

13th Annual Report 1999-2000



Energy for Ever



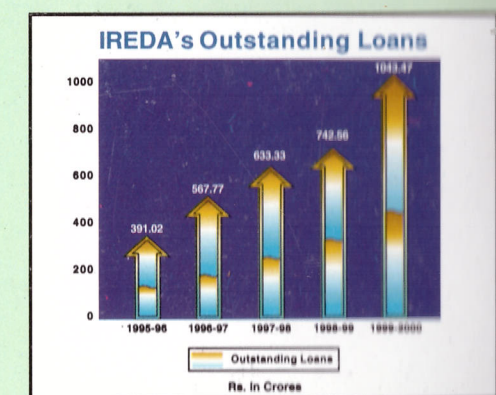
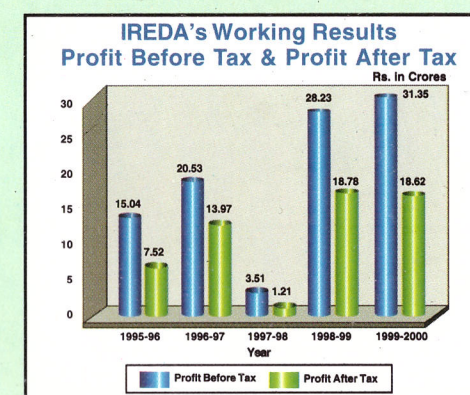
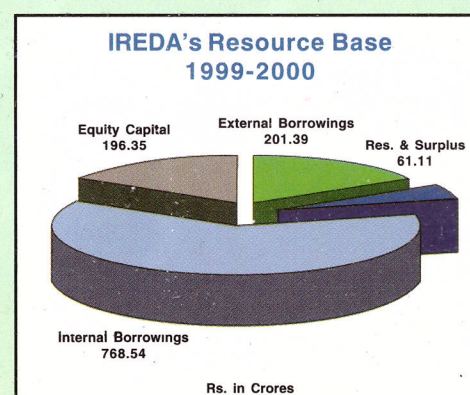
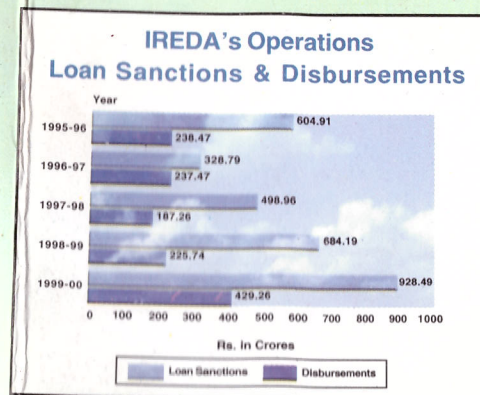
OUR MISSION

"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."

Highlights of Our Performance

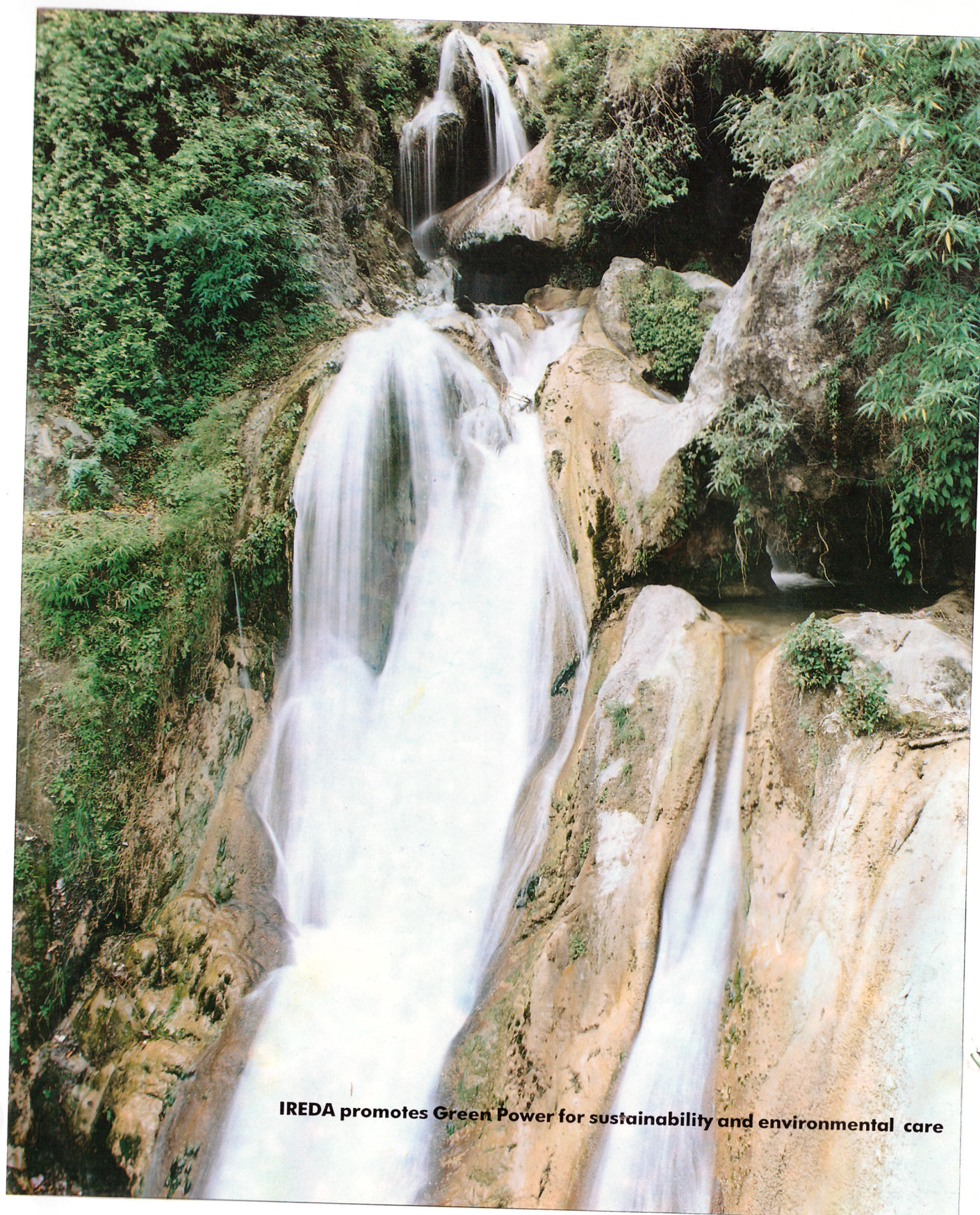
(Rs. in Crores)					
RESOURCES	1999-2000	1998-99	1997-98	1996-97	1995-96
Equity Capital	196.35	154.35	114.35	90.35	62.35
Reserves & Surplus	61.11	48.45	34.12	32.50	21.60
Borrowings (Internal)	768.54	598.96	468.36	424.48	231.89
Borrowings (External)	201.39	162.74	152.49	72.35	63.76
Total	1227.39	964.50	769.32	619.68	379.60

(Rs. in Crores)					
OPERATIONS	1999-2000	1998-99	1997-98	1996-97	1995-96
Loan Sanctions	928.49	684.19	498.96	328.79	604.91
Disbursements	429.26	225.74	187.26	237.47	238.47
Repayment by Borrowers	127.83	108.23	110.16	57.65	31.02
Outstanding Loans (Net)	1043.47	742.56	633.33	567.77	391.02
Working Results					
Gross Income	135.92	108.32	78.19	73.09	33.26
Profit before Tax	31.35	28.23	3.51	20.53	15.04
Profit after Tax	18.62	18.78	1.21	13.97	7.52
Earnings Per Share (Rs.)	94.83	121.64	10.60	155.00	120.67



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IREDA promotes Green Power for sustainability and environmental care

BOARD OF DIRECTORS

Chairman : J.N.L. Srivastava (w.e.f. 11.9.2000)
: N.N. Mookerjee (upto 11.9.2000)

Managing Director : Dr. V. Bakthavatsalam

Directors : M. Venkateswaran
: T. Prabakaran
: D. Majumdar (w.e.f. 1.2.2000)

Company Secretary : R.K. Sachdeva

Registered Office

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

Auditors

M/s. Gianender & Associates
Chartered Accountants
2826/19, Beadon Pura,
11th Floor, Karol Bagh,
New Delhi-110 005

Bankers

Bank of Baroda
Canara Bank
State Bank of Hyderabad
State Bank of India
Union Bank of India

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Shareholders of Indian Renewable Energy Development Agency Limited will be held on Friday, the 29th September 2000 at 3.00 p.m. at IREDA's Registered Office at India Habitat Centre, Lodi Road, New Delhi-110 003 to transact the following business:

paid up capital and free reserves, provided that the total amount upto which monies may be borrowed by the Company shall not exceed Rs. 4200 crores (Rupees Four Thousand Two Hundred Crores) including sums already borrowed."

BY ORDER OF THE BOARD OF DIRECTORS

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, 2000, Auditors' Report and Comments of Comptroller and Auditor General of India thereon annexed therewith.
2. To declare a Dividend.

SPECIAL BUSINESS

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

"Resolved that in partial modification of resolution passed by the Shareholders at their meeting held on 29.9.99, the Board of Directors be and is hereby permitted under Section 293(1) (d) of the Companies Act, 1956 to borrow monies from time to time, to an extent it deems necessary for the needs of the Company, notwithstanding the fact that the monies already borrowed by the Company (apart from temporary loans obtained from the bankers in the ordinary course of business) will exceed the aggregate of the Company's

New Delhi
7th September, 2000.

(R. K. Sachdeva)
Company Secretary

1. All Shareholders of Indian Renewable Energy Development Agency Ltd.
2. The Chairman and Directors of the Indian Renewable Energy Development Agency Ltd.
3. M/s Gianender & Associates, Chartered Accountants, 2826/19, Beadon Pura, IInd Floor, Karol Bagh, New Delhi-110 005.

NOTES:

1. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
2. 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.



Shri M. Kannappan, Hon'ble Union Minister of State for Non-Conventional Energy Sources (Independent Charge) visits IREDA office to review its activities.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

