource development continue to receive high priority. Specialised training inputs are being provided to employees at all levels. Further, avenues for upgrading their skills and acquainting them with the latest technical/professional developments in their respective fields are being provided.

Personnel Relations

The Company continues to maintain harmonious and cordial relations with its employees and also provided suitable incentives to enable them to perform better on all fronts.

Business Prospects

I am aware of the constraints being faced by the Company, particularly on account of the likely delay in the second line of credit becoming effective and the prevailing business environment. However, with your co-operation, I am sure, the Company will overcome this. In this direction, the Company has already announced new initiatives to be implemented during 1998-99. These include new project financing schemes for Wind Energy Sector, Project and Equipment Financing Schemes for Energy Conservation/Efficiency Projects, Manufacturing Loan for Solar PV Cells and Wafers, Financing Schemes for Renewable Energy Power Evacuation

and Market Development Assistance (including Export Promotion).

To conclude, your Company would continue to meet the challenge of rapid environmental and technical changes. With its trained, experienced and competent human resource, it will continue to play a predominant role in promoting and assisting Renewable Energy Technologies in the country. I am sure, as a result of measures already initiated by it, its financial results during 1998-99 would improve significantly.

Acknowledgements

I would like to express my gratitude to Capt. Jai Narain Prasad Nishad, Hon'ble former Union Minister of State for Non-Conventional Energy Sources, for his kind support and guidance.

I place on record my deep appreciation of the guidance provided by Sh. Swarn Singh Boparai, K.C., the former Chairman of the Company who ceased to be Chairman with effect from 17th August, 1998.

I also express my sincere thanks to Sh. Ashok Parthasarathi, the earlier Chairman and Sh. T. L. Sankar, Smt. Lalitha Balakrishnan, Dr. N. G. Hegde, Smt. Rathi Vinay Jha and Shri Vinod Dhall who have ceased to be Directors and also my other colleagues on the Board of Directors for their unstinted support.

I am thankful to the Government of India, the Ministry of Non-Conventional Energy Sources, the Ministry of Finance, the Planning Commission and other Ministries/Departments of the Government of India for their guidance and support.

I am also thankful to the World Bank, Swiss Development Cooperation, Global Environment Facility, Asian Development Bank, DANIDA, Royal Government of the Netherlands, KfW, Germany and the OECF, Japan for their continued co-operation to the Company.

I also take this opportunity to thank the Comptroller and Auditor General of India, the Statutory Auditors and the Bankers for their co-operation.

Special thanks are extended to the Bond holders for the confidence reposed in the Company and to the clients for fruitful association. I do hope that they would continue to repose their confidence in the Company in the future also.

I also thank Business Development Associates, State Nodal Agencies, State Electricity Boards, Technical Consultancy Organisations and Non Governmental Organisations for their active co-operation.

I also place on record my appreciation of the efforts and contribution by the Managing Director, Officers and Staff of the Company at all levels.

And finally, dear Shareholders my special thanks are due to all of you for your consistent support.

May I now request that the Directors' Report, the audited Balance Sheet, the Profit and Loss Account and the Auditors' Report for the year ended 31st March, 1998 be adopted.

Thanking you all,

C. R. Kamalanathan
Chairman

Place : New Delhi
Date : 28th September, 1998.



Shri S.S. Boparai K.C., former Secretary, MNES & Chairman, IREDA releasing Special Cover of IREDA .

DIRECTORS' REPORT

To the Shareholders,

It gives me great pleasure to present, on behalf of the Board of Directors, the Eleventh Annual Report on the working of Indian Renewable Energy Development Agency Ltd. together with the audited Statements of Accounts and the Auditors' Report for the year ended on 31st March, 1998.

Your Directors are happy to report that the overall performance of the Company during the year is considered to be satisfactory keeping in view the overall economic, industrial and financial environment.

LENDING OPERATIONS

The Company sanctioned loan assistance amounting to Rs. 498.96 crores during 1997-98 for various

renewable energy projects. The actuals were higher by about 25 per cent than the MoU target for the year. The MoU target for "new and emerging renewable energy sectors" was also substantially exceeded. The aggregate sanctions registered an increase of about 52 per cent over the corresponding figure for the year 1996-97. Disbursements were, however, Rs.187.26 crores during the year. Your Directors are certain that the pace of disbursements will pick up during the next year in view of the commitments already made. Cumulative sanctions and disbursements as on 31st March, 1998 stood at Rs.1935.23 crores and Rs. 897.13 crores respectively. Statewise sanctions are indicated in Annexure I and similar Sectorwise information is given in Annexure II. Statewise and Sectorwise disbursements are shown in Annexures III & IV respectively.



IREDA financed Solar Domestic Lighting System in a village in Karnataka State.

Sectorwise Sanctions and Disbursements during 1997-98

(Rs. in Crores)

Sector	Sanctions	Disbursements
Wind Farms	111.39	51.50
Small Hydro	176.05	65.83
Solar Thermal	008.28	3.43
Solar Photovoltaic	066.25	19.11
Biomethanation from Industrial Effluents	004.24	2.68
Biomass Co-generation (including sugar Industry)	119.90	42.65
Biomass Power Generation	005.45	1.46
Biomass Briquetting	002.08	0.04
Biomass Gasification (including Power Generation)	005.32	0.56
Total	498.96	187.26

It will be observed from the above table that the electricity generating projects continued to receive the highest priority. Loans sanctioned for such projects accounted for as much as 96 per cent of the total sanctions during the year. The additional installed capacity of 177.9 MWs registered a growth of about 15.5 per cent whereas saving/conservation of energy in MTCR terms recorded a phenomenal growth of 251 per cent over the corresponding figures for the year 1996-97.



4.0 MW Small Hydro Project set up in Atmakur Village, Kurnool District of Andhra Pradesh, under World Bank Programme through IREDA.

FINANCIAL PERFORMANCE

The overall financial results for the year 1997-98 were much below expectations. The key parameters of performance in this regard are indicated below :

(Rs. in Crores)

	1996-97	1997-98
Gross Income	74.95	79.41
Less : Interest Tax	01.86	01.22
Balance	73.09	78.19
Total expenditure	52.56	74.96
Profit before Tax (including prior period adjustment)	20.53	03.51
Provision for Income Tax	06.56	02.30
Profit after Tax	13.97	01.21
Profit available for Appropriations (after adjustment of excess provision of Income Tax made in earlier years)	13.98	01.61

The Total Income at Rs. 78.19 crores increased marginally over the corresponding figure for the year 1996-97. However, increase of 42.62 per cent in total expenditure of Rs. 74.96 crores has wiped out the increase in income. Consequently, Profit before Tax at Rs.3.51 crores and Profit after Tax at Rs. 1.21 crores registered substantial decreases of 82.90 per cent and 91.34 per cent respectively over the actuals for the year 1996-97. However, after adjusting the excess provision of income tax made in earlier years, an amount of Rs. 1.61 crores is available for appropriations.

Major reasons for marginal increase in income are: substantial increase in non-recognition of interest income as per RBI guidelines, lower disbursements during the year and the slow pace of release of funds as the industry was not prepared to lift sanctioned loans on account of uncertainty about interest rates etc. On the other hand, major reasons for increase in expenditure are provision for bad and doubtful debts, servicing of debt and expenditure incurred in connection with "Decade of Service", "Run for the Sun", fee for registration of increase in Authorised

Share Capital from Rs. 100 crores to Rs. 200 crores etc. Efforts are being made to contain the interest cost by prepaying the costlier loans and replacing these with cheaper funds as and when required and bringing down NPAs drastically through appropriate measures such as intensive recovery drives, through personal contact with the defaulted borrowers, making the appraisal mechanism more stringent etc.

It may be noted that the profit and loss account fully takes care of the RBI's latest prudential norms regarding income recognition and asset classification and also provides for Non-Performing Assets as per RBI guidelines in this regard.

APPROPRIATIONS

Your Directors recommend the following Appropriations:

	1996-97	1997-98	Remarks
Profit available for Appropriations (after adjustment of excess provision of Income Tax made in earlier years)	13.98	1.61	
Appropriations			
i. NBFC Reserve Fund (20% of Net Profit)	2.80	0.24	As per the RBI norms.
ii. Dividend	2.80	—	
iii. Dividend Tax	0.28	—	
iv. Special Reserve u/s 36(1) (viii) of the Income Tax Act.	0.86	1.37	In accordance with the Government's approval
v. Debenture Redemption Fund	7.24	—	
vi. Surplus carried to Balance Sheet	0.003	—	

DIVIDEND

After appropriating the required amount of Rs. 0.24 crore to the NBFC Reserve Fund, which is a first charge on the profit after tax, the Company is not left with adequate surplus to declare dividend as per Government guidelines. In view of this, your Directors have recommended that the Company may avail of the maximum possible benefit of the special approval accorded to it by the Government in terms of Section 36 (i) (viii) of Income Tax Act, under which it can transfer 40 per cent of its income to the Special Reserve to reduce its tax liability. Your Directors,



Capt. Jai Narain Prasad Nishad, Hon'ble former Union Minister of State for Non-Conventional Energy Sources receiving the Dividend Cheque for the year 1996-97 from the then Secretary, MNES and Managing Director, IREDA.

(Rs. in Crores)

therefore, do not recommend any dividend for the year 1997-98.

RECOVERY OF DUES

The details of the latest status of recoveries during the year are as under :

(i) Rate of Recovery including carry-forward overdues	74.11 %
(ii) Rate of Recovery in respect of dues for 1997-98 only	80.85 %
(iii) Aggregate Rate of Recovery since inception	87.21 %

The rate of recovery for the year would have been much higher but for the performance of some of the assisted concerns due to difficult economic and business conditions. However, follow-up action taken by the Company to realise the overdues is likely to improve this rate.

OUTSTANDINGS

The total loans outstanding as on 31st March, 1998 amounted to Rs. 633.33 crores.

RISK MANAGEMENT

The Company, being a notified public financial institution, is exposed to certain risks including

foreign exchange risk that arise from its business and the environment in which it functions. The mechanism to ensure that these risks are monitored carefully and managed efficiently is being strengthened.

RESOURCE MOBILISATION

An amount of Rs. 220.99 crores was raised, both internally and externally, from various sources during the year. The above amount would have been higher by Rs. 55.50 crores, had the Company received full budgetary allocations for externally aided projects and the subscription to the equity capital for the year. The details of amounts actually received are :

(Rs. in Crores)

Sl. No.	Source	During 1997-98	Cumulative (as on 31st March, 1998)
1	2	3	4
1.	EQUITY	24.00	114.35
2.	BORROWINGS		
	(a) <i>Internal</i>		
	❖ Tax free Bonds	100.00	295.99
	❖ Canara Bank	—	32.10
	❖ LIC	—	07.50
	<i>Sub Total</i>	<u>100.00</u>	<u>335.59</u>
	(b) <i>International</i>		
	❖ World Bank	—	108.88
	❖ DANIDA	15.00	23.89
	❖ ADB	78.83	78.83
	<i>Sub Total</i>	<u>93.83</u>	<u>211.60</u>
	TOTAL (a+b)	<u>193.83</u>	<u>547.19</u>
3.	GRANTS-IN-AID		
	(a) <i>Project Assistance</i>		
	❖ World Bank	1.35	54.99*
	❖ Others (SDC)	0.26	0.43*
	❖ Government of Netherlands	—	16.79
	<i>Sub Total</i>	<u>1.61</u>	<u>72.21</u>
	(b) <i>Technical Assistance</i>		
	❖ World Bank	1.55	6.94*
	<i>Sub Total</i>	<u>1.55</u>	<u>6.94</u>
	TOTAL (a+b)	<u>3.16</u>	<u>79.15</u>
	GRAND TOTAL (1 to 3)	<u>220.99</u>	<u>740.69</u>

* is contributed by GEF and Swiss Development Cooperation.

PAID UP CAPITAL

Paid-up Capital of the Company increased to Rs.114.35 crores as on 31st March, 1998 with the Government of India's contribution of Rs. 24 crores towards Equity during the year. An allocation of Rs. 40 crores as Equity contribution has been made for 1998-99.