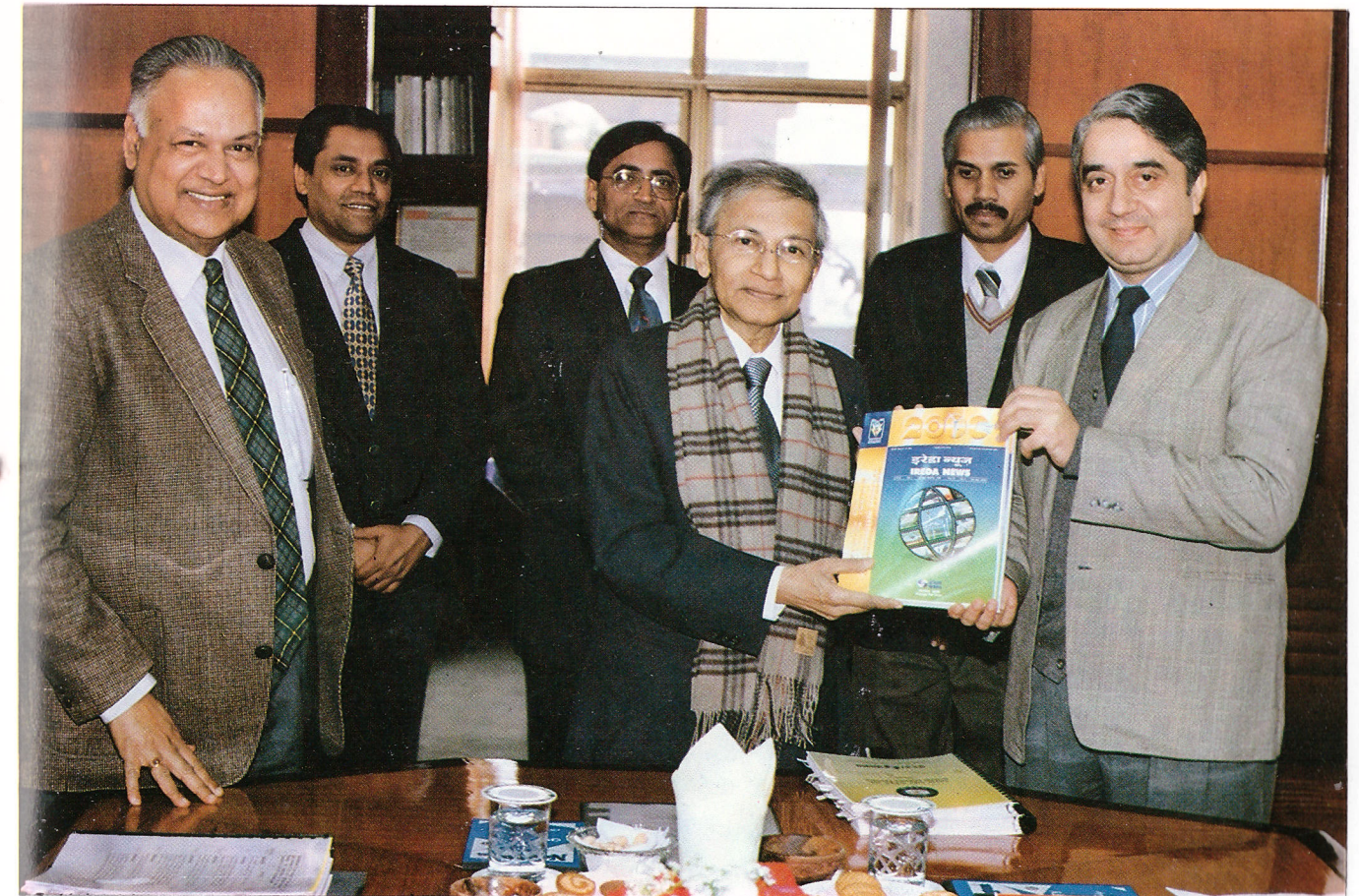
(Pursuant to Section 173 of the Companies Act, 1956)

- a) The Companies Act, 1956 requires a Public Limited Company to obtain the consent of the General Meeting, if the monies to be borrowed together with sums already borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) exceed aggregate of its paid up capital and free reserves.
- b) The Shareholders of IREDA at their meeting held on 29.9.99 fixed IREDA's borrowing limit at Rs. 3000 crores.
- c) The limit of Rs. 3000 crores approved by the Shareholders has already been exhausted. IREDA plans to borrow further loans from IDA/IBRD (Ind Line of Credit) for Small Hydro and Energy Efficiency Sectors; Tax Free Bonds; OECF Line of Credit, etc.
- d) The proposal is accordingly placed before the Shareholders for approval.
- e) None of the Directors of the Company is concerned or interested in this resolution.

BY ORDER OF THE BOARD OF DIRECTORS

New Delhi
7th September, 2000

(R.K. Sachdeva)
Company Secretary



Release of the Millennium issue of "IREDA Newsletter" by Shri N.N. Mookerjee, former Secretary, MNES and Chairman, IREDA.

CHAIRMAN'S SPEECH

ENERGY SCENARIO

You are quite aware of the present Indian energy scenario. However, I would like to present a few facets of the present energy situation. Our per capita consumption of electricity still continues to be extremely low at less than 400 kwh per annum and even that is inequitably distributed with a predominantly urban bias. More than 80,000 villages are yet to be electrified. Nearly 18,000 of these are located in far-flung and remote areas, with very low load densities. Extending electricity to these villages through the conventional route is uneconomical and would involve heavy capital investments. Non-conventional energy can step in to meet the energy requirements of such villages. Several renewable energy systems and products are now commercially available and are also economically viable in comparison to fossil fuel based systems. The Ministry of Non-Conventional Energy Sources in its policy statement envisages a goal of 10 per cent of the additional power capacity, projected for the period upto 2012 to come from the renewables. New technologies, clean technologies and new energy sources are supposed to highlight the new century.

PERFORMANCE HIGHLIGHTS

I am happy to inform you that your Company has achieved an all-time high loan sanctions and disbursements. The loan sanctions of Rs. 928.49 crores during 1999-2000 marked a growth rate of 35.71 per cent over the previous year, while the disbursements of Rs. 429.26 crores represented a growth rate of 90.16 per cent. The capacity sanctioned during the year was to the tune of 281.70 mega watt and 0.90 lakh metric tonnes coal replacement, which takes the cumulative figure to 1298.81 mega watt and 8.77 lakh metric tonnes coal replacement as on March 31, 2000. Gross income has increased from Rs. 108.32 crores in 1998-99 to Rs. 135.92 crores in 1999-2000. While the Profit Before Tax recorded an increase of 11.05 % from Rs. 28.23 crores in 1998-99 to Rs. 31.35 crores

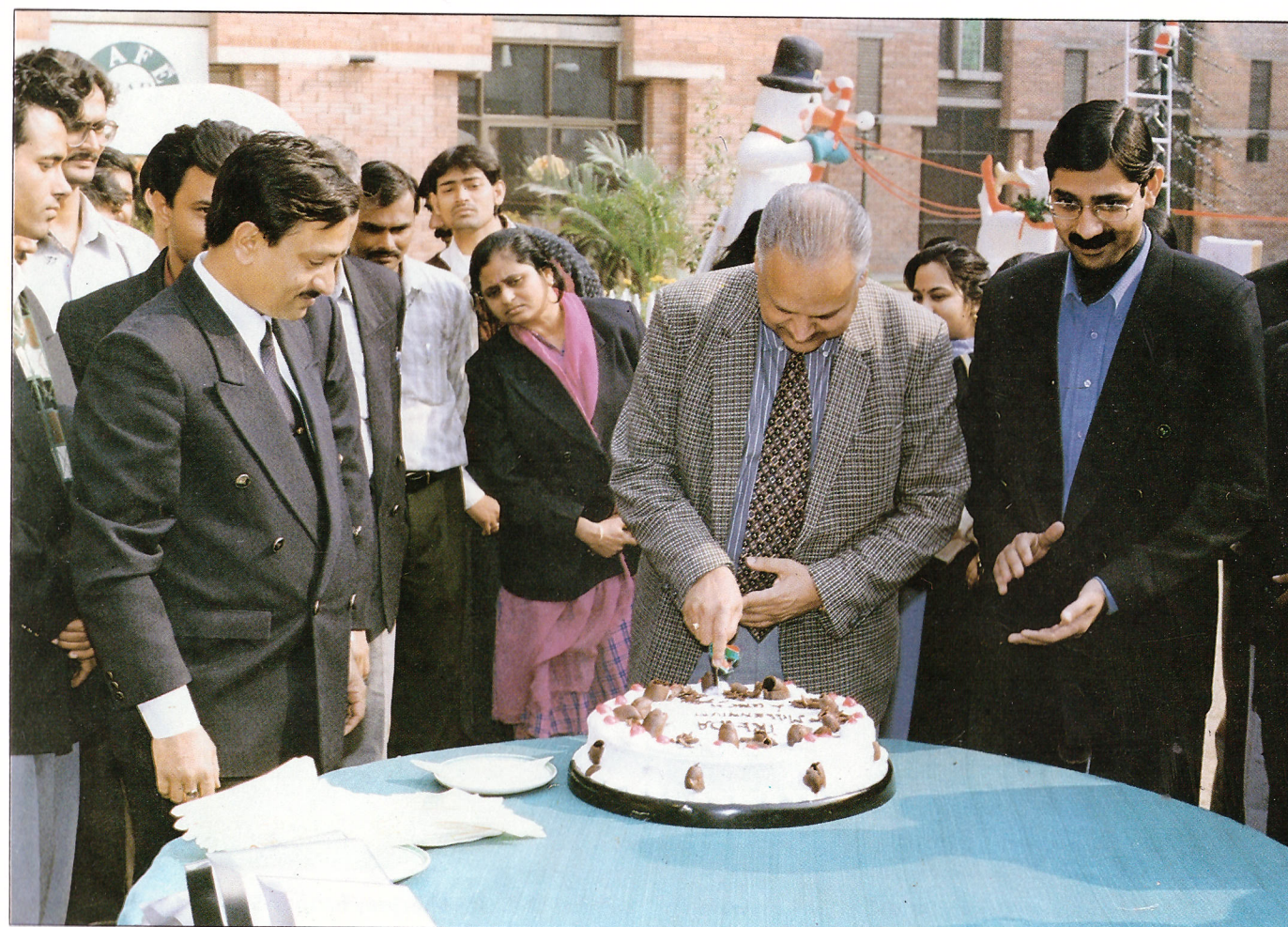


Dear Shareholders,

It gives me immense pleasure to welcome you all to the Thirteenth Annual General Meeting of the Indian Renewable Energy Development Agency Ltd. The Directors' Report and the Audited Statements of Accounts for the year ended on 31st March, 2000, duly certified by the Comptroller and Auditor General of India, have already been circulated and with your permission, I take them as read.

ECONOMIC ENVIRONMENT

Before highlighting the performance of your Company, I would like to briefly review the operating environment. The Indian economy recorded GDP growth of 6.4 per cent in 1999-2000. Several macro-economic and business indicators have shown signs of broad-based industrial recovery. The balance of payments was in fine shape and inflation was at an all-time low, dropping to international level. Industrial growth moved on a rising trajectory. The improved industrial performance is reflected in the accelerated growth in the infrastructure sectors, including the renewable energy sector.



IREDANs at the Millennium Get-together organised by IREDA.

in 1999-2000, the Profit After Tax reduced marginally by 0.85 per cent from Rs. 18.78 crores in 1998-99 to Rs. 18.62 crores in 1999-2000.

DIVIDEND

In view of the satisfactory financial results, your Company declared and paid an interim dividend of Rs. 4.00 crores and the Board of Directors has recommended a final dividend of Rs. 2.00 crores. Including the interim dividend, the total dividend would be Rs. 6.00 crores which is 1.5 times of the previous year's dividend.

NPA MANAGEMENT

Last year, I had assured you that due attention would be paid to the problem of rising NPAs (Non-Performing Assets). In pursuance of that, your Company has taken concerted action which has helped your Company to reduce NPA level to 17.32 per cent against the MoU target of 24 per cent.

RESOURCE MANAGEMENT

With the release of Rs. 42.00 crores of equity by the Government during the year, the cumulative paid-up capital of your Company reached Rs. 196.35 crores, almost nearing the authorised capital of Rs. 200 crores. Your Company had, therefore, approached the MNES for permission to increase the authorised share capital from Rs. 200 crores to Rs. 300 crores and I am happy to inform you that the authorised share capital has been enhanced to Rs. 300 crores. Further, the Company has raised Rs. 50 crores through Tax Free Bonds and utilised an amount of Rs. 46.19 crores under IDA, Rs. 0.91 crore under SDC (Project & TAP) and Rs. 0.17 crore under Dutch (TAP). The ADB released Rs. 90.62 crores to the Company.

PLANNING, MONITORING AND EVALUATION

A mid-term appraisal of the Ninth Five Year Plan was undertaken during the year to take stock of the achievements and the constraints in achieving the Plan targets during the first three years of the Plan. Based on the review, the Company revised the sanction and disbursement targets for the Ninth Five-Year Plan. The Company formulated its Annual Plan for the year

2000-01, aiming at the achievement of a better performance during this year and the next year. In order to check the time overrun of the projects, your Company monitors concurrently the projects through the mechanism of appointing Nominee Directors, concurrent auditors/engineers, direct inspections, physical verifications and special review committees.

NEW INITIATIVES

While reviewing the financing policies at the beginning of the new financial year, your Company annually formulates new schemes to take care of the needs of the clients. During the year, several new initiatives were taken. These include the Scheme on Animal Dung and other Biodegradable-based Small Biogas Plants for direct users as well as for financial intermediaries; the Energy Efficiency and Conservation Intermediaries Scheme for serving the retail segment; the financing scheme for Biomass Briquetting Screw Extrusion Technology and Biomass Gasifier for Power Generation under the following three different categories - (a) Small-scale biomass gasifier (upto 1 MW), (b) Steam-gas turbine mode (1 to 6 MW), (c) Dual-fuel engine mode (from 1 MW to 6 MW).

PROMOTIONAL PROGRAMMES

Your Company continued to sponsor / co-sponsor various types of programmes to promote renewable energy technologies. During the year, the Company organised 67 Seminars/Workshops/Business Meets/Exhibitions in different parts of the country.

INITIATIVES FOR NORTH EASTERN REGION AND SIKKIM

Your Company has taken initiatives for the development of the North Eastern Region and Sikkim. Six promotional programmes were organised in the North Eastern Region and Sikkim for market development and dissemination of Renewable Energy Technologies information. An amount of Rs. 4.5 lakhs was released for the village Gobardhan Garobasti, District Kamrup, Assam, which had been adopted under "IREDA Akshay Urja Gram Scheme" for providing renewable energy equipment to meet minimum energy needs of the village. The first IREDA funded project in the NE Region - a briquetting plant with a capacity of 1.5 tph

at Dolabari industrial area in Tezpur, Assam was commissioned during the year.

Our Ministry has allocated an amount of Rs. 15 crores to your Company for development of NRSE in North Eastern Region and Sikkim during 2000-01.

WOMEN DEVELOPMENT

The Company is committed to women development and has been encouraging women entrepreneurs to set up self-employment ventures in the field of renewable energy. Besides giving special concessions in its lending terms and conditions, the Company has been organising various promotional programmes for women. During the year three programmes were organised exclusively for women.

NETWORKING ARRANGEMENTS

As a part of the business strategy to reach out to remote areas and promote micro lending operations, the Company has been networking with Business Development Associates (BDAs) and Financial Intermediaries. During the year, five new BDAs were registered taking the total number of BDAs to 43 as on 31st March, 2000. These BDAs comprise 16 Technical Consultancy Organisations, 12 State Nodal Agencies, 10 Private Sector Enterprises, 2 Local Productivity Councils and 3 NGOs.

HUMAN RESOURCE DEVELOPMENT

The Company values its personnel and is committed to provide a favourable working environment. A number of employees were nominated to attend professional training courses and Seminars/Workshops/Symposia on specialised subjects both in India and abroad so as to improve their professional skills and help them to get acquainted with the latest technical developments in their respective fields.

The morale of the employees continued to remain high during the year facilitating smooth working of the Company and contributing to the achievement of its goals/ targets. All efforts to achieve employee satisfaction were made through various measures like job rotation, timely revision of pay scales, revision in perquisites, welfare measures, introduction of new schemes etc. Further, for a better understanding and

quick disposal of employees' problems various forms were reviewed and standardised.

INSTITUTIONAL STRENGTHENING & CAPACITY BUILDING

The Company has engaged the services of consultants in order to strengthen its institutional capability. A number of manuals such as Small Hydro Manual, Manual on Innovations in Small Hydro Options, Quality Assurance Manual, Manual on Environmental and Sociological Screening of Projects, Credit Risk Management Manual have been prepared. Keeping in view the safety measures and operation and maintenance of electronics and other office equipment, manuals on Safety and Operation & Maintenance are under preparation.

INDUSTRIAL RELATIONS

The industrial 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).

OUTLOOK FOR 2000-2001

As I mentioned earlier, industrial recovery had begun last year and industrial growth has been moving on a rising trajectory. Further, the reduction in CRR and bank rate by 1% by the RBI followed by the reduction in PLRs by financial institutions and banks will be a catalyst in boosting industrial growth. IREDA has also reduced the interest rate for the year 2000-01. Thus, the financial year 2000-01 augurs well for renewable energy business. Against this background, your Company has fixed the targets for loan sanctions and disbursements at Rs. 665 crores and Rs. 400 crores respectively for the year 2000-01.

HOMAGE TO SOLDIERS

Before I conclude, I must take the opportunity to pay our respectful homage to the soldiers who laid down their precious lives in the Kargil conflict while defending our Motherland. Your Company donated a sum of Rs. 5.31 lakhs to the "National Defence Fund" and gifted 10 solar lanterns and 6 solar cookers to an army unit posted in the Kargil region.

ACKNOWLEDGEMENTS

I, on behalf of the Board of Directors, place on record my deep appreciation of the valuable contribution made and guidance provided by Shri N.N. Mookerjee, the outgoing Chairman.

I place on record my sincere thanks to 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 continued co-operation and support during the year.

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

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

I must thank our esteemed clients with whom we enjoy a healthy business relationship.

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

I also place on record my sincere appreciation of the dedication and devotion to duty of the employees and the officers of the Company, which was instrumental in the commendable performance by the Company during the year.

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, 2000 be adopted.

Thanking you all,
J.N.L. SRIVASTAVA
Chairman

Place: New Delhi



Shri N.N. Mookerjee, former Secretary, MNES and Chairman, IREDA visits 5th Delhi International 5 and 10 km. Millennium Carnival Runs organised by the Health Fitness Society. IREDA co-sponsored these Runs.

DIRECTORS' REPORT

TO THE SHAREHOLDERS,

Your Directors have pleasure in presenting the Thirteenth Annual Report on business and operations of the Company alongwith the audited accounts and the report of the auditors for the year ended March 31, 2000.

ENERGY SCENARIO

During the five decades of planning, the power sector has grown in terms of its size, coverage and technological sophistication. As a result of the efforts of the State and the Central power utilities, the cumulative installed capacity in the country has increased to around 98,000 MW, supported by a vast network of transmission and distribution lines that reach lakhs of villages and millions of households, even in some of the remotest parts of the country. But the challenges that lie ahead in the energy sector appear to be daunting in terms of rapidly growing demand-supply gaps, capital and institutional requirements, environmental impacts, etc. Our per capita consumption of electricity still continues to be extremely low at less than 400 kwh per annum and even that is inequitably distributed with a predominantly urban bias. More than 80,000 villages are yet to be electrified. Nearly 18,000 of these are located in far-flung and remote areas with very low load densities. Extending electricity to these villages through the conventional route is uneconomical and would involve heavy capital investments. Renewable energy can step in to meet the energy requirements of such villages. Several renewable energy systems and products are now commercially available and are also economically viable in comparison to those based on fossil fuels.

In order to sustain the modern ways of living, affordable and reliable sources of power are required. New initiatives and policy reforms are expected to emerge paving the way for an accelerated development of the energy sector and for an enhanced role to be played by the private sector, including global players. Promotion and development of the energy sector has



Stakeholders Meet on Renewable Energy Policy sponsored by MNES and organised by IREDA at New Delhi.

to be taken up holistically. In the context of sustainability and environmental aspects, new and emerging technologies will become more attractive options. Sustainable environment, based on self-reliance and energy security will decide the future fuel mix.

The renewable energy technologies (RET) could become more attractive economically if the energy sector reforms become more wide spread and the subsidies associated with the conventional energy are reduced. The Ministry of Non-Conventional Energy Sources (MNES) in its proposed policy statement, envisages a goal of 10% of the additional power capacity, projected for the period upto 2012 to come from the renewables.

Our energy strategy focuses on more efficient utilization of the existing assets, energy conservation and development of an energy supply system based largely on the renewable sources of energy. In such a scenario, your Company is strengthening its distribution and investor network. It is also giving new look to upgrade business developments, risk management, technology forecasting and project monitoring study. Your Company, being a prime financial institution in the renewable energy sector, aspires to be a self-sustaining and competitive organization and balance its portfolio of assets across different sectors. Forging alliances

with other agencies like banks, financial institutions, non-banking financial companies, non-governmental organizations, state and district level agencies is one of the priorities of your Company.

POLICIES & INITIATIVES

REVIEW OF POLICIES

The Company has reviewed its financing policy and lending norms keeping in view the developments in the money market and cost of funds. It has streamlined the existing procedures and systems.

NEW INITIATIVES

A new scheme of financing direct users and financial intermediaries to set up small biogas plants based on animal dung and other biodegradable materials was introduced during the year. The lowest possible interest rate is being charged for the toilet-linked scheme since it concerns health and hygiene, in addition to provision of energy for the rural masses. Biomass Briquetting Screw Extrusion Technology was included in the financing scheme.

As a step towards encouraging energy efficiency in sugar mills, the Company sanctioned loans for two projects during the year. The successful completion of these projects is expected to give a fillip to energy conservation measures in the sugar industry.

Energy Efficiency and Conservation Intermediaries Scheme for serving the retail segment was introduced during the year and the Energy Centre Scheme, which was introduced during 1998-99 as a pilot scheme, was regularised during the year.

In the scheme of financing biomass gasifiers for power generation, the following three categories of gasifiers were included: (a) Small scale biomass gasifier upto 1 MW, (b) Steam-gas turbine mode gasifier in the range of 1 to 6 MW, (c) Dual fuel engine mode gasifier in the range of 1 MW to 6 MW.

OPERATIONS

SANCTIONS AND DISBURSEMENTS

The loan sanctions by the Company touched an all-time high figure of Rs. 928.49 crores during the year,



IREDA financed Energy Centre at Venus Plaza Begumpet, Hyderabad, Andhra Pradesh

which represented an increase of 35.71% over the previous year's Rs. 684.19 crores. The disbursements too touched the record level of Rs. 429.26 crores, representing 90.16% increase over the previous year's Rs. 225.74 crores. The achievements were higher by 75.19% and 17.61% than the MoU targets of loan sanctions and disbursements respectively.

Sector-wise Sanctions and Disbursements during 1999-2000

Sectors	(Rs. in Crores)	
	Sanctions	Disbursements
Wind Energy	187.55	166.00
Small Hydro	143.50	85.02
Biomass Co-generation	224.66	71.28
Biomass Power Generation	135.01	46.20
Biomethanation from Industrial Effluents	4.90	3.93
Biomass Gasification	0.00	0.17
Biomass Briquetting	1.62	0.52
Solar Thermal	10.33	4.16
Solar Photovoltaics	133.22	22.92
Waste to Energy	17.04	0.00
Energy Efficiency & Conservation	70.24	28.80
Small Biogas plants	0.25	0.00
Miscellaneous	0.17	0.26
Total	928.49	429.26

The cumulative sanctions and disbursements as on 31st March, 2000 stood at Rs. 3547.91 crores and Rs. 1552.13 crores respectively. State-wise and Sector-wise sanctions and disbursements are given in Annexures I to IV respectively.

CAPACITY ADDITION

The loan amount sanctioned during the year was for the establishment of 281.7 MW of installed capacity of power generation, the details of which are given below:

Sector-wise capacity addition (MW)

Sectors	Capacity (MW)
Wind Energy	67.36
Small Hydro	40.60
Biomass Co-generation	105.50
Biomass Power Generation	43.50
Biomethanation from Industrial Effluents	1.00
Solar Photovoltaics	3.20
Waste to Energy	6.70
Energy Efficiency & Conservation	13.84
Total	281.70



Solar Powered Traffic Light Police booth installed in Delhi with IREDA's assistance.

The Company has also sanctioned loans for solar thermal, small biogas plants, biomethanation and biomass briquetting projects. For the first time, the Company has financed a "Waste-to-Energy" project with 210 TPD capacity involving pelletization technology to M/s. Selco International Ltd. for establishment at Gandamguda village in Ranga Reddy district of Andhra Pradesh in consortium with the Technology Development Board, New Delhi. These projects, upon commissioning, may result in the replacement of 90,367 MT of coal per annum.