2.8 MW Mini Hydel Project set up at Gokak, Karnataka with IREDA's assistance, under World Bank Programme.

INTERNATIONAL ASSISTANCE IN THE PIPELINE

The World Bank

It was mentioned last year that the World Bank was actively considering a line of credit for "Second Renewable Energy Project", for financing Small

Hydro and Energy Efficiency/DSM Projects. Your Directors are happy to inform you that negotiations with the Bank for this line amounting to US \$ 135 million including grant-in-aid of US \$ 5 million have been successfully completed and sanction awaited. The amount of US \$ 135 million will be contributed by :

Source	Amount (US \$ million)
IBRD	080.00
IDA	050.00
GEF	005.00
TOTAL	135.00

KfW, Germany

Negotiations for a composite loan of DM 120 million with KfW, Germany which were at a very advanced stage have been deferred .

Overseas Economic Cooperation Fund (OECF), Japan

Discussions with OECF, Japan for a line of credit to the Company which entered the final phase have also been deferred for the time being.



IREDA financed 36.2 KW SPV Power Plant at CSR, Auroville, Tamilnadu.

DEBT EQUITY RATIO

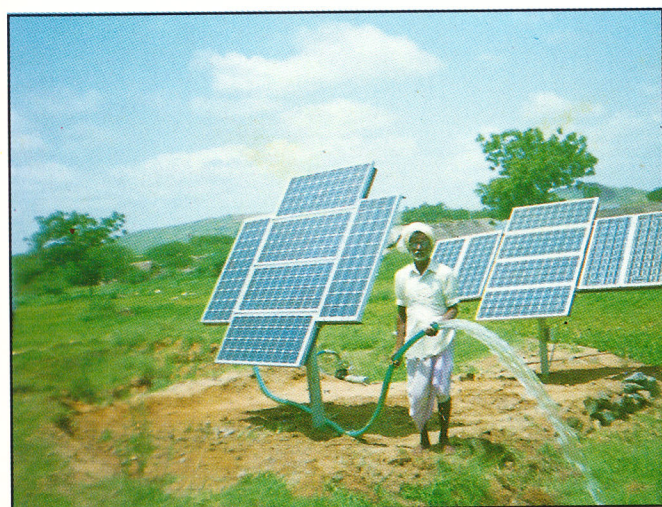
The Company's total net borrowings from all sources stood at Rs. 547.19 crores as on 31st March, 1998 against its networth of Rs. 211.92 crores including paid-up capital of Rs. 114.35 crores. Debt as a ratio to Net Worth works out to 2.58:1 which is well below the ratio indicated in the Operational Policy Statement of the Company.

REVIEW OF POLICIES

The Company reviewed its policies and financing norms keeping in view the developments in money market and also its cost of funds. These were suitably revised so as to remain competitive in the market and at the same time adhere to the financial covenants.

NEW INITIATIVES

In addition to streamlining the existing procedures and systems, the Company announced new initiatives during the year. These, inter-alia, included Solar Cooker Market Development Programme under which loans up to 90 per cent of the total project cost can be availed of at zero rate of interest by the end users; Direct Discounting of Bills Scheme; Equipment Financing Scheme for supporting Biomass Fuel Processing Machines; eligibility of Hybrid Systems; Policy for Mobilisation Advance in respect of sanctioned projects etc.



IREDA financed Solar Water Pumping System for Agriculture use set up in Ananthapur District of Andhra Pradesh.

PROGRAMMES ENTRUSTED BY THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES

The Company continued to implement the Programmes including SPV Water Pumping System for Agriculture & Related Uses entrusted by the Ministry of Non-Conventional Energy Sources (MNES).

DEVELOPMENT OF BACKWARD AREAS

Promotion of projects in backward areas continued to receive high priority. During the year, 69 projects involving loan assistance of Rs.425.71 crores were sanctioned in such areas. The loan amount constituted 86 per cent of the total sanctions. Cumulative loan amount sanctioned for these areas for 557 projects is of the order of Rs. 1615.22 crores i.e. 83.5 per cent of the total sanctions.

MONITORING AND EVALUATION

The Company attaches very high priority to monitoring of the assisted projects at various stages of their implementation so as to suggest suitable steps to the borrowers to avoid/minimise time and cost overrun. As any slippage in the implementation of the project as envisaged adversely affects the borrower's capacity to service the debt to the Company, concurrent monitoring of the projects and monitoring of commissioned projects through periodical inspections by the Company officials, outside experts and periodical reports in the prescribed formats continued. In order to streamline and improve the existing monitoring system, a Project Monitoring and Evaluation Manual has been prepared for effective monitoring of projects.

ECOLOGY AND ENVIRONMENT

The Company 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 gainful employment opportunities especially in rural areas with concomitant benefits to the people.



Demonstration on use of Solar Cooker during a programme session on Women Development organised by IREDA at Kollam, Kerala.

WOMEN DEVELOPMENT

To encourage women entrepreneurship in the field of renewable energy, the Company gives special concessions in its lending terms and conditions. Besides, the Company has been organising various promotional programmes exclusively for women in general and rural women in particular to acquaint them with the benefits of Renewable Energy

technologies, systems and devices. During 1997-98, the Company sponsored 74 such programmes exclusively for women spread over 24 States and Union Territories. About 3700 women from rural and urban areas participated in these programmes.

MEMORANDUM OF UNDERSTANDING (MoU)

Based on unaudited figures, the Company's performance in achieving the MoU targets fixed for the year 1997-98 has been ranked as "Good". The Company has signed an MoU with the Government for the year 1998-99 also.

JOINT SECTOR COMPANY

"M.P. Wind Farms Ltd.", is a joint sector venture promoted by your Company in collaboration with the State Government of Madhya Pradesh and a private sector Company with the objective of promoting Wind Energy. Its authorised Share Capital is Rs. 100 lakhs. The initial Paid-up Capital of Rs. 50 lakhs, of which IREDA subscribed Rs. 12 lakhs, has already increased to Rs. 70 lakhs as a result of the bonus shares issued by the Company during 1996-97.



Shri S.S. Boparai K.C., former Secretary, MNES and Managing Director, IREDA exchanging the Memorandum of Understanding for the year 1998-99.

The performance of the Company so far has been very satisfactory. It has been paying dividend since 1995-96. For the year 1997-98 it has also declared dividend @ 20 per cent. The total additional capacity facilitated by it at the end of March 1998 is 9 MW.

NETWORKING ARRANGEMENTS

The Company has been networking with various technical and professional organisations for greater promotion of renewable energy technologies. One of the very important components of this arrangement is empanelling Business Development Associates (BDA). The BDAs provide useful co-operation to the Company and also generate more business for it. As on 31st March, 1998, 28 BDAs including from private sector have been empanelled. The BDAs identify entrepreneurs, interact with them and help them in completing various formalities required before approaching the Company for financial assistance. Active association of the BDAs has not only resulted in increased business to the Company but also widened its reach to several States. The success of the scheme has encouraged the BDAs to start "BDA Newsletter" with financial assistance from the Company.

INTERNATIONAL CO-OPERATION

The Company has been maintaining close collaboration with the World Bank, Swiss Development Cooperation, Asian Development Bank, Danish International Development Agency, Royal Government of The Netherlands, KfW, Germany and OECF, Japan. Further, MoUs signed with internationally reputed professional/technical organisations have provided useful inputs to the Company and have proved mutually beneficial.

DISSEMINATION OF INFORMATION

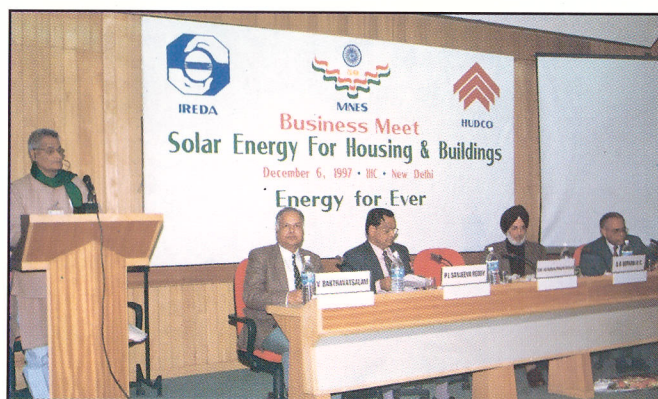
The Company has been making continuous efforts in creating awareness about the Renewable Energy Technologies (RETs) and their potential benefits particularly in rural areas. However, sustained efforts are required to be made continuously. In view of this, the Company's developmental and promotional role to promote RETs assumes added significance. Recognising the crucial contribution which it can make in this regard, the Company launched vigorous



Release of "Best Practices Manual for Wind Electric Generators" by former Secretary, MNES & Chairman, IREDA during the "Interaction Meet with PSUs on Establishment of Commercial Wind Power Projects" organised by IREDA at New Delhi.



IREDA sponsored "United Nations Inter-Regional Workshop on Entrepreneur Development and Credit Mechanisms for Renewable Energy Applications" at New Delhi.



Capt. Jai Narain Prasad Nishad, Hon'ble former Union Minister of State for Non-Conventional Energy Sources inaugurating the "IREDA, MNES & HUDCO Business Meet on Solar Energy for Housing & Buildings" at New Delhi.

publicity campaigns through print and electronic media, both national and regional, to disseminate information about RETs and thus create greater awareness among the people at large. Video-films in different Indian languages on RETs have been prepared and distributed throughout the country. These films also educate the user regarding handling and operation of the systems and their trouble-free maintenance. Brochures on various technologies, and the packages of services being provided by the Company and other publicity material were also printed in local languages and distributed for the benefit of the industry, entrepreneurs and the users. Message of Renewable Energy Movement was also propagated through seminars, workshops and business meets. "IREDA NEWS" continued to be published quarterly and has been increasingly made bilingual. This provides a useful forum to professionals and experts to exchange their views on the latest developments in the field of Renewable Energy and also to the borrowers to share their experiences so as to effect further improvements.

GOLDEN JUBILEE CELEBRATIONS

The Company celebrated the Golden Jubilee Celebrations of India's Independence in a solemn manner. As a part of these celebrations, your Company acted as coordinator for organising "Renewable Energy Run" in all States and Union Territories on behalf of the MNES. The Secretary, Ministry of Non-Conventional Energy Sources, Government of India, also released the "First Day Cover on IREDA". Further, installation of Solar Powered Traffic Signal Lighting system in the Capital was also initiated. The Company also took action to propagate the logo developed by the Government of India on the 50th Anniversary of India's Independence.

DECADE OF SERVICE

The Company celebrated completion of its first decade in a befitting manner. As a part of the celebrations, it established "IREDA Professor Renewable Energy Chair" at the Centre for Energy Studies, IIT, Delhi to undertake R & D activities, upgradation of technologies, testing standards, quality control etc. in the Renewable Energy Sector; organised competitions on important topics in schools

and colleges; sponsored lectures by eminent experts in the field and launched a campaign to create greater awareness about the renewable energy systems and devices particularly in rural areas. An all India Painting Competition was also organised. The Company announced the implementation of "IREDA Akshay Urjagram Scheme" under which six villages have been adopted for providing Renewable Energy Systems and Devices to meet the minimum energy needs of these villages. A "Run for the Sun" was also organised in Delhi in which school children enthusiastically participated. As a finale to the celebrations, Capt. Jai Narain Prasad Nishad, the then Hon'ble Union Minister of State for Non-Conventional Energy Sources gave away awards to entrepreneurs, professionals and experts in recognition of their services to the Renewable Energy Sector.

HUMAN RESOURCE DEVELOPMENT

Human Resource Development received special attention during the year. The recommendations contained in the report on Upgradation of Skills in the form of training needs of the Company's staff are being implemented in a phased manner. Officers at various levels were nominated to attend professional training courses and seminars/workshops/symposia on specialised subjects both in India and abroad so as to keep them abreast with the latest developments in the Sector and also to upgrade their skills. A Performance Incentive Scheme has been introduced to encourage employees to maximise their performance on a sustained basis. Measures were taken for upgradation of computer skills and strengthening of performance appraisal systems.

INSTITUTIONAL DEVELOPMENT

To further strengthen the institutional infrastructure, the Company has engaged the services of a reputed consultancy firm to suggest long-term policies regarding organisational structure and manpower requirements etc. to achieve the targets proposed for the Ninth Five Year Plan and also the goals set in the Corporate Plan. The recommendations of the firm will be available during the next year. In the meantime, various Departments have been strengthened to effectively deal with the expanding and diversified operations of the Company. A number of manuals such as Legal Manual; Manual on

Recovery of Loans; Project Monitoring and Evaluation Manual etc. have been prepared. These manuals contain standardised formats and catalogue various steps required to be taken in a sequential order. These will minimise delays and improve the efficiency of the staff. A brochure entitled "Legal Requirements at a Glance" was also prepared for the benefit of the clients so as to facilitate speedier completion of various legal formalities.