IREDA financed 6.75 MW Biomass Power Project set up at Vedadri village, Krishna district, Andhra Pradesh.

FINANCIAL PERFORMANCE

PRUDENTIAL NORMS

Your Company is registered as a non-banking financial company and is complying with the RBI Guidelines for Prudential Norms prescribed for NBFCs. During the year, the RBI issued a circular exempting Government NBFCs from complying with the Prudential Norms. However, your Board of Directors, keeping in view the importance of the maintenance of the Company's financial health, decided to follow the Prudential Norms applicable to financial institutions and accordingly, the accounts for the year 1999-2000 have been compiled on the basis of the above decision. The details of the changes in the accounting policy have been indicated in the Notes on Accounts.

WORKING RESULTS

The overall financial performance for the year has been satisfactory. The key parameters of performance in this regard are indicated below:

(Rs. in Crores)

	1998-99	1999-2000
Gross Income	108.32	135.92
Profit before Tax (including prior period adjustment)	28.23	31.35
Provision for Income Tax	9.45	12.73
Profit available for Appropriation (after adjustment of excess provision of Income Tax made in earlier years)	18.78	19.54

The Profit and Loss Account fully takes care of the RBI's Prudential Norms regarding income recognition and asset classification and provides for Non-Performing Assets as per the RBI guidelines.

APPROPRIATIONS

Your Directors recommend the following appropriations:

(Rs. in Crores)

	1998-99	1999-2000
Profit available for Appropriations	18.78	19.54
APPROPRIATIONS		
i. Special Reserve u/s 36 (1) (viii) of the Income Tax Act	10.52	9.86
ii. NBFC Reserve Fund (20% of Net Profit)	3.76	—
iii. Interim Dividend	—	4.00
iv. Proposed Final Dividend	4.00	2.00
v. Dividend Tax and Surcharge	0.44	0.88
vi. General Reserve	0.05	2.75
vii. Surplus carried to Balance Sheet	0.01	0.05

DIVIDEND

Your Company declared an interim dividend of Rs. 4.00 crores to the Shareholders. Your Directors propose and recommend a total dividend of Rs. 6.00 crores for the year 1999-2000 which is 1.5 times of the previous year dividend and is in accordance with the Government guidelines.



Hon'ble Union Minister of State for Non-Conventional Energy Sources (Independent Charge) receiving the Dividend Cheque for the year 1998-99 from Secretary, MNES and Managing Director, IREDA.

NPA MANAGEMENT

As per the MoU signed with the MNES, the NPA level was fixed at 24 per cent. Against this, your Company was able to reduce the NPA level to 17.32 per cent.

RISK MANAGEMENT

The Company continued to take steps to manage various business risks by improved appraisal methods and by following various manuals and guidelines, laying down the Prudential Norms on exposure to borrowers and administering Best Practices Manuals developed through Consultants.

FOREX MANAGEMENT

The Company has been managing Forex Risk through various innovative arrangements. During the year, one such arrangement was made with the Canara Bank

to manage the Foreign Exchange Risk arising out of the Line of Credit sanctioned by KfW, Germany.



Mr. Ohls, Senior Vice President, KfW and Dr. V. Bakthavatsalam, Managing Director, IREDA seen signing the DM 120 million Loan Documents.

DEBT EQUITY RATIO & NET WORTH

The Company's borrowings from all sources stood at Rs. 880.80 crores as on 31st March, 2000 against its Net Worth of Rs. 340.15 crores. Debt as a ratio to Net Worth works out to 2.59; which is well below the ratio of 4:1, indicated in the Operational Policy Statement of the Company.

RESOURCE MOBILISATION

SHARE CAPITAL

The authorised share capital of the Company stood at Rs. 200 crores as on March 31, 2000. The MNES was approached for permission to increase the authorised share capital from Rs.200 crores to Rs. 300 crores and the same has since been enhanced.

With the contribution of an amount of Rs. 42 crores towards equity by the Government of India, the paid-up capital stood at Rs.196.35 crores as on March 31, 2000. Allocation of Rs. 27 crores as equity contribution has been made for the year 2000-01. In addition to this, fund of Rs.15 crores has been allocated to the Company for development of NRSE in the North Eastern Region and Sikkim during 2000-01.

BORROWINGS

The Company issued Tax Free Bonds on a private placement basis for an amount of Rs. 50.00 crores during the year.

The Company utilised an amount of Rs. 46.19 crores under IDA, Rs. 0.91 crore under SDC (Project & TAP) and Rs. 0.17 crore under Dutch (TAP). The ADB released Rs. 90.62 crores to the Company.

INTERNATIONAL ASSISTANCE IN THE PIPELINE

Assistance from the World Bank to the tune of US \$ 135 million under the "Second Renewable Energy Project" and from the Japanese Bank for International Cooperation, Japan to the tune of approximately US \$ 85 million are in the pipeline.



Mini Hydel Power House project set up near Sattenapalli, Guntur District, Andhra Pradesh financed by IREDA under World Bank Line of Credit.

PROMOTIONAL EFFORTS

BUSINESS MEETS

The Company continued to sponsor / co-sponsor various types of programmes to promote Renewable Energy Technologies. During the year, the Company supported 67 Seminars, Workshops, Business Meets and Exhibitions in different parts of the country.



Hon'ble Union Minister of State for Non-Conventional Energy Sources (Independent Charge) lighting the lamp to mark the inauguration of IREDA co-sponsored, Millennium International Conference on Renewable Energy Technologies.



Secretary, MNES and Chairman, IREDA inaugurates, IREDA co-sponsored, the Asia Pacific Renewable Energy Business Development Forum '99 Workshop on "RE Technology Trends for the Next Millennium."

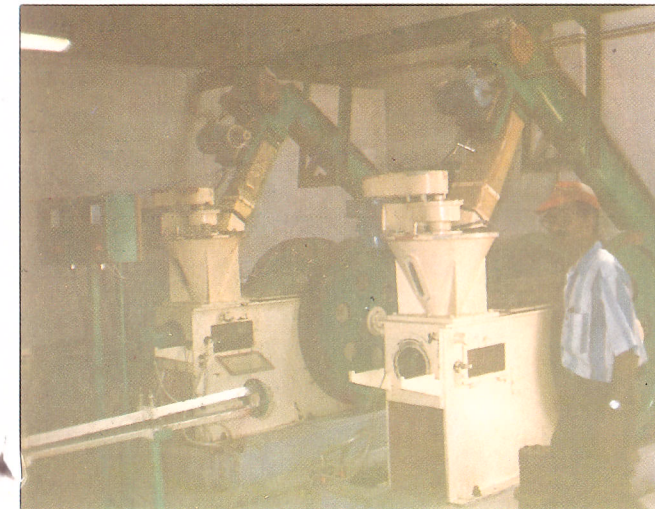
DISSEMINATION OF INFORMATION

The Company has been making continuous efforts in creating awareness about the Renewable Energy Technologies (RETs) and their potential benefits. As a part thereof, it has launched vigorous publicity campaigns through the print and the electronic media, brochures, website, video films and newsletters to disseminate information about RETs. The "IREDA News" continued to be published quarterly to highlight current developments in the renewable energy sector and the activities of the Company.

DEVELOPMENT OF NORTH EASTERN REGION AND SIKKIM

Six promotional programmes were organised in the North Eastern Region and Sikkim for market development and dissemination of information

about RETs. An amount of Rs. 4.5 lakhs was released for the village Gobardhan Garobasti, District Kamrup, Assam, which has been adopted under the "IREDA Akshay Urja Gram Scheme" for providing renewable energy equipment to meet the minimum energy needs of the village. A briquetting plant with a capacity of 1.5 tph at Dolabari industrial area in Tezpur, Assam, which is the first IREDA funded manufacturing project in the NE Region, was commissioned during the year.



IREDA financed 1.50 MT/HR Briquetting Project set up in Dolabari Industrial Area, Tezpur, Assam.

DEVELOPMENT OF BACKWARD AREAS

The promotion of projects in backward areas continued to receive high priority. During the year, 73 projects involving loan assistance of Rs. 657.47 crores were sanctioned. This constituted 70.81% of the total loan amount sanctioned during the year by IREDA.

WOMEN DEVELOPMENT

The Company is committed to women development and has been encouraging women entrepreneurs to set-up self-employment ventures in the field of renewable energy. Besides giving special concessions in its lending terms and conditions, the Company has been organising various promotional programmes for women. During the year under review, three programmes were organised exclusively for women.



IREDA financed 1000 LPD capacity Solar Water Heating System installed at Ladies Hostel at Pune under Solar Thermal Intermediary Scheme.



Shri N. N. Mookerjee, Secretary, MNES and Dr. V. Bakthavatsalam, Managing Director, IREDA exchanging the Memorandum of Understanding for the year 2000-01.

BUSINESS STRATEGY

MEMORANDUM OF UNDERSTANDING (MoU)

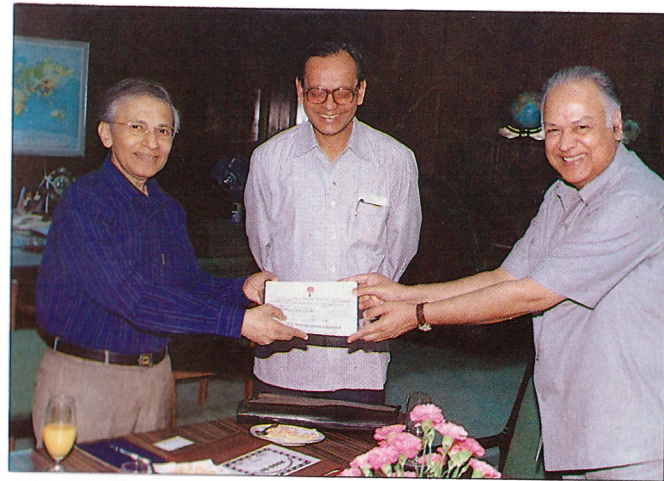
Based on the provisional figures, the Company's performance in achieving the MoU targets fixed for the year 1999-2000 is likely to be rated as "EXCELLENT." The Company has also signed a MoU with the Government for the year 2000-01.

PROGRAMMES ENTRUSTED BY MNES

The Company continued to implement the various schemes entrusted to it by the Ministry of Non-Conventional Energy Sources, especially those relating to Solar Water Pumping, Solar Cooker etc.



Solar Photovoltaic Water Pump installed under MNES Scheme through IREDA in Karwar district, Karnataka.



Managing Director, M.P. Wind Farms Ltd., handing over Dividend Cheque for the year 1998-99 to Secretary, MNES and Managing Director, IREDA.

JOINT SECTOR COMPANY

Your Company in collaboration with the Government of Madhya Pradesh and a private sector Company

had promoted a joint sector venture (JV) namely, M/s M. P. Wind Farms Ltd. with the objective of promoting wind energy projects. Its authorised share capital is Rs. 100.00 lakhs and the paid-up capital is Rs. 70.00 lakhs, of which IREDA's share is Rs. 12.00 lakhs. The performance of the Company, so far, has been satisfactory. It has been paying dividend @ 20% since 1995-96. The capacity of the above project is 15 MW.

NETWORKING ARRANGEMENTS

As a part of business strategy to reach out to remote areas and promote micro lending operations, the Company has been networking with Business Development Associates (BDAs) and Financial Intermediaries. The objective is to build capacity, consultancy and intermediate service through these BDAs. During the year, five new BDAs were registered taking the total number of BDAs to 43 as on 31st March, 2000. These BDAs comprise 16 Technical Consultancy



Annual Interaction Meet organised by IREDA with its Business Development Associates at New Delhi.

Organisations, 12 State Nodal Agencies, 2 Local Productivity Councils, 10 Private Sector Enterprises and 3 NGOs.

PLANNING, MONITORING AND EVALUATION

A mid-term appraisal of the Ninth Five Year Plan was undertaken during the year to take stock of the achievements and the constraints in achieving the Plan Targets during the first three years of the Plan. Based on the review, the Company revised its sanction and disbursement targets for the Ninth Five Year Plan. The Company has also formulated its Annual Plan for the year 2000-01, aiming at a better performance during this year and the next year.



A World Bank Team inspects SPV Lanterns being procured under SPV Market Development Programme implemented by IREDA.

The project monitoring and evaluation has been done through the mechanism of appointing Nominee Directors, concurrent auditors/engineers, direct inspections, physical verifications and the special review committees. The Company is also monitoring the status and performance of the projects through monthly, quarterly and annual progress reports from the promoters.

HUMAN RESOURCE DEVELOPMENT

As usual, human resource development received special attention during the year. A number of employees were nominated to attend the professional training courses and Seminars/Workshops/Symposia on specialised subjects both in India and abroad, so as to improve their professional skills and to help acquaint themselves with the latest technical development in their respective fields.

The morale of the employees continued to remain high during the year, facilitating smooth working of the Company and contributing to the achievement of its goals/targets. All efforts to achieve employee satisfaction were made through various measures like job rotation, timely revision of pay scales, revision of perquisites, welfare measures and introduction of new schemes etc. Further, for a better understanding and quick disposal of employees problems, various forms were reviewed and standardised.

INSTITUTIONAL DEVELOPMENT

The Company has engaged the services of consultants in order to strengthen the institutional infrastructure. Manuals on Small Hydro, Quality Assurance, Environmental and Sociological Screening of Projects, Methodology for Corporate Analysis and Credit Risk Management have been prepared. Keeping in view the safety measures, besides the operation and maintenance of electronics and other office equipment, manuals on Safety and Operation & Maintenance are under preparation.

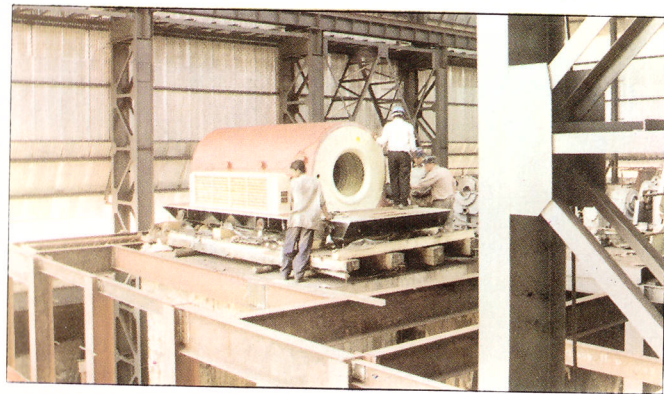
Special attention has been paid to the development of the computerization systems. The important activities undertaken during the year include System Development Software on Oracle Platform 7.3, exclusive Website development for IREDA and Website advertisement.

Y2K COMPLIANCE

The Company took comprehensive steps pertaining to Y2K compliance.

ENERGY EFFICIENCY & CONSERVATION

In its second year of operation in energy efficiency and conservation area, IREDA has made a commendable progress during 1999-2000 by sanctioning loan of Rs. 70.24 crores and disbursing Rs. 28.80 crores to energy efficiency and ESCO business through various industries.



Turbogenerator Set being erected for 10 MW waste heat recovery based power project financed by IREDA under Energy Efficiency/ Conservation Category in Orissa State.

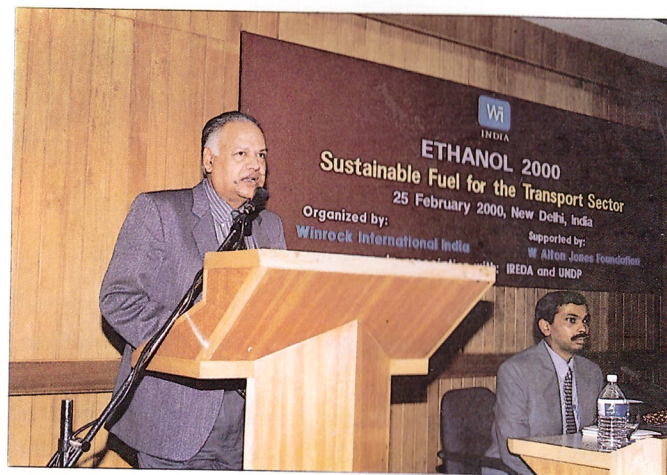
ECOLOGY & ENVIRONMENT

The Company has been assisting renewable energy technologies, which are eco-friendly and have benign impact on environment, besides reducing pollution. The projects sanctioned by the Company will result in the saving or conserving of conventional fuels. The projects promoted have also resulted in tangible benefits in terms of saving of foreign exchange. The Company is contributing to the socio-economic development of the country by promoting environment friendly renewable sources of energy.

INTERNATIONAL / LENDERS & DONORS PERCEPTION

International lending and donor agencies have lauded

the performance of IREDA. The World Bank has expressed satisfaction about IREDA's business operations. The Asian Development Bank Appraisal Mission has conveyed in a special mention that "IREDA has satisfactorily performed the operational and institutional responsibilities in accordance with the diverse objectives for which it was created." The KfW Mission fielded by the Federal Government of Germany has observed that, "IREDA is well-managed, has motivated staff and a professional work culture, which should be a good basis for the continued development of its lending and promotional activities. Given its achievements so far, IREDA may serve as a model for similar institutions in other developing countries."



Seminar on Ethanol 2000- Sustainable Fuel for the Transport Sector organised at New Delhi in association with IREDA.

AWARDS & RECOGNITIONS

IREDA has been selected for the Climate Technology Initiative's (CTI), "World Climate Technology Award" for the year 1999 in recognition of its efforts to accelerate the deployment and diffusion of climate friendly technologies especially in developing countries. The Award honours IREDA for its achievements as an institution of financing and promoting self-sustaining investment in energy generation from renewable sources and energy efficiency for sustainable development in India.



Dr. V. Bakthavatsalam, Managing Director, IREDA receiving the "World Climate Technology Leadership Award — 1999" from Mr. Robert Priddle, Executive Director, International Energy Agency at Bonn, Germany.

AGENDA FOR 100 DAYS

On the new Government assuming office at the Centre, the Company prepared an agenda for 100 days and completed all the activities indicated therein. These were monitored by the MNES.

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 the Government's instructions regarding recruitment and promotion of these categories. Liaison officers for SC/STs and OBCs

have been nominated separately to watch the interests of these categories.

OFFICIAL LANGUAGE POLICY

Efforts were continued to ensure the implementation of the provisions of the Official Language Act towards promotion and greater use of Hindi in official work. Use of Hindi in day-to-day work by the employees was encouraged by conducting Workshops. The non-Hindi speaking employees were nominated to attend Hindi classes for learning Hindi typing and stenography conducted by the Department of Official Language, Ministry of Home Affairs. The Company organised Hindi Diwas, Hindi Pakhwara, Workshops and



Presentation of Hindi Shield to the best performing department in the use of Hindi.



Officials from Department of Official Language and Ministry of Non-Conventional Energy Sources visit Exhibition on Hindi organized by IREDA on Hindi Diwas.

Competitions with a view to propogating the progressive use of Hindi. The best performing department in the use of Hindi was presented a Memento. A number of Hindi books were purchased and added to the Library. Nodal officers have been nominated in various departments to further strengthen and monitor the progress of use of Hindi.

AUDITS & INSPECTIONS OF ACCOUNTS

STATUTORY AUDITORS

M/s Gianender & Associates, Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Company by the Company Law Board, Government of India for the financial year 1999-2000.

AUDIT REVIEW

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

INTERNAL AUDIT & LEGAL AUDIT

M/s. Ray & Ray, Chartered Accountants, Delhi have been appointed IREDA's internal auditors for the financial year 1999-2000 and their reports are submitted on a quarterly basis. M/s Kesar Dass B. & Associates have been appointed Legal Auditors for the year 1999-2000.

PARTICULARS OF EMPLOYEES

Information with regard to the particulars of the employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies [Particulars of Employees (Amendment) Rules, 1990] is given in Annexure V.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The earnings in foreign exchange are equivalent to Rs. 404.14 lakhs and the outflow to Rs. 685.41 lakhs during the year.

PERSONNEL AND INDUSTRIAL RELATIONS

During the year under review, the relationship between the management and the employees reached a new height of harmony and remained extremely cordial. The grievances of the employees, if any, were redressed through dialogues / discussions by the Director (Grievance). The management and the employees together have helped IREDA to achieve all-time high targets in loan sanctions and disbursements and a greater degree of success.

CUSTOMER RELATIONS

The Company has been vigorously adopting a customer-friendly approach in its day-to-day dealings. The problems of borrowers are redressed by a response mechanism and by providing effective and immediate hearing by senior executives. Organising

customers meetings is a regular feature. During the period under review, the customer relations continued to be cordial. The Company has provided a Suggestion Box in the office for receiving suggestions/complaints. The Company is also adopting other problem solving methods through Business Meets, Seminars, dissemination of information, IREDA News etc.

VIGILANCE

Your Company has been paying attention to preventive vigilance. Efforts have been initiated for introducing greater transparency and accountability in the administration. The Vigilance Advisory Committee of the Company has been meeting periodically to advise the Company in this regard. The Company has received Special Chapter on Vigilance Management in PSE from Central Vigilance Commission and various requirements specified therein are being complied with.

BOARD OF DIRECTORS

Shri Debashish Majumdar took over as whole-time Director (Technical) on the Board w.e.f. 1.2.2000. During the year, the Board held nine meetings to transact the business of the Company.

ACKNOWLEDGEMENTS

The Board of 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 also place on record their deep appreciation of the valuable contribution made and the guidance provided by Shri C. R. Kamalnathan, the outgoing Chairman.

The Company is thankful to the World Bank, Swiss Development Co-operation, Global Environment Facility, Asian Development Bank, DANIDA, Royal Government of The Netherlands, KfW, Germany, the Japanese Bank of International Cooperation, Japan and other international financial institutions, agencies and investors for their co-operation, guidance and help. The Company looks forward to their continued support and encouragement.

The Company is thankful to the Comptroller and Auditor General of India, the Statutory Auditors and the Bankers for their valued co-operation.