RESERVATION FOR SC/ST/OBCs

In accordance with the Government's policy, the Company has been making sustained efforts to ensure that the posts reserved for SC/ST/OBCs are filled up by the candidates belonging to these categories. It has been strictly following Government's instructions regarding recruitment and promotion of these categories. Separate Liaison Officers for SC/STs and OBCs have been nominated to protect and promote the interests of such employees.



Shri U.N. Panjiar, Joint Secretary, MNES addressing on the Hindi Diwas celebration.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

Efforts were continued to ensure implementation of the provisions of the Official Language Act towards promotion and greater use of Hindi in official work. Incentives were offered to the employees who achieved greater proficiency in the language and those who used it in their official work were suitably rewarded. In order to propagate the progressive use of the language, Hindi Diwas, Pakhwara, Workshops and Competitions were organised. Company's publication "IREDA NEWS" has been progressively made bilingual. Nodal Officers have been nominated

in various Departments to encourage and monitor the use of Hindi. The Official Language Implementation Committee of the Company met periodically to review the use of Hindi and increasingly promote its use. It has been decided to award a shield on an annual basis to the Department which uses maximum Hindi in official work.

AUDITORS

M/s K. K. Ghei & Co., Chartered Accountants, New Delhi, were re-appointed as Statutory Auditors of the Company by the Company Law Board, Government of India for the financial year 1997-98.

AUDIT REVIEW

The Comments of the Comptroller and Auditor General of India on the Accounts together with Review on Accounts, Statutory Auditor's Report to the Members and Comments of the Management thereon are annexed (Annexure V).

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 "NIL".

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings in Foreign Exchange is equivalent to Rs.127.33 lakhs and the outflow is Rs.163.88 lakhs during the year.

PERSONNEL RELATIONS

Personnel relations continued to be cordial and harmonious during the year. Grievances, if any, of the employees were redressed through dialogues/discussions by the Director (Grievance).

VIGILANCE

Your Company has been paying attention to preventive vigilance. The Vigilance Advisory Committee of the Company was reconstituted during the year and has been meeting periodically to advise the Company in this regard. The Government of India appointed Sh. T. Prabakaran, General Manager (Financial Services) as a part-time Chief Vigilance Officer of the Company.

BOARD OF DIRECTORS

During the year, the Board held nine meetings to transact the business of the Company. The following changes took place in the Board of Directors since the last report:

1. Sh. C.R. Kamalanathan has taken over as Chairman of the Company w. e. f. 17th August, 1998 from Sh. S.S. Boparai, K.C. who ceased to be the Chairman. Sh. Boparai had earlier taken over as Chairman of the Company w.e.f. 6th August, 1997 from Sh. Ashok Parthasarathi who relinquished the charge of the office of Chairman on 31st July, 1997.
2. Smt. Rathi Vinay Jha, C.M.D., Rural Electrification Corporation Ltd. was appointed as a part-time Director w.e.f. 22nd September, 1997.
3. Shri M. Venkateswaran, Additional Secretary, Department of Expenditure, Ministry of Finance, took over as a part-time Director w.e.f. 23rd October, 1997.
4. Shri Vinod Dhall, Addl. Secretary, Department of Expenditure, Ministry of Finance, ceased to be the part-time Director w.e.f. 1st September, 1997.
5. Shri. T. L. Sankar, Smt. Lalitha Balakrishnan, Dr. N.G. Hegde and Smt. Rathi Vinay Jha ceased to be part-time Directors w.e.f. 25th October, 1997 on expiry of the tenure of their appointment.

ACKNOWLEDGEMENTS

The Board of Directors express their gratitude to Capt. Jaï Narain Prasad Nishad, Hon'ble former Union Minister of State for Non-Conventional Energy Sources for the dynamic leadership provided by him.

The Directors place on record their deep appreciation of the valuable contribution made and guidance given

by Sh. Ashok Parthasarathi and Sh. S. S. Boparai, the outgoing Chairmen and other Directors for their co-operation.

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

The Directors are thankful to the World Bank, Swiss Development Cooperation, Global Environment Facility, Asian Development Bank, DANIDA, Royal Government of The Netherlands, KfW, Germany and the OECF, Japan, for their co-operation and assistance. The Company looks forward to their continued support.

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

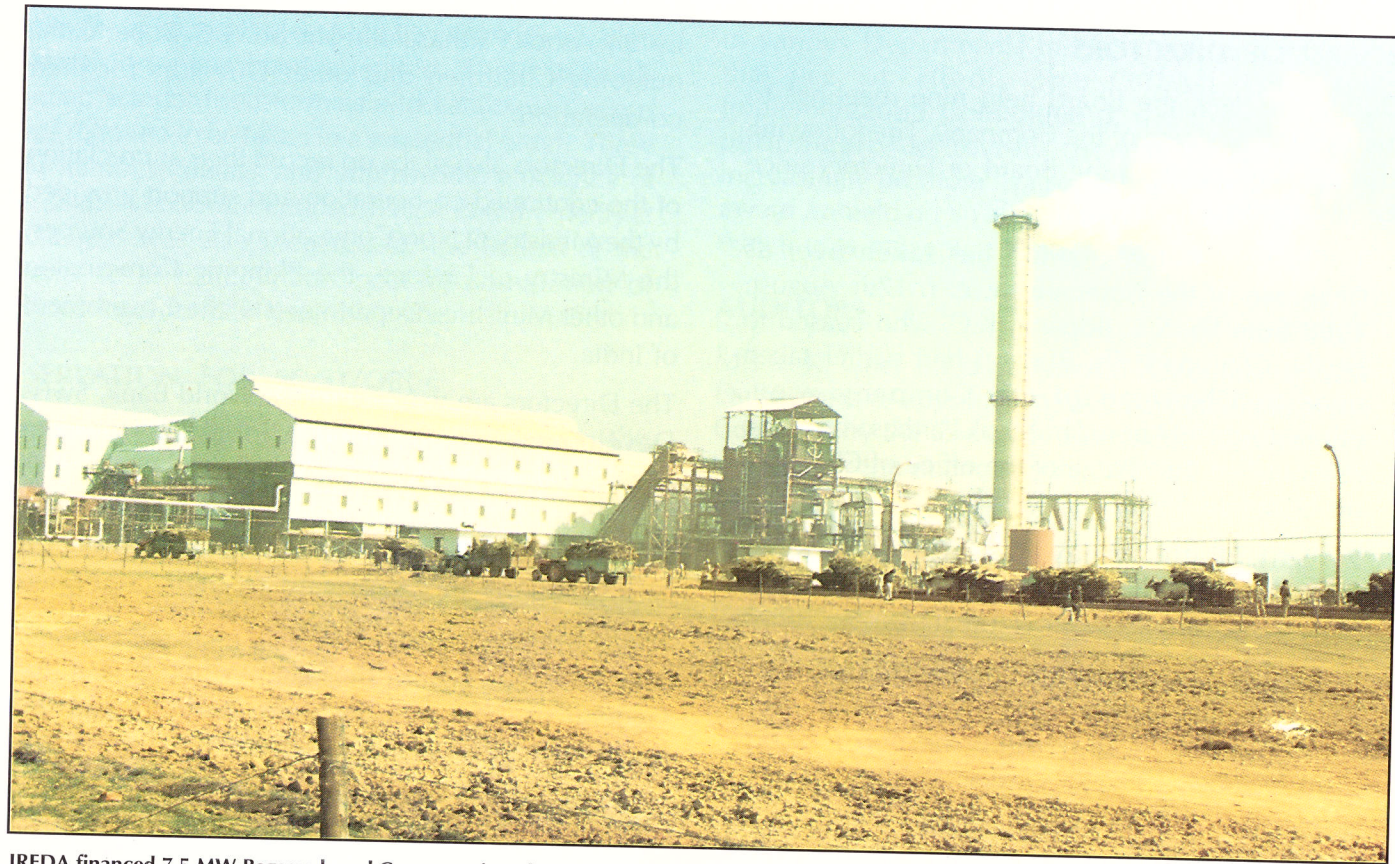
Special thanks are extended to Bond-holders/clients of the Company for the confidence reposed by them in the Company.

The Directors also appreciate the valuable services rendered by the employees of the Company at all levels.

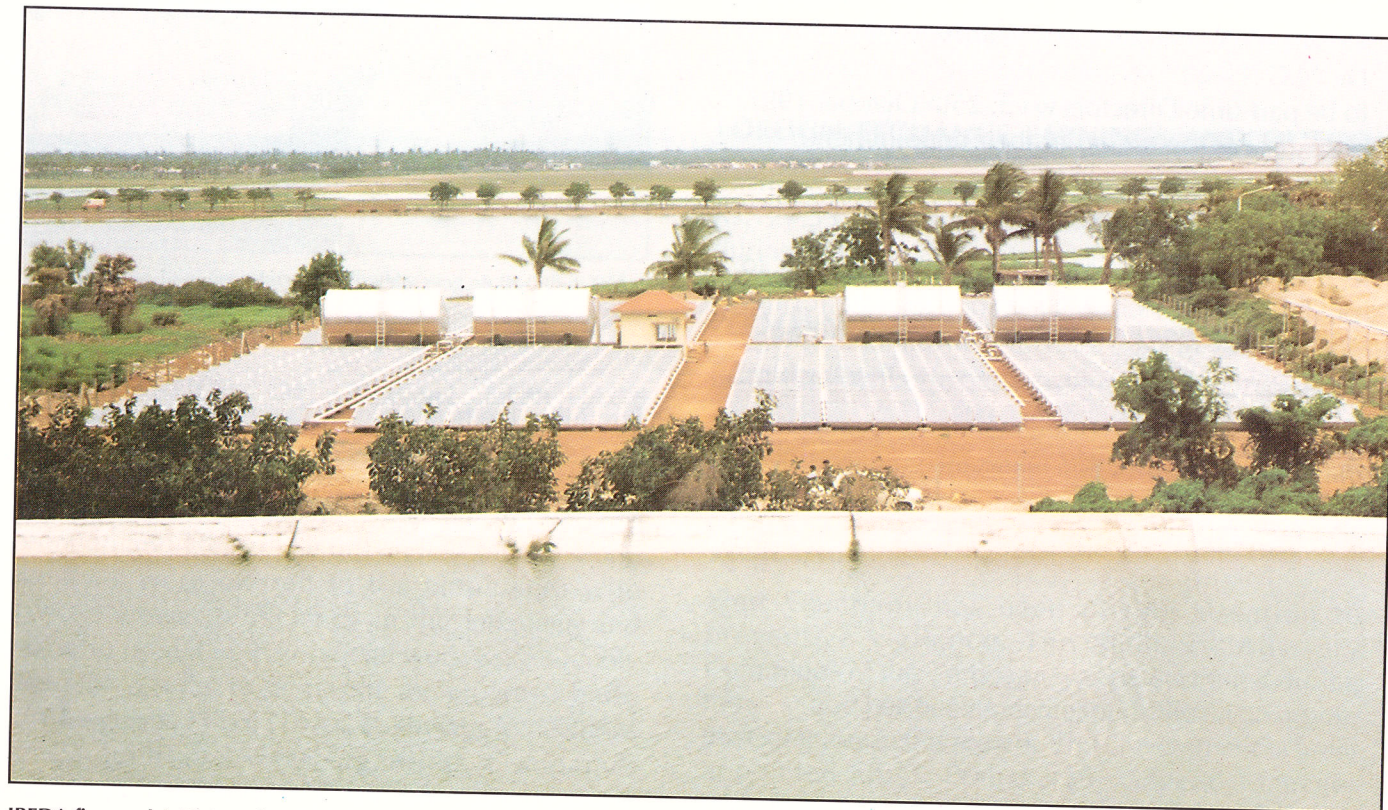
for and on behalf of
the Board of Directors

C.R. Kamalanathan
Chairman

Place: New Delhi
Date: 28th September, 1998



IREDA financed 7.5 MW Bagasse based Co-generation plant set up at Lakhimpur Kheri, Uttar Pradesh.



IREDA financed 1,20,000 Litres per day capacity (at 80°C) Solar Water Heating System at Kakinada, Andhra Pradesh.