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

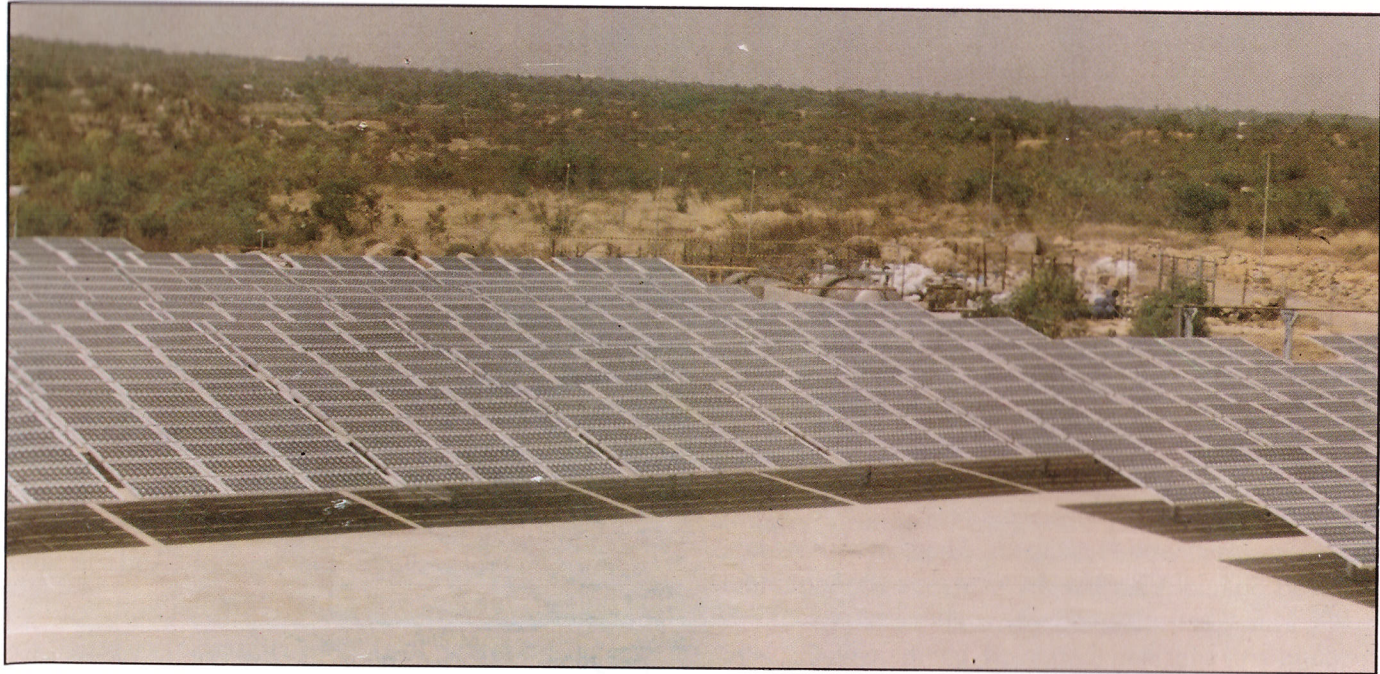
The Board of Directors sincerely appreciates and commends the valuable services continued to be rendered by the employees of the Company at all levels.

For and on behalf of the Board of Directors

T. Prabakaran
Director (Finance)

Dr. V. Bakthavatsalam
Managing Director

Place: New Delhi
Date: 7th September, 2000



175.14 Kwp Grid Interactive Solar Power Plant Project set up in Ranga Reddy district, Andhra Pradesh with IREDA's financial assistance under World Bank Line of Credit.



IREDA financed 13000 LPD capacity Solar Water Heating System installed in a Hotel in Mahabaleshwar, Maharashtra

ANNEXURE-I

STATEWISE SANCTIONS DURING LAST FIVE YEARS

(Rs. in Crores)													
Sl. No.	Name of State/ Union Territory	1995-96		1996-97		1997-98		1998-99		1999-2000		Cumulative since inception in 1987-88	
		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	29	58.02	9	28.40	21	76.68	47	219.77	46	359.61	188	782.09
2	Assam	0	0.00	0	0.00	1	0.37	1	0.10	1	8.93	3	9.40
3	Bihar	1	0.10	0	0.00	0	0.00	2	0.27	0	0.00	7	3.02
4	Gujarat	14	43.6	7	1.30	7	32.38	9	24.63	6	7.57	77	142.91
5	Goa	0	0.00	0	0.00	0	0.00	0	0.00	3	0.23	4	0.26
6	Haryana	2	5.4	1	0.08	1	5.94	0	0.00	1	0.32	18	17.31
7	Himachal Pradesh	1	1.25	0	0.00	2	7.00	2	1.83	3	4.91	10	16.92
8	Jammu & Kashmir	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.62
9	Karnataka	28	60.76	13	69.66	22	177.18	14	117.83	22	210.23	148	692.76
10	Kerala	6	60.18	0	10.00	1	0.32	6	0.50	3	1.13	25	123.77
11	Madhya Pradesh	11	10.60	9	20.97	8	23.44	2	11.81	5	56.43	67	156.54
12	Maharashtra	24	36.90	11	5.31	17	7.58	33	145.50	30	106.06	182	311.84
13	Manipur	0	0.00	0	0.00	0	0.00	1	0.17	1	0.19	2	0.36
14	Mizoram	0	0.00	0	0.00	0	0.00	1	0.16	0	0.00	1	0.16
15	NCT of Delhi	11	8.10	7	3.31	15	5.03	4	4.79	8	9.75	50	32.23
16	Orissa	0	0.00	0	0.00	0	0.00	2	27.69	0	0.00	7	33.66
17	Punjab	0	0.00	1	0.69	1	16.60	3	1.14	4	0.49	18	22.21
18	Rajasthan	3	0.77	1	0.48	1	1.79	2	1.18	8	5.54	27	13.93
19	Tamil Nadu	126	314.30	40	105.37	17	50.35	11	46.82	25	115.41	351	860.09
20	Uttar Pradesh	5	1.98	9	82.09	8	69.96	10	58.63	3	8.85	71	240.27
21	West Bengal	4	2.95	0	0.00	8	24.34	8	21.37	7	26.16	40	77.94
	TOTAL - 'A'	265	604.91	108	327.66	130	498.96	158	684.19	176	921.81	1297	3538.29
B	UNION TERRITORY												
1	Andaman & Nicobar	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.11
2	Daman	0	0.00	0	0.00	0	0.00	0	0.00	1	6.68	2	8.13
3	Pondicherry	0	0.00	1	1.13	0	0.00	0	0.00	0	0.00	2	1.38
	TOTAL - 'B'	0	0.00	1	1.13	0	0.00	0	0.00	1	6.68	5	9.62
	TOTAL 'A' + 'B'	265	604.91	109	328.79	130	498.96	158	684.19	177	928.49	1302	3547.91

ANNEXURE-II

SECTORWISE AND YEARWISE SANCTIONS DURING LAST FIVE YEARS

(Rs. in crores)

Sl. No.	Sectors	1995-96	1996-97	1997-98	1998-99	1999-2000	Cumulative since inception in 1987-88
1	Wind Energy	327.14	107.39	111.39	274.82	187.55	1249.64
2	Small Hydro	118.78	122.93	176.05	116.01	143.50	805.21
3	Solar Thermal	7.96	3.94	8.28	8.57	10.33	55.59
4	Solar Photovoltaics	82.84	28.95	66.25	81.97	133.22	424.57
5	Biomethanation from Industrial Effluents	4.99	4.40	4.24	2.10	4.90	68.97
6	Biomass Co-generation (including sugar industry)	39.85	50.00	119.90	124.50	224.66	570.41
7	Biomass Power Generation	22.00	9.85	5.45	45.50	135.01	228.91
8	Biomass Briquetting	0.84	0.28	2.08	0.92	1.62	17.41
9	Biomass Gasification (including Power Generation)	0.51	1.05	5.32	2.27	0.00	10.42
10	Energy Efficiency & Conservation	0.00	0.00	0.00	27.15	70.24	97.39
11	High Efficiency Wood Burning Stoves	0.00	0.00	0.00	0.00	0.00	0.49
12	Biogas (Small Scale)	0.00	0.00	0.00	0.00	0.25	0.25
13	Waste to Energy	0.00	0.00	0.00	0.00	17.04	17.04
14	Miscellaneous	0.00	0.00	0.00	0.38	0.17	1.61
	TOTAL	604.91	328.79	498.96	684.19	928.49	3547.91



IREDA financed 4000 LPD Capacity Solar Water Heating System installed at a hotel in Mumbai.



IREDA financed 1 MW Biomass based Gasifier plant setup in Jigani Village, Karnataka

ANNEXURE-III

STATEWISE DISBURSEMENTS DURING LAST FIVE YEARS

(Rs. in Crores)

Sl.No.	Name of State/Union Territory	1995-96	1996-97	1997-98	1998-99	1999-2000	Cumulative since inception in 1987-88
A.	STATES						
1	Andhra Pradesh	25.16	30.52	38.50	68.64	116.49	293.65
2	Assam	0.00	0.00	0.00	0.21	0.00	0.21
3	Bihar	0.00	0.00	0.08	0.00	0.01	0.46
4	Gujarat	27.64	3.39	18.19	1.77	26.57	93.99
5	Haryana	0.20	0.06	0.07	0.54	0.10	4.18
6	Himachal Pradesh	0.00	0.00	0.66	2.08	2.95	7.62
7	Karnataka	13.45	34.41	51.01	71.86	87.74	271.54
8	Kerala	6.29	2.16	20.69	4.25	5.98	44.10
9	Madhya Pradesh	7.58	3.00	10.30	12.82	20.23	69.61
10	Maharashtra	1.39	9.24	2.39	23.66	85.91	128.95
11	National Capital Territory of Delhi	0.32	0.43	0.75	0.30	0.65	2.50
12	Orissa	0.00	0.00	0.00	12.50	14.47	30.78
13	Punjab	0.01	0.20	0.65	0.15	5.84	9.64
14	Rajasthan	0.41	0.15	0.70	0.97	1.34	5.56
15	Tamil Nadu	154.56	146.84	24.78	20.64	36.56	518.97
16	Uttar Pradesh	1.35	6.42	17.32	4.63	11.07	50.94
17	West Bengal	0.05	0.65	0.00	0.72	2.37	5.78
	TOTAL - 'A'	238.32	237.47	186.09	225.74	418.23	1538.48
B.	UNION TERRITORY						
1	Daman	0.15	0.00	0.04	0.00	0.00	1.49
2	Pondicherry	0.00	0.00	1.13	0.00	11.03	12.16
	TOTAL - 'B'	0.15	0.00	1.17	0.00	11.03	13.65
	GRAND TOTAL 'A'+ 'B'	238.47	237.47	187.26	225.74	429.26	1552.13



IREDA financed 7.59 MW Wind Farm Project set up in Chitradurga district of Karnataka.

ANNEXURE-IV

SECTORWISE AND YEARWISE DISBURSEMENTS DURING LAST FIVE YEARS

(Rs. in crores)

Sl.No.	Sectors	1995-96	1996-97	1997-98	1998-99	1999-2000	Cumulative since inception in 1987-88
1	Wind Energy	172.31	126.98	51.5	74.10	166.00	740.89
2	Small Hydro	10.06	31.57	65.83	70.87	85.02	287.71
3	Solar Thermal	2.00	2.96	3.43	5.18	4.16	25.21
4	Solar Photovoltaics	14.98	30.9	19.11	15.68	22.92	118.23
5	Biomethanation from Industrial Effluents	4.09	3.23	2.68	4.73	3.93	48.20
6	Biomass Co-generation (including sugar industry)	23.48	24.75	42.65	38.17	71.28	202.33
7	Biomass Power Generation	10.89	16.61	1.46	0.30	46.20	75.46
8	Biomass Briquetting	0.66	0.47	0.04	1.34	0.52	8.01
9	Biomass Gasification (including power generation)	0.00	0.00	0.56	2.84	0.17	3.87
10	Energy Efficiency & Conservation	0.00	0.00	0.00	12.50	28.80	41.30
11	Others	0.00	0.00	0.00	0.03	0.26	0.92
	TOTAL	238.47	237.47	187.26	225.74	429.26	1552.13



Participants during an IREDA sponsored Business Meet on Biogas/Biomass Energy held at Guwahati.



Shri Legi Lechi, Minister of Power, Arunachal Pradesh during a Business Meet on Small Hydro Power Project sponsored by IREDA at Itanagar, Arunachal Pradesh.



Business Meet on Solar Energy sponsored by IREDA at Imphal, Manipur.



IREDA co-sponsored Business Meet for Hotels on Application of Solar Energy held at Lonavala, Pune, Maharashtra.



IREDA financed 11.2 MW Co-generation Plant Set up at Village Munoli, Belgaum district, Karnataka.