ANNEXURE I

NO. OF PROJECTS SANCTIONED AND IREDA'S LOAN AMOUNT - STATEWISE AND YEARWISE

(Rs. in Crores)

Sl. No.	Name of State/UT	1987-88		1988-89		1989-90		1990-91		1991-92		1992-93	
		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.	STATES												
1	Andhra Pradesh	0	0.00	0	0.00	4	0.65	3	0.55	4	0.85	6	0.68
2	Assam	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
3	Bihar	0	0.00	0	0.00	1	0.25	2	0.90	0	0.00	0	0.00
4	Gujarat	1	0.10	2	0.26	5	0.27	4	0.53	1	0.02	4	1.81
5	Goa	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
6	Haryana	0	0.00	0	0.00	1	0.25	1	0.50	5	1.47	1	0.04
7	Himachal Pradesh	1	0.50	0	0.00	0	0.00	1	1.43	0	0.00	0	0.00
8	Jammu & Kashmir	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
9	Karnataka	1	0.03	0	0.00	2	0.28	4	0.85	3	1.34	6	1.74
10	Kerala	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	5.02
11	Madhya Pradesh	0	0.00	3	0.02	1	0.12	7	15.01	6	2.90	3	0.76
12	Maharashtra	1	0.14	3	0.53	1	0.03	11	1.10	8	1.94	14	1.22
13	NCT of Delhi	1	0.01	0	0.00	0	0.00	1	0.01	0	0.00	0	0.00
14	Orissa	0	0.00	1	0.25	0	0.00	0	0.00	4	5.72	0	0.00
15	Punjab	2	1.91	0	0.00	2	0.32	3	0.65	0	0.00	1	0.38
16	Rajasthan	0	0.00	1	0.49	0	0.00	5	0.24	0	0.00	1	0.68
17	Tamilnadu	5	1.02	5	1.54	7	2.13	3	0.56	15	6.14	11	16.90
18	Uttar Pradesh	6	1.90	4	0.96	6	1.50	8	3.62	5	3.48	1	0.02
19	West Bengal	1	0.05	0	0.00	1	0.03	1	0.09	1	0.98	6	1.49
	TOTAL 'A'	19	5.66	20	4.17	31	5.83	54	26.04	52	24.84	56	30.74
B.	UNION TERRITORY												
1	Andaman & Nicobar	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
2	Daman	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
3	Pondicherry	0	0.00	0	0.00	0	0.00	1	0.25	0	0.00	0	0.00
	TOTAL 'B'	0	0.00	0.00	0.00	0	0.00	1	0.25	0	0.00	0	0.00
	GRAND TOTAL 'A' + 'B'	19	5.66	20	4.17	31	5.83	55	26.29	52	24.84	56	30.74

Contd..

ANNEXURE I Contd...

(Rs. in Crores)

Sl. No.	Name of State/UT	1993-94		1994-95		1995-96		1996-97		1997-98		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.
A. STATES													
1	Andhra Pradesh	9	8.79	10	28.09	29	58.02	9	28.40	21	76.68	95	202.71
2	Assam	0	0.00	0	0.00	0	0.00	0	0.00	1	0.37	1	0.37
3	Bihar	1	1.50	0	0.00	1	0.10	0	0.00	0	0.00	5	2.75
4	Gujarat	5	14.63	12	15.81	14	43.60	7	1.30	7	32.38	62	110.71
5	Goa	1	0.03	0	0.00	0	0.00	0	0.00	0	0.00	1	0.03
6	Haryana	2	0.18	3	3.13	2	5.40	1	0.08	1	5.94	17	16.99
7	Himachal Pradesh	0	0.00	0	0.00	1	1.25	0	0.00	2	7.00	5	10.18
8	Jammu & Kashmir	1	0.62	0	0.00	0	0.00	0	0.00	0	0.00	1	0.62
9	Karnataka	23	44.62	9	8.12	28	60.76	13	69.66	22	177.18	112	364.70
10	Kerala	4	11.85	3	34.77	6	60.18	10	10.00	1	0.32	16	122.14
11	Madhya Pradesh	4	4.15	8	10.33	11	10.60	9	20.97	8	23.44	60	88.30
12	Maharashtra	16	1.58	13	3.95	24	36.90	11	5.31	17	7.58	119	60.28
13	NCT of Delhi	1	0.38	2	0.85	11	8.10	7	3.31	15	5.03	38	17.69
14	Orissa	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	5	5.97
15	Punjab	0	0.00	1	0.03	0	0.00	1	0.69	1	16.60	11	20.58
16	Rajasthan	3	0.82	2	1.94	3	0.77	1	0.48	1	1.79	17	7.21
17	Tamilnadu	20	68.24	66	131.31	126	314.30	40	105.37	17	50.35	315	697.86
18	Uttar Pradesh	2	3.34	4	3.94	5	1.98	9	82.09	8	69.96	58	172.79
19	West Bengal	1	0.21	2	0.27	4	2.95	0	0.00	8	24.34	25	30.41
	TOTAL 'A'	93	160.94	135	242.54	265	604.91	108	327.66	130	498.96	963	1932.29
B. UNION TERRITORY													
1	Andaman & Nicobar	0	0.00	1	0.11	0	0.00	0	0.00	0	0.00	1	0.11
2	Daman	1	1.45	0	0.00	0	0.00	0	0.00	0	0.00	1	1.45
3	Pondicherry	0	0.00	0	0.00	0	0.00	1	1.13	0	0.00	2	1.38
	TOTAL 'B'	1	1.45	1	0.11	0	0.00	1	1.13	0	0.00	4	2.94
	GRAND TOTAL 'A' + 'B'	94	162.39	136	242.65	265	604.91	109	328.79	130	498.96	967	1935.23

 ANNEXURE II
 SECTORWISE AND YEARWISE SANCTIONS DURING 1987-88 TO 1997-98

(Rs. in Crores)

Sl. No.	Category	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Cumulative
1.	Wind Farms	0.00	0.00	1.62	0.25	5.52	16.31	77.39	140.26	327.14	107.39	111.39	787.27
2.	Small Hydro	0.00	0.00	0.00	13.76	5.72	5.40	49.94	53.12	118.78	122.93	176.05	545.70
3.	Solar Thermal	0.83	0.32	0.37	2.54	1.15	1.74	3.87	5.69	7.96	3.94	8.28	36.69
4.	Solar Photovoltaic	0.00	0.49	0.28	1.00	0.25	0.00	15.42	13.90	82.84	28.95	66.25	209.38
5.	Biomethanation from Industrial Effluents	2.00	2.14	2.25	5.83	9.39	4.55	12.12	10.06	4.99	4.40	4.24	61.97
6.	Biomass Co-generation (including sugar industry)	0.00	0.00	0.00	0.00	1.00	0.00	2.00	8.50	39.85	50.00	119.90	221.25
7.	Biomass Power Generation	1.60	0.00	0.00	0.50	0.00	0.00	0.00	9.00	22.00	9.85	5.45	48.40
8.	Biomass Briquetting	0.40	1.17	0.95	2.29	1.45	2.34	0.95	2.12	0.84	0.28	2.08	14.87
9.	Biomass Gasification (including Power Generation)	0.15	0.00	0.00	0.09	0.00	0.33	0.70	0.00	0.51	1.05	5.32	8.15
10.	High Efficiency Wood Burning Stoves	0.03	0.00	0.36	0.03	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.49
11.	Miscellaneous	0.65	0.05	0.00	0.00	0.36	0.00	0.00	0.00	0.00	0.00	0.00	1.06
	TOTAL	5.66	4.17	5.83	26.29	24.84	30.74	162.39	242.65	604.91	328.79	498.96	1935.23

ANNEXURE III
STATEWISE DISBURSEMENTS DURING 1987-88 TO 1997-98
(Rs. in Crores)

Sl. No.	Name of State/Union Territory	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Cumulative
A.	STATES												
1	Andhra Pradesh	0.00	0.00	0.25	0.79	0.57	0.44	3.12	9.22	25.16	30.52	38.50	108.57
2	Bihar	0.00	0.00	0.00	0.25	0.12	0.00	0.00	0.00	0.00	0.00	0.08	0.45
3	Goa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Gujarat	0.02	0.09	0.05	0.32	0.55	0.02	2.34	13.04	27.64	3.39	18.19	65.65
5	Haryana	0.00	0.00	0.00	0.21	0.03	0.01	0.17	2.79	0.20	0.06	0.07	3.54
6	Himachal Pradesh	0.30	0.20	0.00	1.43	0.00	0.00	0.00	0.00	0.00	0.00	0.66	2.59
7	Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Karnataka	0.00	0.12	0.04	0.04	0.62	0.91	1.75	9.59	13.45	34.41	51.01	111.94
9	Kerala	0.00	0.00	0.00	0.00	0.00	2.66	2.16	0.00	6.20	2.16	20.69	33.87
10	Madhya Pradesh	0.00	0.00	0.00	2.63	2.32	5.86	1.48	3.39	7.58	3.00	10.30	36.56
11	Maharashtra	0.00	0.45	0.08	0.78	0.68	0.85	0.88	2.64	1.39	9.24	2.39	19.38
12	NCT of Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.32	0.43	0.75	1.55
13	Orissa	0.00	0.00	0.00	0.00	0.00	1.18	2.63	0.00	0.00	0.00	0.00	3.81
14	Punjab	0.27	1.64	0.06	0.42	0.33	0.06	0.00	0.01	0.01	0.20	0.65	3.65
15	Rajasthan	0.00	0.00	0.49	0.00	0.13	0.01	0.05	1.31	0.41	0.15	0.70	3.25
16	Tamilnadu	0.46	0.64	2.18	0.77	0.96	5.50	37.24	87.84	154.56	146.84	24.78	461.77
17	Uttar Pradesh	0.50	1.47	1.77	0.59	2.91	0.14	2.58	0.19	1.35	6.42	17.32	35.24
18	West Bengal	0.00	0.05	0.00	0.00	0.97	0.53	0.17	0.27	0.05	0.65	0.00	2.69
	TOTAL 'A'	1.55	4.66	4.92	8.23	10.19	18.17	54.62	130.29	238.32	237.47	186.09	894.51
B.	UNION TERRITORY												
1	Andaman & Nicobar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Daman	0.00	0.00	0.00	0.00	0.00	0.00	1.30	0.00	0.15	0.00	0.04	1.49
3	Pondicherry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.13	1.13
	TOTAL 'B'	0.00	0.00	0.00	0.00	0.00	0.00	1.30	0.00	0.15	0.00	1.17	2.62
	GRAND TOTAL 'A'+ 'B'	1.55	4.66	4.92	8.23	10.19	18.17	55.92	130.29	238.47	237.47	187.26	897.13

ANNEXURE IV
SECTORWISE AND YEARWISE DISBURSEMENTS DURING 1987-88 TO 1997-98
(Rs. in Crores)

Sl. No.	Sector	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Cumulative
1	Wind Farms	0.00	0.00	1.29	0.21	0.59	5.15	38.02	104.74	172.31	126.98	51.50	500.79
2	Small Hydro	0.00	0.00	0.00	2.62	2.19	8.25	5.24	6.06	10.06	31.57	65.83	131.82
3	Solar Thermal	0.59	0.29	0.23	2.36	0.37	1.15	1.23	1.26	2.00	2.96	3.43	15.87
4	Solar Photovoltaic	0.00	0.00	0.65	0.41	0.24	0.09	5.93	7.32	14.98	30.90	19.11	79.63
5	Biomethanation from Industrial Effluents	0.70	3.81	2.12	1.41	5.65	3.01	3.90	8.94	4.09	3.23	2.68	39.54
6	Biomass Co-generation (including sugar industry)	0.00	0.00	0.00	0.00	0.00	0.00	0.50	1.50	23.48	24.75	42.65	92.88
7	Biomass Power Generation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.89	16.61	1.46	28.96
8	Biomass Briquetting	0.25	0.10	0.63	1.07	1.02	0.52	0.99	0.40	0.66	0.47	0.04	6.15
9	Biomass Gasification (including power generation)	0.01	0.09	0.00	0.00	0.09	0.00	0.11	0.00	0.00	0.00	0.56	0.86
10	Miscellaneous	0.00	0.37	0.00	0.15	0.04	0.00	0.00	0.07	0.00	0.00	0.00	0.63
	TOTAL	1.55	4.66	4.92	8.23	10.19	18.17	55.92	130.29	238.47	237.47	187.26	897.13



Capt. Jai Narain Prasad Nishad, Hon'ble former Union Minister of State for Non-Conventional Energy Sources flagging off the "Run for the Sun" organised by IREDA at India Gate in New Delhi as a part of Decade of Service Celebrations.

Comments of the Comptroller and 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, 1998.