ANNEXURE-V

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES [PARTICULARS OF EMPLOYEES (AMENDMENT) RULES, 1990] AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2000

Sl. No.	Name	Age (yrs)	Designation/ Nature of Duties	Nature of Employment	Remuneration Received (Rs.)	Qualifications	Date of Commencement of Employment / Experience (No. of Years)	Last Employment
1	2	3	4	5	6	7	8	9
A. Employed throughout the financial year under review and were in receipt of remuneration of not less than Rs.6,00,000/- per annum or Rs.50,000/- per month.								
1.	Dr. V. Bakthavatsalam	56	Managing Director	Presidential Appointment	9,25,943/-	B.E. (Mech) MBA (Mkt.) D.Sc (Renewable Energy)	1.2.89/ 32	Managing Director, Non-Conventional Energy Dev. Corpn.of A.P. Ltd., Hyderabad
2.	Sh. T. Prabakaran	46	Director (Finance)	Presidential Appointment	6,93,445/-	B.Com C.A.	15.6.95/22	Additional General Manager (F&A), M/s. Electronics Trade & Technology Dev. Corpn. Ltd.
B. Employed for a part of the year and were in receipt of remuneration of not less than Rs.50,000/- p.m. 'NIL'								
Notes: 1. Remuneration includes all salary, allowances, leave encashment, value of perquisites and Company's contribution towards Provident Fund. 2. The above employee(s) is / are not related to any of the Directors within the meaning of Section 6 of the Companies Act, 1956.								

ANNEXURE-VI

ANNEXURE TO THE DIRECTORS' REPORT

Addendum-I

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, 2000.

(As conveyed vide letter No. MAB-II/CAD-1/15-3/2000-01/682 dated 4th September, 2000 by the Office of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board-II, New Delhi).

The Statutory Auditors in their Report dated 31st July, 2000 had not certified that the Balance Sheet and Profit and Loss Account were in compliance with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956. On being pointed out by Audit, the Statutory Auditors complied with the requirement by issuing addendum dated 18.8.2000.

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

Place: New Delhi
Date: 4th September, 2000

Information and Explanation as required under Section 217(3) of the Companies Act, 1956 on the Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956.

The Comments pertain to the Statutory Auditors and have been forwarded to them. The Statutory Auditors have, however, already ensured compliance and issued the addendum.

For and on behalf of the Board of Directors

T. Prabakaran
Director (Finance)

Dr. V. Bakthavatsalam
Managing Director

Place: New Delhi
Date: 7th September, 2000

**REVIEW OF ACCOUNTS OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2000 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:

	1997-98	1998-99	(Rs. in Crores) 1999-2000
LIABILITIES			
a) Paid up Capital			
i) Government	114.35	154.35	196.35
ii) Others	0.00	0.00	0.00
b) Reserves & Surplus			
i) Free Reserves & Surplus	31.08	41.66	54.32
ii) Capital Grants	1.45	2.35	1.74
iii) Capital Reserves	72.21	75.99	87.39
iv) NBFC Reserves	3.04	6.79	6.79
c) Borrowings			
i) From Government of India	132.77	212.97	246.55
ii) From Financial Institutions	39.60	0.00	0.00
iii) Others	374.82	470.38	634.24
d) Current Liabilities & Provisions			
i) Current Liabilities & Provision	125.60	140.00	144.48
ii) Provision for Leave Encashment	0.02	0.02	0.06
TOTAL	894.94	1104.51	1371.92
ASSETS			
e) Gross Block	7.19	9.23	9.57
f) Less: Depreciation	3.04	4.06	5.19
g) Net Block	4.15	5.17	4.38
h) Investments	10.12	10.12	10.12
i) Current Assets, Loans & Advances	870.46	1080.75	1350.98
j) Misc. expenditure not written off	10.21	8.47	6.44
TOTAL	894.94	1104.51	1371.92
k) Working Capital [i-d(ii)]	744.86	940.75	1206.50
l) Avg. Capital Employed	680.62	859.36	1110.44
m) Net Worth [a+b(i)-j]	135.22	187.54	244.23
n) Net Worth per rupee of paid-up capital (in rupees)	1.18	1.22	1.24

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:

	1997-98	1998-99	1999-2000 (in Percentage)
A. Liquidity Ratio			
Current Ratio (Current Assets to Current Liabilities & provision and interest accrued & due but excluding provision for gratuity/leave encashment [l/d (i)])	693.06	771.96	935.07

B Debt Equity Ratios

Long term Debt to Net Worth [c(i) to (v) but excluding short term loans]

	1997-98	1998-99	1999-2000 (in Percentage)
	404.66	364.38	360.64

C. Profitability Ratios

a) Profit before Tax to			
i) Capital employed	0.52	3.29	2.82
ii) Net Worth	2.60	15.05	12.84
iii) Operational Income	4.94	30.03	27.30
b) Profit after Tax to Equity	1.06	12.17	9.95
c) Earning per share (in Rupees)	10.60	121.64	94.83

3 SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs 273.00 crores were generated and utilised during 1999-2000 as given below:

SOURCES OF FUNDS

Funds from operations:

	(Rs. in Crores)
Profit After Tax	19.54
Less: Miscellaneous income (capital grant)	0.87
	18.67
Add: Depreciation	1.17
Bond issue expenses written off	2.03
	21.87

Others

World Bank Project Grants	11.40
Capital Grants	0.26
Issue of Shares	42.00
Increase in Borrowings	197.44
Sale of Fixed Assets	0.03
Total	273.00

UTILISATION OF FUNDS

Increase in Fixed Assets	0.41
Increase in Working Capital	268.15
Dividend Paid (including tax)	4.44
Total	273.00

4 WORKING RESULTS

	1997-98	1998-99	(Rs. in Crores) 1999-2000
1 Income	78.19	108.32	135.92
2 Profit(+) Loss(-) before Tax and Prior Period Adjustments	3.23	28.65	31.68
3 Prior Period Adjustments	0.28	-0.42	-0.33
4 Profit(+) Loss(-) before Tax	3.51	28.23	31.35
5 Tax Provision (Net)	2.30	9.45	11.81
6 Profit After Tax	1.21	18.78	19.54
7 Proposed dividend including dividend tax	0.00	4.44	6.88

5. LOAN DISBURSED

The following table indicates the loans disbursed, interest on outstanding loans, repayment received and amount outstanding at the end of the last three years ending 31st March, 2000:

Year	Balance outstanding at the beginning of the year				Loans Disbursed during the year	Interest for the year on outstanding loan	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
1997-98	560.11	14.00	574.11	4.23	187.37	69.13	110.16	623.96	27.36	651.32
1998-99	623.96	27.36	651.32	4.58	226.30	92.54	108.23	720.67	48.72	769.39
1999-2000	720.67	48.72	769.39	14.59	429.69	113.80	127.82	1006.89	64.37	1071.26
										12.09

Place : New Delhi.

Date : 4th September, 2000

(Arvind K. Awasthi)

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board -II

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.	Auditors' Report	Management Reply
2(i)	The accounting of certain items of income and expenditure such as front end fee, service charges, prepayment premium, 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 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. It cannot be accounted for on accrual basis as there is no period involved over which it accrues. 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 amount recovered including interest. 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 consistently. The duration of the programme is subject to extension of time granted by MNES depending upon the implementation of the Programme, as such, it cannot be accounted for on accrual basis. 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. As the directions are not received before the finalization of accounts, it is not possible to account it on accrual basis. Pre-payment premium It may be noted that pre-payment premium is received/receivable when party prepays the loan. Some times, after the prepayment, if IREDA demands for the premium, borrower may take back the loan, which depends upon the borrower decision. Some times, prepayment may be made in one FY but party may

Sl.No. Auditors' Report

Management Reply

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.

2(iii) Note No. 10 regarding recovery of certain items of office equipment.

2(iv) Note No. 11 regarding change in asset classification, income recognition and provisioning from NBFC norms to that as per norms applicable to term lending institutions and its consequential effect on profit, assets and liabilities.

decide to take back the loan in next FY. In case IREDA insists on payment of prepayment premium taking back may also result in changes in income tax calculations. Out of the borrowers who pre-paid the loan during the year 1999-00, one borrower did not remit the pre-payment premium which works out to Rs.1,20,57,866 (Previous year - Rs.48,55,565). This will be accounted for on receipt.

The Ministry of Urban Development 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 Development. This is the 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.

IREDA has been regularly pursuing for collection of the items. The value of the assets to be recovered is Rs.0.31 lakh.

Consequent to the issuance of Notification No.DNBS.135/CGM(VSNM)-2000 dated 13th January, 2000, by Reserve Bank of India exempting NBFCs being a Government Company as defined under Section 617 of the Companies Act, 1956 from provisioning norms applicable to NBFCs, the Board of Directors of IREDA decided to follow the prudential norms issued by the Reserve Bank of India to the term lending institutions for the year 1999-00 for income recognition, asset classification and provisioning. Accordingly, the unrealised interest amounting to Rs.34,74,03,187*(Previous year Rs.24,11,23,571**) on accounts classified as Non Performing Asset (NPA) has not been recognised as income for the year. A sum of Rs.3,85,16,609 (previous year Rs.38,76,266) being the amount of un-realized interest pertaining to 1998-99 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.4,75,43,218 (Previous year Rs.3,25,16,179) has been recognised as income.

* FI Norms ** NBFC Norms

Sl.No. Auditors' Report

Management Reply

The effect of adopting the Prudential Norms of RBI applicable to financial institutions w.e.f. financial year 1999-00 in respect of income recognition, asset classification and provisioning norms instead of the norms applicable to NBFC which was followed upto 31-3-1999 is as under:-

(Amount in Rs.)

Particulars	As per	
	NBFC Norms	FI Norms
Interest income from loan	107,19,34,946	108,74,32,097
Profit before tax	30,00,90,731	31,34,80,187
Profit after tax	17,60,90,731	18,61,80,186
Provision for NPAs	9,83,87,271	7,88,54,753
Provision for Standard Assets	Nil	2,16,40,212
NBFC Reserves	3,52,18,146	Nil
NPAs	200,81,45,346	181,32,50,832
NPA %	19.18%	17.32%

2(v) Note No. 12 regarding basis of valuation of securities for making provision for non-performing assets.

The realizable 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(vi) Note No. 14 regarding non-execution of security documents.

Action is being taken to complete the documentation formalities.

2(vii) Note No. 15 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, VI & VII, provision is already made. As regards income tax and wealth tax exemptions, IREDA's applications for tax free bonds Series VI & VII are pending with Ministry of Finance. However, application has since been tendered with the Company Law Board seeking extension of time for issue of Bond Certificates Series VII.

For and on behalf of the Board of Directors

T. Prabakaran
Director (Finance)

Dr. V. Bakthavatsalam
Managing Director

Place: New Delhi
Date: 7th September, 2000

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, 2000 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto. We report that :

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, prepayment premium, 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. (Refer Note No.9 – Accounting Policy No.2).
 - ii. Note No.7 (i) regarding non-execution of conveyance deeds in respect of residential & office premises and charging of depreciation on composite cost.
 - iii. Note No.10 regarding recovery of certain items of office equipment.
 - iv. Note No.11 regarding change in asset classification, income recognition and provisioning from NBFC norms to that as per norms applicable to term lending institutions and its consequential effect on profit, assets and liabilities.
 - v. Note No.12 regarding basis of valuation of securities for making provision for non-performing assets.
 - vi. Note No.14 regarding non-execution of security documents.

vii. Note No.15 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.
- d) In our opinion, Balance Sheet and Profit & Loss Account dealt with this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 in so far as they are applicable to the Company except compliance of AS 9 as stated in para 2.i above.*

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, 2000; 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 GIANENDER & ASSOCIATES
Chartered Accountants

Place : New Delhi
Dated : 31st July, 2000

(MANJU AGRAWAL)
PARTNER

* Added vide addendum dated 18.8.2000.



Shri N.N. Mookerjee, former Secretary, MNES and Chairman, IREDA handing over Solar Cookers and Solar Lanterns to Army Officials for use in Kargil Region as a part of Agenda for 100 days.