[As conveyed vide letter No. MAB-II/CAD-1/15-10/97-98/922 dated 24th September, 1998 by the office of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board-II, New Delhi]

BALANCE SHEET

SOURCES OF FUNDS

1. LOAN FUNDS

Secured Loans (Schedule-D) Rs. 32809.20 lakhs

This includes an amount of Rs. 269.20 lakhs on account of 10.5% Tax Free Secured Redeemable Energy Bonds (Series IV) issued to private individuals which was not in accordance with guidelines of the Government of India, Ministry of Finance.

Noted.

APPLICATION OF FUNDS

2. CURRENT LIABILITIES & PROVISIONS

Current Liabilities (Schedule-J) Rs. 10834.35 lakhs

This does not include a sum of Rs. 219.03 lakhs being premium for land (Rs. 144.08 lakhs) and ground rent (Rs. 74.95 lakhs) payable to Govt. of India, Ministry of Urban Affairs & Employment.

Noted.

As the applicability of commercial rate to the Company is under examination in the Ministry, this fact should have been disclosed in the Notes on Accounts.

(Arvind K. Awasthi)
Principal Director of Commercial Audit
and Ex-Officio Member, Audit Board-II
New Delhi

Place: New Delhi
Date: 24th September, 1998

for and on behalf of
the Board of Directors

C.R. Kamalanathan
Chairman

Place: New Delhi
Date: 28th September, 1998

**REVIEW OF ACCOUNTS OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.
FOR THE YEAR ENDED 31ST MARCH 1998 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:

	(Rs. in crore)		
LIABILITIES	1995-96	1996-97	1997-98
a) Paid up Capital			
i) Government	62.35	90.35	114.35
b) Reserves & Surplus			
i) Free Reserves & Surplus	21.60	29.71	31.08
ii) Capital Grants	2.76	1.74	1.45
iii) Capital Reserves	61.00	70.60	72.21
iv) NBFC Reserves	0.00	2.80	3.04
BORROWINGS			
c) i) From Government of India	51.49	123.49	132.77
ii) From Financial Institutions	75.40	105.00	39.60
iii) Others (Tax free bonds & Loan from ADB)	105.00	195.99	374.82
d) i) Current Liabilities & Provision	91.78	115.50	125.60
ii) Provision for Gratuity/Leave Encashment	0.01	0.01	0.02
TOTAL	471.39	735.19	894.94
ASSETS			
e) Gross Block	6.39	6.45	7.19
f) Less: Depreciation	0.90	2.13	3.04
g) Net Block	5.49	4.32	4.15
h) Investments	0.12	0.12	10.12
i) Current Assets, Loans & Advances	462.32	720.32	870.46
j) Misc. expenditure not written off	3.46	10.43	10.21
TOTAL	471.39	735.19	894.94
k) Working Capital [j-d(i)-c(vi)]	370.54	604.82	744.86
l) Avg. Capital Employed	303.84	530.54	680.62
m) Net Worth [a+b(i)-k-l]	80.49	109.62	135.22
n) Net Worth per Rupee of paid up capital (in Rs.)	1.29	1.21	1.18

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:

	1995-96	1996-97	1997-98 (in Percentage)
A. Liquidity Ratio	503.71	623.64	693.06
Current Ratio (Current Assets to Current Liabilities & provisions and interest accrued & due but excluding provisions for Gratuity/Leave Encashment [j/d(i)+c(vi)])			
B. Debt Equity Ratios	288.08	387.21	404.66
Long term Debt to Net Worth [c(i) to v but excluding short term loans]			
C. Profitability Ratios			
a) Profit before Tax to			
i) Capital Employed	4.95	2.52	0.52
ii) Net Worth	18.69	18.73	2.60
iii) Operational Income	50.71	29.71	4.94
b) Profit after Tax to Equity	12.07	15.47	1.06
c) Earning per share (in Rupees)	120.67	154.62	10.60

3. SOURCES AND USES OF FUNDS

Funds amounting to Rs. 150.78 crores were generated and utilised during 1997-98 as given below :

(Rs. in crore)

SOURCES OF FUNDS

Funds from operations:

Profit after Tax (P&L)	1.61	
Less: Miscellaneous income (capital grant)	0.70	
	<u>0.91</u>	
Add: Depreciation	0.92	
Bond issue Expenses written off	0.23	2.06

Others

World Bank Project Grants	1.61
Capital Grants	0.40
Issue of Shares	24.00
Increase in Borrowings	122.71
Sale of Fixed Assets	0.00
Total	150.78

		0.75
		10.10
		140.03
		150.78
		(Rs. in crore)
<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>
33.26	73.09	78.19
15.04	20.53	3.51
7.52	13.98	1.21
45.22	28.09	4.49
4.95	2.52	0.52
9.35	12.75	0.90
12.07	15.47	1.06

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 31 March, 1998:

(Rs. in crore)

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
1995-96	189.98	1.97	191.95	0.52	238.47	30.41	36.13	386.73	7.56	394.29	3.65
1996-97	386.73	7.56	394.29	3.65	237.47	73.34	57.65	560.11	14.00	574.11	4.23
1997-98	560.11	14.00	574.11	4.23	187.26	69.13	110.16	623.85	27.36	651.21	4.58

(Arvind K Awasthi)
Principal Director of Commercial Audit &
Ex-Officio Member Audit Board-II,
New Delhi

Place: New Delhi
Date : 24th September, 1998

Addendum - II

Annexure to the Directors' Report

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

Sl No.	Auditor's Report	Management Reply
2(i)	The accounting of certain items of income and expenditure such as front end fee, service charges, ex-gratia in lieu of bonus, etc. on cash basis are not in conformity with the Accounting Standard (AS)-9 issued by the Institute of Chartered Accountants of India.	Front end fee: The Front end fee is collected at the prescribed rate as per the Loan Guidelines of IREDA. It may be noted that the front end fee is due and to be paid before signing of the loan agreement. Since the signing of the loan agreement depends on the readiness of the borrower, the front end fee is accounted for on receipt basis as and when the loan agreement is signed. Service Charges: For the programmes managed by IREDA on behalf of MNES, IREDA is eligible for lumpsum one-time service charges as well as annual service charges @ 2.5% of the loan outstanding. The lumpsum service charge is due as and when MoU is signed with MNES and the service charges are received alongwith the first instalment of the grant/funds which is accounted on receipt basis as per past practice. Ex-gratia in lieu of Bonus: The amount is paid to eligible employees as per the directions of Department of Public Enterprises, Government of India. The eligibility of ex-gratia arises as and when orders are issued by Government of India to pay the ex-gratia on yearly basis. It has been accounted on cash basis consistently as per the past practice.
2(ii)	Note No. 7 regarding non-execution of conveyance deeds in respect of residential and office premises and charging of depreciation on composite cost.	The Ministry of Urban Affairs & Employment is yet to enter into an agreement with the India Habitat Centre (IHC) for office building and with M/s Hindustan Prefab Ltd. (HPL) for residential flat. IHC & HPL can enter into agreement with IREDA only after signing lease agreement with the Ministry of Urban Affairs & Employment. This is position in respect of other occupants also. The cost includes proportionate value for land which has not been separately determined and accounted for. As such, depreciation has been charged on composite cost at the rates prescribed as per Schedule XIV of the Companies Act, 1956.

Sl No.	Auditor's Report	Management Reply
2(iii)	Note No. 8 regarding recovery of certain items of office equipment.	IREDA has been regularly pursuing for collection of the items. During the year, assets worth Rs. 10.54 lakhs were recovered and the value of the balance assets to be recovered is Rs. 0.31 lakh.
2(iv)	Note No. 11 regarding basis of valuation of securities for making provision for non performing assets.	The realisable value of securities has been worked out based on the latest available audited balance sheet of the borrowers and the value of the assets has been arrived at after providing necessary depreciation. This realisable value of the assets has been taken for the purpose of providing for Non-Performing Assets (NPA) which is in order.
2(v)	Note No. 13 regarding non-execution of security documents.	Action is being taken to complete the documentation formalities.
2(vi)	Note No. 14 regarding non-issue of Bonds Certificates within the stipulated period.	IREDA's application for stamp duty exemption in respect of Tax Free Bonds (Series IV) is pending with Ministry of Finance. In respect of Series V, provision is already made. As regards income tax and wealth tax exemptions, IREDA's application for Series IV and V is pending. However, application has since been tendered with the Company Law Board seeking extension of time for issue of Bond Certificates.

Comments of IREDA's Management on the Annexure to Statutory Auditors Report for the Financial Year 1997-98

Sl No.	Auditor's Report	Management Reply
13	In respect of investment made by the Company in shares of unit financed proper records have been maintained and shares are held in the name of the Company except Securities purchased from ICICI Securities (Note No. 9 - Schedule "Q") held in their SGL Account with Reserve Bank of India, New Delhi for want of registration and Allotment of SGL Account Number by Reserve Bank of India to IREDA.	Action is being taken to get the securities transferred in the name of IREDA. As per letter dated 3rd September '98 received from M/s ICICI Securities, Mumbai, they will be lodging the required documents for transfer of the securities shortly.

for and on behalf of
the Board of Directors

C.R. Kamalanathan
Chairman

Place: New Delhi
Date: 28th September, 1998

AUDITORS' REPORT

The Members,
Indian Renewable Energy
Development Agency Limited

We have audited the attached Balance Sheet of Indian Renewable Energy Development Agency Limited, as at 31st March, 1998 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto. We report :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - i. The accounting of certain items of income and expenditure such as front end fee, service charges, exgratia in lieu of bonus, etc. on cash basis are not in conformity with the Accounting Standard (AS)-9 issued by the Institute of Chartered Accountants of India.
 - ii. Note No.7 regarding non-execution of conveyance deeds in respect of residential & office premises and charging of depreciation on composite cost.
 - iii. Note No.8 regarding recovery of certain items of office equipment.
 - iv. Note No.11 regarding basis of valuation of securities for making provision for non-performing assets.
 - v. Note No.13 regarding non-execution of security documents.

- vi. Note No.14 regarding non-issue of Bonds Certificates within the stipulated period.

Subject to above :

- a) 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.
- b) 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 the books.
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Accounting Policies and Notes given in Schedule "Q" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998; and
2. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

for K. K. GHEI & COMPANY
Chartered Accountants

Place : New Delhi
Dated : 2nd September, 1998

(D.S.SOBTI)
PARTNER

Annexure referred to in Paragraph 1 of the Report of even date of the Auditor's Report to the Members of Indian Renewable Energy Development Agency Limited on the Accounts for the year ended 31st March, 1998

1. The records maintained showing full particulars with regard to quantitative details and situation of fixed assets require reconciliation with the financial books. According to information given to us physical verification of assets was conducted by the management at the year end and no discrepancies were noticed on such verification except as mentioned in Note No.8 of Schedule "Q".
2. None of the fixed assets of the Company have been revalued during the year.
3. The Company has not taken any loans secured or unsecured from Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from the Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
4. The Company has not granted any loans secured or unsecured to Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to the Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
5. The parties to whom loans and advances in the nature of loans have been granted by the Company are generally repaying the principal amounts as scheduled/rescheduled and are generally regular in the payment of interest. In cases where repayment of principal and or interest are not received as stipulated reasonable steps have been taken for their recovery.
6. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets.
7. The Company has not accepted any deposit from public within the meaning of Section 58 A of the Companies Act, 1956 read with Companies Acceptance of Deposit Rules, 1975.
8. The Company has engaged a firm of Chartered Accountants for internal audit. The internal audit system requires further strengthening so as to make it commensurate with the size and nature of its business in view of the expanding activities of the Company.
9. As per records of the Company, the Provident Fund dues are being regularly deposited with the appropriate authorities.
10. According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax/Interest Tax/ Wealth Tax were outstanding as at 31st March, 1998 for a period of more than six months from the date they became due.
11. During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices we have not come across any personal expenses which have been charged to revenue account.
12. In respect of financing activities subject to Note No.13 of Schedule "Q" relating to non-execution of final security documents, the Company, in our opinion, has obtained proper documents and maintained adequate records in respect of loans and advances granted on the basis of securities and bank guarantees obtained.
13. In respect of investment made by the Company in shares of unit financed proper records have been maintained and shares are held in the name of the company except Securities purchased from ICICI Securities (Note No.9 - Schedule "Q") held in their SGL Account with Reserve Bank of India, New Delhi for want of registration and Allotment of SGL account number by Reserve Bank of India to IREDA.
14. Para 4A (iii), (iv), (v), (vi), (xi), (xii), (xiv), (xvi), (xx) and 4D (iii) and (iv) of the said order are not applicable and hence not commented upon.

for K. K. GHEI & COMPANY
Chartered Accountants

Place : New Delhi
Dated : 2nd September, 1998

(D.S.SOBTI)
PARTNER

BALANCE SHEET

AS AT 31st MARCH, 1998

	SCHEDULE	As at 31.3.98 Rs.	As at 31.3.97 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	1,143,500,000	903,500,000
Reserves and Surplus	B	1,063,284,090	1,031,039,239
Capital Grants	C	14,492,103	17,465,308
Loan Funds			
Secured Loans	D	3,280,920,000	2,934,920,000
Unsecured Loan	E	2,190,986,365	1,309,900,000
		<u>7,693,182,558</u>	<u>6,196,824,547</u>
APPLICATION OF FUNDS			
Fixed Assets	F	71,927,628	64,495,512
Gross Block		30,419,209	21,283,855
Less: Depreciation		<u>41,508,419</u>	<u>43,211,657</u>
Net Block			
Investments	G	101,200,000	1,200,000
Current Assets, Loans & Advances			
Current Assets	H	1,951,894,272	1,269,852,555
Loans & Advances	I	6,752,686,819	5,933,336,544
		<u>8,704,581,091</u>	<u>7,203,189,099</u>
Less: Current Liabilities & Provisions	J	1,083,434,705	981,907,517
Current Liabilities	K	172,772,087	173,214,534
Provision for Taxation		<u>1,256,206,792</u>	<u>1,155,122,051</u>
Net Current Assets		<u>7,448,374,299</u>	<u>6,048,067,048</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)		102,099,840	104,345,842
Energy Bond Issue expenses		<u>7,693,182,558</u>	<u>6,196,824,547</u>

Accounting Policies and Notes on Accounts

Q

As per our Report of even date
For K. K. GHEI & COMPANY
Chartered Accountants

D.S. SOBTI
Partner

Place: New Delhi
Date: 2nd September, 1998

C.R. KAMALANATHAN
Chairman

T. PRABAKARAN
General Manager (FS)

Dr. V. BAKTHAVATSALAM
Managing Director

R.K. SACHDEVA
Company Secretary

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDING 31st MARCH, 1998

	SCHEDULE	As at 31.3.98 Rs.	As at 31.3.97 Rs.
INCOME			
Income from operation	L	710,559,857	691,095,745
Other Income	M	71,376,243	39,803,213
		<u>781,936,100</u>	<u>730,898,958</u>
EXPENDITURE			
Personnel	N	19,710,841	16,241,555
Administrative and Others	O	38,497,524	23,488,511
Depreciation-Fixed Assets		9,164,241	12,225,557
Finance Charges	P	564,177,674	442,761,835
Provision for bad and doubtful debts		117,061,212	30,857,380
Provision for Depreciation in Investments		1,000,000	—
		<u>749,611,492</u>	<u>525,574,838</u>
PROFIT FOR THE YEAR		<u>32,324,608</u>	<u>205,324,120</u>
Prior period Adjustments (net)		2,801,772	(1,674,017)
Add: Excess Provision written back		—	1,677,182
— Interest		—	—
PROFIT BEFORE TAX		<u>35,126,380</u>	<u>205,327,285</u>
Provision for Taxation		23,000,000	65,626,000
PROFIT AFTER TAX		<u>12,126,380</u>	<u>139,701,285</u>
Add: Excess Provision of Income tax made in earlier years written back		4,014,871	85,400
PROFIT AVAILABLE FOR APPROPRIATION		<u>16,141,251</u>	<u>139,786,685</u>
APPROPRIATIONS			
Special Reserve u/s 36(i)(viii) of IT Act		13,715,000	8,650,000
NBFC Reserve as per RBI Norms		2,425,276	27,957,000
Debenture redemption reserve		—	72,400,000
Proposed Dividend		—	27,957,000
Dividend Tax		—	2,796,000
Surplus carried to Balance Sheet		975	26,685
		<u>16,141,251</u>	<u>139,786,685</u>

Accounting Policies and Notes on Accounts

Q

As per our Report of even date
For K. K. GHEI & COMPANY
Chartered Accountants

D.S. SOBTI
Partner

Place: New Delhi
Date: 2nd September, 1998

C.R. KAMALANATHAN
Chairman

T. PRABAKARAN
General Manager (FS)

Dr. V. BAKTHAVATSALAM
Managing Director

R.K. SACHDEVA
Company Secretary

SCHEDULES

Schedules to Financial Statements for the year ending 31st March, 1998

Particulars	As at 31.3.98 Rs.	As at 31.3.97 Rs.
A. PARTICULARS		
Authorised		
20,00,000 (10,00,000) Equity Shares of Rs. 1,000 each	2,000,000,000	1,000,000,000
Issued, Subscribed & Paid up		
11,43,500 (9,03,500) Equity Shares of Rs. 1,000 each fully paid up	1,143,500,000	903,500,000
	1,143,500,000	903,500,000
B. RESERVES AND SURPLUS		
Capital Reserve:		
Grant-in-Aid from:		
Government of Netherlands	167,858,986	167,858,986
World Bank - GEF Project Grant	549,938,421	536,477,821
World Bank - SDC Project Grant	4,296,000	1,653,000
	722,093,407	705,989,807
Special Reserve under Section 36(1)(viii) of the Income Tax Act 1961		
Balance from Previous year	119,573,145	110,923,145
Addition during the year	13,715,000	8,650,000
	133,288,145	119,573,145
NBFC Reserve as per RBI Norms		
Balance from Previous year	27,957,000	—
Addition during the year	2,425,276	27,957,000
	30,382,276	27,957,000
Debenture Redemption Reserve		
Balance from Previous year	177,459,543	105,059,543
Addition during the year	—	72,400,000
	177,459,543	177,459,543
Surplus:		
Balance from Previous year	59,744	33,059
Add: Transferred from Profit & Loss A/c	975	26,685
	60,719	59,744
	1,063,284,090	1,031,039,239

Schedules to Financial Statements for the year ending 31st March, 1998

Particulars	As at 31.3.98 Rs.	As at 31.3.97 Rs.
C. CAPITAL GRANT		
a. Capital Grant from World Bank for purchase of Fixed Assets		
Balance from Previous year	17,465,308	27,561,729
Received during the year	4,046,015	316,951
	21,511,323	27,878,680
Less: Transferred to Miscellaneous Income	7,019,220	10,413,372
	14,492,103	17,465,308
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	300,000,000
10.5% Tax free Secured Redeemable Energy Bonds (Series IV)		
Redeemable at par after the expiry of 7 years as under		
Tranche I on 1.1.2004	410,000,000	410,000,000
Tranche II on 30.3.2004	499,920,000	499,920,000
9.5% Tax free Secured Redeemable Energy Bonds (Series V)		
Redeemable at par after the expiry of 7 years, as under		
Tranche I on 17.2.2005	500,000,000	—
Tranche II on 23.3.2005	500,000,000	—
The above Bonds		
i) are redeemable with buy back facility at par on the expiry of lock in period of 3 years up to the face value of Rs. 40,000/- per bond holder.		
Term Loans		
CANARA BANK	321,000,000	500,000,000
HUDCO LOAN	—	475,000,000
	3,280,920,000	2,934,920,000
E. UNSECURED LOANS		
A. Loans Guaranteed by the Government of India		
Life Insurance Corporation of India	75,000,000	75,000,000
Loan from ADB	788,297,365	—
B. Government Loans		
Against		
IDA Credit	1,088,800,000	1,134,900,000
DANIDA Credit	238,889,000	100,000,000
	2,190,986,365	1,309,900,000

Schedules to Financial Statements for the year ending 31st March, 1998

F. FIXED ASSETS									
(Amount in Rs.)									
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1.4.1997	Additions during the year	Disposals/ written off during the year	As at 31.3.1998	As at 1.4.1997	For the year	Disposals/ written off during the year	As at 31.3.1998	As at 31.3.1997
Buildings-residential leasehold	4,143,149	-	-	4,143,149	548,402	179,737	-	728,139	3,415,010
Buildings-office-leasehold	23,434,558	2,975,500	-	26,410,058	2,680,345	1,525,468	-	4,205,813	22,204,245
Office Equipment	3,334,288	3,281,556	43,490	6,572,354	1,299,119	583,294	28,887	1,853,526	4,718,828
Computers	28,922,957	-	-	28,922,957	13,779,278	6,057,472	-	19,836,750	9,086,207
Furniture & Fixtures	4,028,482	927,243	-	4,955,725	2,513,380	483,274	-	2,996,654	1,959,071
Vehicles	252,207	-	-	252,207	83,460	43,689	-	127,149	125,058
Library	379,871	291,307	-	671,178	379,871	291,307	-	671,178	-
	64,495,512	7,475,606	43,490	71,927,628	21,283,855	9,164,241	28,887	30,419,209	41,508,419
Previous Year	63,942,226	570,731	17,445	64,495,512	9,069,394	12,225,557	11,096	21,283,855	43,211,657

Particulars	As at 31.3.98 Rs.	As at 31.3.97 Rs.
G. INVESTMENT (Unquoted)		
1,20,000 Equity shares of Rs. 10/-each in MP WIND FARMS LTD. fully paid up	1,200,000	1,200,000
Quoted		
Govt. securities	101,000,000	
Less: Provision for Depreciation in Investments	1,000,000	
	100,000,000	
	101,200,000	1,200,000

H. CURRENT ASSETS

1. Cash and Bank balances

Cash in hand (imprest)	36,997	38,029
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Bank balances with Scheduled Bank

A) In Current Account

- IREDA	77,013,573	17,200,285
- MNES	10,058,531	5,516,962
- UNDP	30,962,867	29,263,743

B) In Foreign Currency Account

- UNDP GEF Hilly Hydro	55,293,000	
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C) In Deposit Account

a) Short term Deposit		
- IREDA	597,500,000	688,111,438
- MNES	340,500,000	285,000,000
b) Dollar Deposit	796,084,023	24,079,242

1,907,448,991 1,049,209,699

2. Interest accrued but not due on Loans and Deposits

- On Loans	27,435,869	60,913,066
- On STD	3,371,582	5,449,790
- On Govt. Securities	1,843,014	
- On \$ Deposit(BOB)	11,794,816	

3. Advance with MOF (DANIDA)

154,280,000 1,951,894,272 1,269,852,555

Schedules to Financial Statements for the year ending 31st March, 1998

Particulars	As at 31.3.98 Rs.	As at 31.3.97 Rs.
I LOANS & ADVANCES		
Loans to constituents		
As per last balance sheet		
- IREDA	5,443,249,215	3,732,073,942
- MNES	297,850,242	210,783,471
ADD: Transfer from other Advances		
- IREDA	1,638,013	
- MNES	(448,261)	
Add : Disbursements during the year		
- IREDA & WB	1,695,030,724	2,165,390,525
- MNES*	177,561,296	209,335,291
	7,614,881,229	6,317,583,229
Less : Repayment during the year		
- IREDA	963,770,045	454,215,252
- MNES*	137,877,108	122,268,520
	6,513,234,076	5,741,099,457
Add : Incidental Charges of NPA	653,108	57,380
Less : Provision as per RBI Norms	(180,580,124)	(63,518,911)
	6,333,307,060	5,677,637,926
Interest accrued and due on Loans		
Loans to Employees	45,789,248	42,252,216
	6,711,671	3,810,928
	6,385,807,979	5,723,701,070
* includes MNES Subsidy of Rs. 4,46,91,676 (Previous Year Rs. 6,92,68,762)		
Advances (Unsecured, considered good)		
(Recoverable in cash or in kind or for value to be received)		
Security Deposits	239,920	141,300
Staff Advances	1,655,867	846,008
Others	69,571,957	43,495,092
Advance Tax	295,411,096	165,153,074
	366,878,840	209,635,474
TOTAL	6,752,686,819	5,933,336,544

Particulars of loan & Advances :

- Loans considered good in respect of which company is fully secured	5,608,573,309	5,205,916,311
- Loans considered good in respect of which company holds no security other than personal security of the debtor	1,190,194,741	730,772,584
- Loans considered doubtful	134,498,893	60,166,560
	6,933,266,943	5,996,855,455
- Due by Directors of the Company	16,720	68,106
- Due by other officers of the Company	8,350,818	4,588,829
- Maximum amount due at any time during the year by Directors of the Company	181,588	176,611
- Maximum amount due at any time during the year by officers of the Company	8,185,950	5,571,316

Schedules to Financial Statements for the year ending 31st March, 1998

Particulars	As at 31.3.98 Rs.	As at 31.3.97 Rs.
J CURRENT LIABILITIES		
Canara Bank Overdraft (IREDA)	82,058,645	35,535,109
Canara Bank Overdraft (MNES)	101,133,003	—
Sundry Creditors	1,620,545	776,279
MNES Programme Funds	677,179,278	739,674,876
UNDP Programme Funds	30,962,867	29,263,743
Interest accrued but not due	100,197,462	74,383,220
Proposed Dividend	—	27,957,000
UNDP GEF Hilly Hydro Grant	55,293,000	—
Other Liabilities	34,989,905	74,317,290
	1,083,434,705	981,907,517
K PROVISION FOR TAXATION		
For Income-tax	132,271,785	138,207,000
For Interest-tax	40,500,302	32,211,534
For Dividend-tax	—	2,796,000
	172,772,087	173,214,534
L INCOME FROM OPERATION		
Interest on Loans	691,311,758	675,163,425
Less : Rebate on Interest	1,185,865	1,943,468
Less : Interest Tax	12,174,140	18,638,982
	677,951,753	654,580,975
Commitment fee and charges	25,871,825	24,499,412
Application Fee	1,335,000	1,067,440
MNES Service Charges	5,401,279	10,947,918
	710,559,857	691,095,745
M OTHER INCOME		
Interest on Deposit *	59,132,543	26,901,194
Interest on Staff Loan	537,333	319,979
Interest on Income-tax refund	—	278,100
Interest on Govt. Securities	2,717,042	—
Service charges for handling UNDP programme	349,524	611,530
Miscellaneous income	8,222,894	11,450,265
Profit on Sale of Fixed Assets	5,286	2,145
Dividend	336,000	240,000
Difference in Exchange	75,621	—
	71,376,243	39,803,213

* Includes Tax deducted at source NIL (previous Year - Rs. 94444/-)

Schedules to Financial Statements for the year ending 31st March, 1998

Particulars	As at 31.3.98 Rs.	As at 31.3.97 Rs.
N PERSONNEL EXPENSES		
Salaries, Wages and other amenities	14,477,393	11,831,666
Contribution to Gratuity and Provident Funds	1,194,087	958,357
Human Resource Development	229,270	496,700
Staff Welfare	2,300,180	1,594,312
Recruitment	1,509,911	1,360,520
	19,710,841	16,241,555
O ADMINISTRATIVE EXPENDITURE		
Business Promotion	1,396,739	590,705
Conveyance & Travelling	4,790,566	3,357,180
Decade of Service Celebration	6,079,387	3,124,115
Donation	—	500,000
Electricity & Water Charges	153,889	231,048
Information & Dissemination	3,721,683	4,437,741
Insurance	177,786	105,159
Legal & Professional Fee	3,991,802	2,418,507
Newspapers and Periodicals	319,383	354,969
Office Maintenance	151,022	40,798
Office rent	955,991	616,000
Postage Telegram & Telephone	2,833,934	2,399,221
Preliminary Expenses	—	17,158
Printing and Stationery	2,815,743	1,875,791
Rate & Taxes	1,998,539	1,682,622
Renewable Energy Run	3,976,595	—
Repairs & Maintenance	583,420	660,203
ROC Fee	3,155,930	1,080
Miscellaneous	1,395,115	1,076,214
	38,497,524	23,488,511
P FINANCE CHARGES		
Interest on Borrowings		
— on Bonds	208,413,312	117,642,715
— on Loans	324,954,779	305,261,799
	533,368,091	422,904,514
Other Finance Charges		
Bond issue & Loan Raising Expenses written off	24,746,001	19,031,714
Bond Trusteeship fee	586,500	573,000
Bank Charges	148,585	252,607
Commitment fee (ADB)	2,332,380	—
DANIDA Loan expenses	1,786,890	—
GOI Guarantee Fee (ADB)	1,209,227	—
	30,809,583	19,857,321
	564,177,674	442,761,835

SCHEDULE 'Q'

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

(1) General

The financial statements are prepared on the historical cost basis and conform to the statutory provisions and practices prevailing in the country.

(2) Revenue Recognition

- (i) Income and expenses are generally accounted for on accrual basis except the following which are accounted for on cash basis :
 - (a) Income on Non-performing assets where interest has become past due for two quarters or more.
 - (b) Additional interest charged by way of liquidated damages for default in payment of installment/interest within the stipulated time.
 - (c) Front end fee at stipulated rate collected from the borrowers.
 - (d) One time service charges in respect of MNES Programmes.
 - (e) Ex-gratia in lieu of bonus paid as per the directions of Government of India.
- (ii) Loan/Bond issue expenses such as front end fee/Arranger's fee, Stamp duty, etc. are written off during the tenure of the loan/bond.
- (iii) Interest subsidy from MNES is appropriated and accounted for as income on due basis.

(3) Foreign Currency Transactions

Monetary assets, liabilities and undrawn interest on Special Dollar Deposit Account/Dollar Deposit Account with Bank of Baroda are translated at exchange rates prevailing at the year end. Income & Expenditure in foreign currency are translated into Indian Rupee at the exchange rate prevailing on the date of transaction and accounted as per the guidelines issued by ICAI.

(4) Fixed Assets

- (i) Premises and other assets are stated at historical cost.
- (ii) Depreciation on fixed assets (including leasehold properties) is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (iii) Depreciation on Library books is provided @ 100% in the year of purchase.

(5) Investments

- (i) Investment in equity shares of units financed are classified as Long Term and valued at cost.
- (ii) Investment in Government Securities made in compliance with RBI guidelines for NBFC are intended to be held till maturity. These too are classified as long term investment.
- (iii) The investments in Government Securities are valued as per RBI guidelines.

(6) Asset Classification and Provisioning

IREDA is registered and classified as Loan company as per Non-Banking Financial Companies (Reserve Bank) Directions, 1998. The company is following prudential norms in respect of income recognition, assets classification and provisioning for non-performing assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

Loans secured against Hypothecation, English Mortgage, Equitable Mortgage, Joint Equitable Mortgage and Hypothecation of fixed assets, as the case may be, are classified as fully secured.

(7) Grants

Grants received/receivable from respective Donors for acquisition of eligible fixed assets is accounted for as capital grants. Such grant is allocated to income over the periods and in the proportions in which the depreciation on those assets is charged.

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

Grant-in-aid received/receivable for eligible revenue expenditure is accounted for as revenue grant. The respective revenue expenditure for which the grant has accrued is accounted net of grant.

(8) Staff Benefits

(i) Provident Fund

Company contributes to its own Provident Fund Trust which is recognised by the Income Tax authorities. Company's contributions for the year to Provident Fund Trust are charged to Revenue.

(ii) Gratuity

The company has taken Master Policy of Life Insurance Corporation of India to cover its liability on account of gratuity payable to its employees. Annual premium paid during the year is charged to Revenue.

(iii) Leave Encashment

The liability on account of leave encashment is provided on the basis of actuarial valuation at the year end.

B. Notes on Accounts :

- (1) The Company besides its own activities implements Programmes on behalf of Ministry of Non-Conventional Energy Sources on the basis of Memorandum of Understanding entered into with them. In terms of stipulations of each of the MoUs, MNES has placed an agreed sum in respect of each Programme with IREDA for programme implementation.

On closure of the respective Programmes, IREDA is required to transfer the amount standing to the credit of MNES (inclusive of interest accrued thereon) to them after deducting the Service charges, irrecoverable defaults and other dues as stipulated in the MoU. The amount due to MNES on account of the above at the close of year along with interest on unutilised funds kept with Scheduled Commercial Banks as short-term deposits is shown under Current Liabilities in the Balance Sheet.

(2) Interest Subsidy

Pending acceptance and compliance of terms and conditions of Interest Subsidy Scheme of MNES Baggasse-based Co-generation and Biomass Combustion-based Power projects, the Interest Subsidy of Rs. 392.58 lakhs (upto 1996-97 : Rs. 170.00 lakhs and 1997-98 : Rs. 222.58 lakhs) received under the above Programme has been stated under Current Liabilities.

- (3) (i) The balance in Dollar Deposit Account amounting to Rs. 7960.84 lakhs (equivalent to US\$201.56 lakhs) includes :

- (a) US\$ 3.18 lakhs equivalent to Rs. 125.67 lakhs (previous year : US\$ 6.73 lakhs equivalent to Rs. 240.79 lakhs) which represents the imprest received from World Bank for utilisation towards eligible capital and revenue expenditure as per the terms of GEF Grant Agreement. The equivalent amount is stated under Other Liabilities.
- (b) US\$ 198.38 lakhs (equivalent to Rs.7835.17 lakhs) which represent Unsecured loan from Asian Development Bank.
- (ii) A sum of US\$ 1.4 million (equivalent to Rs. 552.93 lakhs) (previous year : NIL) has been received for creation of a Revolving Fund for Hilly Hydro Projects on behalf of the UNDP-GEF Hilly Hydro Project of the Ministry of Non-Conventional Energy Sources and has been kept in Foreign Currency Account. The equivalent amount is stated under "Current Liabilities".
- (4) Current Assets include a sum of Rs. 309.63 Lakhs (Previous Year : 292.64 lakhs) in Current Account with Scheduled Banks on account of unutilised funds received from UNDP/MNES for implementation of "Green House Gases Emission" in the country vide letter No. 5/2/41/94/UI/GEF-6 dated 8-1-1996 issued by MNES. The equivalent amount is shown under Current Liabilities.
- (5) Current assets include a sum of Rs. 39.38 lakhs (previous year Rs. 31.37 lakhs) recoverable on account of tax deposited on payments made without deduction of Tax at Source to SPV Advisor, whose agreement for appointment is approved by Ministry of Finance under Section 10(8A) of the Income Tax Act, 1961.
- (6) Tax Free Bonds (Series I, II, III, IV, V) issued by the Company are secured by a negative lien on the assets of the Company.
Term Loan from Canara Bank is secured by charge on assets of the Company.
- (7) Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs. 41.43 lakhs and office premises costing Rs. 264.10 lakhs are yet to be executed in favour of the Company. The cost includes proportionate value for land which has not been separately determined and accounted for. As such, depreciation has been charged on composite cost at the rates prescribed as per Schedule XIV of the Companies Act, 1956.
- (8) Office Equipment includes Rs. 0.31 lakh (Previous Year : Rs. 10.85 lakhs) being the cost of items issued to the Hon'ble Ex-Minister of State for Non-Conventional Energy Sources, which is yet to be received back.
- (9) Government Securities purchased from ICICI Securities held in their SGL Account with Reserve Bank of India, New Delhi have not yet been transferred in the name of IREDA for want of registration of Allotment of SGL account number by Reserve Bank of India to IREDA. The registration application is pending with Reserve Bank of India. However, interest due on respective dates on such securities has been received through ICICI Securities.
- (10) In compliance with Reserve Bank of India (RBI) guidelines on prudential norms for income recognition and assets classification issued vide F. No. DFC (COC) 174/93-94 dated 13th June, 1994 unrealised interest amounting to Rs. 2297.32 lakhs (previous year Rs.464.32 lakhs) on accounts classified as Non Performing Asset (NPA) has not been recognised as income for the year. A sum of Rs. 222.54 lakhs (previous year Rs. 25.85 lakhs) being the amount of unrealised interest pertaining to 1996-97 has been reversed in respect of those accounts which have been classified as NPA for the first time during the year. Similarly, interest realised during the year pertaining to earlier years amounting to Rs. 12.25 lakhs (previous year Rs. 7.95 lakhs) has been recognised as income.

- (11) While making provisions for Non-Performing Assets under RBI Guidelines, the value of security for doubtful cases has been taken from the Balance Sheet of the constituents and depreciated as per rates prescribed under Schedule XIV of the Companies Act, 1956/Income Tax Act, 1961 instead of realisable value of security as required under RBI Guidelines for provisioning of the doubtful assets.
- (12) On the basis of legal opinion obtained by the Company, Section-N of Guidelines for protection of interest of debenture-holders issued by the Securities and Exchange Board of India are not applicable to Tax Free Bonds issued by the Company on Private Placement basis. Consequently, no further appropriation towards Debenture Redemption Reserve has been made during the year.
- (13) Loan to constituents include a sum of Rs. 11901.95 lakhs (previous year - Rs. 7307.73 lakhs) in respect of which the execution of final security documents are in the process of being completed by the constituents.
- (14) The extended period for issue of Bond Certificates for Bonds allotted during 1995-96, 1996-97 has expired. However, these could not be issued due to non-receipt of Stamp Duty/Income Tax exemption from Central Board of Direct Taxes/Ministry of Finance. For Bonds allotted during 1997-98, extension for issue of Bond Certificate is being sought for from Company Law Board.
- (15) The Current Asset, Loans & Advances have a value on their realisation in the ordinary course of the business equivalent to the amount stated in the Balance Sheet.
- (16) The remuneration paid to Statutory Auditors of the Company is as under :-
For Statutory Audit Rs. 52,000 (Previous year Rs. 45,000)
For Tax Audit Rs. 20,800 (Previous year Rs. 18,000)
- (17) Remuneration paid to the Managing Director :

	(Amount in Rs.)	
	Current Year	Previous Year
Salary	2,15,370	2,34,340
Medical allowance	16,845	15,324
Provident Fund	20,961	17,841
Value of perquisite for residential accommodation as per Income-tax Act	23,415	22,093
LTC	NIL	26,586
Staff Car	4,200	4,200
(As per Income tax Rules)		
Total :	2,81,151	3,20,384

- (18) 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. 4,200 (Previous year also Rs. 4,200/-).

(19) Income Tax assessments have been completed upto 1994-95 and the excess provision has been written back.

Interest Tax assessments have been completed upto 1994-95.

(20) Contingent liability - Rs. 0.87 lakh (Previous year Rs. 25.98 lakhs) (Liquidated damages under disputes with M/s. Decor India Pvt. Ltd.)

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

a) Expenditure in Foreign Currency :

- On Travelling Rs. NIL (Previous Year Rs. Nil Lakhs)

- Others Rs. 163.88 lakhs (Previous Year NIL)

b) Earnings in Foreign Exchange :

- Interest Rs. 127.33 lakhs (Previous Year Rs. 5.35 lakhs)

c) - Revenue Grant Rs. 391.70 lakhs (Previous Year Rs. 208.65 lakhs)
(SDC/GEF/Netherlands)

(22) The estimated amount of contracts (net of advances) remaining to be executed on Capital account and not provided for is Rs. NIL (previous year Nil).

(23) Figures are rounded off to the nearest rupee. Previous year's figures have been re-arranged/re-grouped wherever considered necessary to make them comparable with the current year's figures.

(24) Schedule 'A' to 'Q' form an integral part of Balance Sheet and Profit & Loss Account and have been duly authenticated.

R.K. Sachdeva
Company Secretary

T. Prabakaran
General Manager (FS)

Dr. V. Bakthavatsalam
Managing Director

C.R. Kamalanathan
Chairman

As per our report of even date

For K. K. GHEI & Co.
Chartered Accountants

(D.S. SOBTI)
Partner

Place : New Delhi
Date : 2nd September, 1998

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration	0 2 7 2 6 5	State Code	5 5 (Refer Code List)
Balance Sheet Date	3 1 0 3 9 8	Date	Month Year
II. Capital raised during the year (Amount in Rs. Thousand)			
Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement (Govt. Contribution)	2 4 0 0 0 0
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)			
Total Liabilities	7 6 9 3 1 8 2	Total Assets	7 6 9 3 1 8 2
Source of Funds		Reserves & Surplus	1 0 7 7 7 7 6
Paid-up Capital	1 1 4 3 5 0 0	Unsecured loans	2 1 9 0 9 8 6
Secured loans	3 2 8 0 9 2 0	Investment	1 0 1 2 0 0
Application of Funds		Misc. Expenditure & others	1 0 2 1 0 0
Net Fixed Assets	4 1 5 0 8		
Net Current Assets	7 4 4 8 3 7 4		
Accumulated Losses	N I L		
IV. Performance of Company (Amount in Rs. Thousand)			
Turnover (Gross Income)	7 8 1 9 3 6	Total Expenditure	7 4 9 6 1 1
Profit before Tax	+ 3 5 1 2 6	Profit after tax	+ 1 2 1 2 6
(Please tick Appropriate box (+) for Profit (-) for Loss)			
Earnings per share in Rs. (PAT)	1 1	Dividend Rate %	N I L
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		
Product Description	P R O J E C T F I N A N C I N G		
Dr. V Bakthavatsalam Managing Director		C. R. Kamalanathan Chairman	

MNES FUNDS AS ON 31ST MARCH, 1998

PROGRAMME	BALANCE AS ON 1-4-1997	GRANT RECEIVED DURING THE YEAR	INTEREST	EARNED	SERVICE CHARGES RECOVERABLE	SUBSIDY DISBURSED
SECTOR			STD	LOAN		
1 SPV. MFG. LOAN	92,537,233.79	0.00	3,149,369.00	5,462,494.00	221,730.00	0.00
2 SPV. USER LOAN	204,953,603.93	0.00	2,881,312.00	12,440,404.11	1,544,005.00	0.00
3 SPV. USER SUBSIDY	70,962,296.43	0.00	2,554,722.00	0.00	0.00	44,691,676.00
4 SPV. MARKET DEV. PGM.	22,870,173.07	0.00	724,658.00	1,091,717.00	74,593.00	0.00
5 SOLAR THERMAL	177,872,998.84	0.00	7,623,911.00	5,082,571.76	503,573.00	0.00
6 WIND ENERGY	109,322,259.44	0.00	2,378,357.00	6,617,358.00	552,380.00	0.00
7 MICRO HYDEL GRANT	8,000,696.01	0.00	0.00	0.00	0.00	270,124.60
8 SPV PUMPING PUBLICITY GRANT -93-94	0.00	0.00	0.00	0.00	0.00	0.00
9 SPV PUMPING PUBLICITY GRANT 94-95	17,827,817.20	0.00	0.00	0.00	0.00	5,455,357.50
10 SOLAR THERMAL GRANT-93-94	16,529.00	0.00	0.00	0.00	0.00	0.00
11 SOLAR THERMAL GRANT-94-95	12,296.00	0.00	0.00	0.00	0.00	7,800.00
12 MNES BAGASSE BASED POWER GEN. INT. SUBDY- THIRU AROORAN SUGARS	10,004,109.59	0.00	0.00	0.00	0.00	0.00
13 MNES SUBSIDY ON BIOMASS	11,290,821.92	0.00	0.00	0.00	0.00	0.00
14 MNES SPV MKT. PRGM. REIM.	972,200.93	0.00	0.00	0.00	0.00	0.00
15 MNES BAGASSE BASED POWER GEN INT SUBDY- SUDALAGUNDA SUGARS	7,000,000.00	0.00	0.00	0.00	0.00	0.00
16 MNES SPV PUMPING FILM GRANT	10,000.00	0.00	0.00	0.00	0.00	0.00
17 SOLAR THERMAL FILM GRANT	180,000.00	0.00	0.00	0.00	0.00	96,900.00
18 MNES CAPITAL SUBSIDY-NEWAM POWER	7,000,000.00	0.00	0.00	0.00	0.00	0.00
19 MNES CAPITAL SUBSIDY-INDO LAHARI	14,000,000.00	9,500,000.00	77,301.00	0.00	0.00	23,500,000.00
20 INTEREST SUBSIDY ON SOLAR THERMAL	20,000,000.00	0.00	0.00	0.00	0.00	592,003.00
21 INTEREST SUBSIDY ON BIO- MASS BRIQ	2,000,000.00	0.00	0.00	0.00	0.00	0.00
22 INTEREST SUBSIDY TO GHAGHRA SUGARS	0.00	4,500,000.00	0.00	0.00	0.00	0.00
23 SOLAR COOKER INTEREST SUBSIDY	0.00	1,500,000.00	0.00	0.00	17,500.00	215.00
24 INTEREST SUBSIDY TO MBDL	0.00	5,000,000.00	0.00	0.00	0.00	0.00
25 INTEREST SUBSIDY BIOMASS CUMBST.	0.00	12,758,000.00	0.00	0.00	0.00	0.00
TOTAL	776,833,036.15	33,258,000.00	19,389,630.00	30,694,544.87	2,913,781.00	74,614,076.10

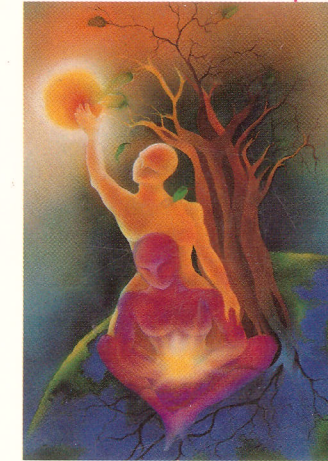
AMOUNT REFUNDED TO MNES	TOTAL FUNDS AS ON 31-3-98	NET LOANS OUT- STANDING	INTEREST OUTSTANDING AS ON 31-3-98	BALANCE WITH BANK	BALANCE IN STD	BALANCE WITH IREDA	INTER MNES BALANCE	TOTAL FUNDS
750,000.00	100,177,366.79	58,968,000.00	1,426,580.50	-9,330,549.60	56,000,000.00	-1,819,212.64	-5,067,451.47	100,177,366.79
0.00	218,731,315.04	171,872,744.71	6,758,186.00	677,674.56	47,000,000.00	4,309,869.92	-11,887,160.15	218,731,315.04
0.00	28,825,342.43	0.00	0.00	4,957,832.48	45,000,000.00	-12,437,523.80	-8,694,966.25	28,825,342.43
13,912,000.00	10,699,955.07	7,672,000.00	0.00	-11,811,628.49	10,000,000.00	-702,924.27	5,542,507.83	10,699,955.07
83,874,000.00	106,201,908.60	59,778,424.49	324,150.87	-78,544,242.50	132,000,000.00	-9,073,849.19	1,717,424.93	106,201,908.60
0.00	117,765,594.44	38,795,000.00	0.00	1,310,073.03	50,500,000.00	8,770,876.30	18,389,645.11	117,765,594.44
0.00	7,730,571.41	0.00	0.00	0.00	0.00	7,730,571.41	0.00	7,730,571.41
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	12,372,459.70	0.00	0.00	0.00	0.00	12,372,459.70	0.00	12,372,459.70
0.00	16,529.00	0.00	0.00	0.00	0.00	16,529.00	0.00	16,529.00
0.00	4,496.00	0.00	0.00	0.00	0.00	4,496.00	0.00	4,496.00
0.00	10,004,109.59	0.00	0.00	0.00	0.00	10,004,109.59	0.00	10,004,109.59
0.00	11,290,821.92	0.00	0.00	0.00	0.00	11,290,821.92	0.00	11,290,821.92
0.00	972,200.93	0.00	0.00	0.00	0.00	972,200.93	0.00	972,200.93
0.00	7,000,000.00	0.00	0.00	0.00	0.00	7,000,000.00	0.00	7,000,000.00
0.00	10,000.00	0.00	0.00	0.00	0.00	10,000.00	0.00	10,000.00
0.00	83,100.00	0.00	0.00	0.00	0.00	83,100.00	0.00	83,100.00
7,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	77,301.00	0.00	0.00	1,598,445.00	0.00	-1,521,144.00	0.00	77,301.00
0.00	19,407,997.00	0.00	0.00	0.00	0.00	19,407,997.00	0.00	19,407,997.00
0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00	0.00	2,000,000.00
0.00	4,500,000.00	0.00	0.00	0.00	0.00	4,500,000.00	0.00	4,500,000.00
0.00	1,482,285.00	0.00	0.00	0.00	0.00	1,482,285.00	0.00	1,482,285.00
0.00	5,000,000.00	0.00	0.00	0.00	0.00	5,000,000.00	0.00	5,000,000.00
0.00	12,758,000.00	0.00	0.00	0.00	0.00	12,758,000.00	0.00	12,758,000.00
105,536,000.00	677,111,353.92	337,086,169.20	8,508,917.37	-91,142,395.52	340,500,000.00	82,158,662.87	0.00	677,111,353.92

part of Golden Jubilee Celebration of India's Independence.



"Renewable Energy Runs" organised by IREDA on behalf of MNES in various States and Union Territories





IREDA completes eleven years of dedicated service in the renewable energy sector. Promoting sustainable energy development in the country.

IREDA strives for excellence in all spheres of operations. Establishing a pioneering lead in the renewable energy movement.

The painting on the cover page is by Shri Rajesh Jaitly, Award Winner, IREDA Decade of Service Painting Competition.



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(A Government of India Enterprise)

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