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, 2000

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.10 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.
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. We have been informed that there are no Companies under the same management within the meaning of Section 370 (1B) of Companies Act.
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.
The Company has also granted loans to employees, who are repaying the principal amounts as stipulated and are also regular in payment of interest.
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 and more comprehensive 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, 2000 for a period of more than six months from the date they became due.
11. As per record of the Company and the information and explanation given to us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
12. In respect of financing activities subject to Note No.14 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 Government securities and shares of unit financed, proper records have been maintained and these are held in the name of the Company.
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 GIANENDER & ASSOCIATES
Chartered Accountants

Place : New Delhi
Dated : 31st July, 2000

(MANJU AGRAWAL)
PARTNER

AUDITORS' REPORT PURSUANT TO NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 1998

To
The Board of Directors,
Indian Renewable Energy Development Agency Limited
New Delhi

We have audited the annexed Balance Sheet of INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED as at 31st March, 2000 and are to report that:-

- (A) Pursuant to the Company's application for registration as per provisions of Section 45-1A of the Reserve Bank of India Act, 1934, the Reserve Bank of India has issued certificate of registration on 10th February, 1998.
- (B) The Board of Directors has passed a resolution in its meeting held on 29th April, 1999* that the Company will not accept any public deposit in future without the prior approval of Reserve Bank of India.
- (C) The Company has not accepted any public deposit during the year ended 31st March, 2000.
- (D) Subject to Note No. 12 regarding basis of valuation of securities for making provisions for doubtful debts, the Company has complied with the accounting standards, prudential norms relating to income recognition; asset classification and provisioning for bad & doubtful debts as per norms applicable to term lending institutions.

for GIANENDER & ASSOCIATES
Chartered Accountants

(MANJU AGRAWAL)
PARTNER

Place : New Delhi
Date : 31st July, 2000

* Amended vide corrigendum dated 30.8.2000

BALANCE SHEET

AS AT 31ST MARCH, 2000

	SCHEDULE	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	1,963,500,000	1,543,500,000
Reserves and Surplus	B	1,484,972,630	1,244,406,140
Capital Grants	C	17,432,808	23,514,913
Loan Funds			
Secured Loans	D	5,219,920,000	3,859,920,000
Unsecured Loans	E	3,588,045,337	2,973,584,355
		12,273,870,775	9,644,925,408
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	F	95,702,691	92,344,079
Less : Depreciation		51,892,080	40,647,781
Net Block		43,810,611	51,696,298
Investments	G	101,200,000	101,200,000
Current Assets, Loans & Advances			
Current Assets	H	2,487,789,335	2,735,025,774
Loans & Advances	I	11,022,051,645	8,072,522,423
		13,509,840,980	10,807,548,197
Less: Current Liabilities & Provisions	J	1,049,221,843	1,039,815,623
Current Liabilities	K	396,172,183	360,390,640
Provisions		1,445,394,026	1,400,206,263
Net Current Assets		12,064,446,954	9,407,341,934
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Energy Bond Issue expenses		64,413,210	84,687,176
		12,273,870,775	9,644,925,408
Accounting Policies and Notes on Accounts	Q		

As per our Report of even date
For GIANENDER & ASSOCIATES
Chartered Accountants

MANJU AGRAWAL
Partner

Place : New Delhi
Date: 31st July, 2000

N.N. MOOKERJEE
Chairman

T. PRABAKARAN
Director (Finance)

DR. V. BAKTHAVATSALAM
Managing Director

R. K. SACHDEVA
Company Secretary

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDING 31ST MARCH, 2000

	SCHEDULE	Year ended 31.3. 2000 Rs.	Year ended 31.3. 1999 Rs.
INCOME			
Income from operation	L	1,148,532,145	939,974,781
Other Income	M	210,627,080	143,228,492
		1,359,159,225	1,083,203,273
EXPENDITURE			
Personnel	N	29,619,561	29,192,298
Administrative and Others	O	30,248,131	22,574,127
Depreciation		11,700,481	10,600,359
Finance Charges	P	870,319,684	645,384,518
Provision for Standard Assets		21,640,212	—
Provision for NPAs		78,854,753	89,040,271
		1,042,382,822	796,791,573
PROFIT FOR THE YEAR		316,776,403	286,411,700
Prior period Adjustments (net)		(3,296,216)	(4,157,042)
PROFIT BEFORE TAX		313,480,187	282,254,658
Provision for Taxation		127,300,000	94,500,000
PROFIT AFTER TAX		186,180,187	187,754,658
Add : Excess Provision of Income Tax made in earlier years written back		9,193,553	—
PROFIT AVAILABLE FOR APPROPRIATION		195,373,740	187,754,658
APPROPRIATIONS			
Special Reserve u/s 36(1)(viii) of IT Act		98,600,000	105,247,000
NBFC Reserve as per RBI Norms		—	37,551,000
Interim Dividend		40,000,000	—
Proposed Dividend		20,000,000	40,000,000
Dividend Tax & Surcharge		8,800,000	4,400,000
General Reserve		27,500,000	500,000
Surplus carried to Balance sheet		473,740	56,658
		195,373,740	187,754,658

Accounting Policies and Notes on Accounts Q

As per our Report of even date
For GIANENDER & ASSOCIATES
Chartered Accountants

MANJU AGRAWAL
Partner

Place : New Delhi
Date : 31st July, 2000

N.N. MOOKERJEE
Chairman

T. PRABAKARAN
Director (Finance)

DR. V. BAKTHAVATSALAM
Managing Director

R. K. SACHDEVA
Company Secretary

SCHEDULES

PARTICULARS	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
SHARE CAPITAL		
A. Authorised		
20,00,000 (20,00,000) Equity Shares of Rs. 1,000 each	2,000,000,000	2,000,000,000
Issued, Subscribed & Paid up		
19,63,500 (15,43,500) Equity Shares of Rs. 1,000 each fully paid up	1,963,500,000	1,543,500,000
	1,963,500,000	1,543,500,000
B. RESERVES & SURPLUS		
Capital Reserve :		
Grant-in-Aid from :		
Government of Netherlands	167,858,986	167,858,986
World Bank - GEF Project Grant	695,857,563	582,114,813
World Bank - SDC Project Grant	10,137,000	9,887,000
	873,853,549	759,860,799
Special Reserve under section 36(1)(viii) of the Income-tax Act, 1961		
(A) Created upto 31.3.97	119,573,145	119,573,145
(B) Additions after 31.3.97	118,962,000	13,715,000
Addition During the Year	98,600,000	105,247,000
	337,135,145	238,535,145
NBFC Reserve as per RBI Norms		
Balance from Previous year	67,933,276	30,382,276
Addition during the year	—	37,551,000
	67,933,276	67,933,276
Debenture Redemption Reserve		
Balance from Previous year	177,459,543	177,459,543
General Reserve		
Addition during the year	500,000	500,000
	27,500,000	—
	28,000,000	500,000
Surplus :		
Balance from Previous year	117,377	60,719
Add : Transferred from Profit & Loss A/c	473,740	56,658
	591,117	117,377
	1,484,972,630	1,244,406,140

PARTICULARS	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
C. CAPITAL GRANT		
Capital Grant from World Bank for purchase of Fixed Assets	23,514,913	14,492,103
Balance from Previous year	2,575,113	17,057,466
Received during the year	26,090,026	31,549,569
	8,657,218	8,034,656
Less : Transferred to Miscellaneous Income	17,432,808	23,514,913
D. SECURED LOAN		
Tax Free Bonds		
9% Tax free Secured Redeemable Energy Bonds (Series I : 1990-91)		
Redeemable at par after the expiry of 10 years i.e. on 20.02.2001	250,000,000	250,000,000
The above bonds 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		
10% Tax free Secured Redeemable Energy Bonds (Series II : 1994-95)		
Redeemable at par after the expiry of 7 years i.e. on 21.03.2002	1,000,000	1,000,000
10.5% Tax free Secured Redeemable Energy Bonds (Series II : 1994-95)		
Redeemable at par after the expiry of 7 years as under :		
Tranche I on 21.3.2002	150,000,000	150,000,000
Tranche II on 24.3.2002	100,000,000	100,000,000
Tranche III on 30.3.2002	199,000,000	199,000,000
Tranche IV on 31.3.2002	50,000,000	50,000,000
10.5% Tax free Secured Redeemable Energy Bonds (Series III : 1995-96)		
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 : 1996-97)		
Redeemable at par after the expiry of 7 years as under :		
Tranche I on 01.01.2004	410,000,000	410,000,000
Tranche II on 27.03.2004	298,540,000	298,540,000
Tranche III on 31.03.2004	201,380,000	201,380,000
9.5% Tax free Secured Redeemable Energy Bonds (Series V : 1997-98)		
Redeemable at par after the expiry of 7 years as under :		
Tranche I on 17.02.2005	250,000,000	250,000,000
Tranche II on 23.02.2005	250,000,000	250,000,000
Tranche III on 23.03.2005	500,000,000	500,000,000

PARTICULARS	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
10.5% Tax free Secured Redeemable Energy Bonds (Series VI : 1998-99)		
Redeemable at par after the expiry of 7 years as under :		
Tranche I on 22.12.2005	310,000,000	310,000,000
Tranche II on 05.01.2006	190,000,000	190,000,000
Tranche III on 16.03.2006	300,000,000	300,000,000
Tranche IV on 17.03.2006	100,000,000	100,000,000
However put/call option is available after 5 years.		
10% Tax free Secured Redeemable Energy Bonds (Series VII : 1999-2000)		
Redeemable at par after the expiry of 7 years i.e. on 1.10.2006	500,000,000	
Bank Loan		
Bank of Baroda Rupee Term Loan against \$ deposit	860,000,000	
	<u>5,219,920,000</u>	<u>3,859,920,000</u>
E. UNSECURED LOAN		
a) Loans Guaranteed by the Government of India		
Asian Development Bank	1,122,545,337	843,884,355
b) Government Loans		
Against IDA Credit	2,465,500,000	2,129,700,000
	<u>3,588,045,337</u>	<u>2,973,584,355</u>

F. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				(AMOUNT IN RS.)	
									NET BLOCK	
	As at 1.4.1999	Additions during the year	Disposals/ written off during the year	As at 31.03.2000	As at 1.04.1999	For the year	Disposals/ written off during the year	As at 31.03.2000	As at 31.03.2000	As at 31.03.1999
Buildings-residential- leasehold	4,143,149	—	—	4,143,149	898,889	162,213	—	1,061,102	30,82,047	3,244,260
Buildings-office- leasehold	26,410,058	—	—	26,410,058	5,316,025	1,054,702	—	6,370,727	20,039,331	21,094,033
Office Equipment	7,077,761	373,561	660,038	6,791,284	2,174,918	822,657	387,159	2,610,416	4,180,868	4,902,843
Computers	48,354,335	2,139,357	—	50,493,692	27,995,722	8,431,505	—	36,427,227	14,066,465	20,358,613
Furniture & Fixtures	5,418,797	347,030	80,714	5,685,113	3,414,928	430,935	69,023	3,776,840	1,908,273	2,003,869
Vehicles	252,207	554,348	—	806,555	159,527	113,401	—	272,928	533,627	92,680
Library	687,772	685,068	—	1,372,840	687,772	685,068	—	1,372,840	—	—
	<u>92,344,079</u>	<u>4,099,364</u>	<u>740,752</u>	<u>95,702,691</u>	<u>40,647,781</u>	<u>11,700,481</u>	<u>456,182</u>	<u>51,892,080</u>	<u>43,810,611</u>	<u>51,696,298</u>
Previous year	<u>71,927,628</u>	<u>21,089,934</u>	<u>673,483</u>	<u>92,344,079</u>	<u>30,419,209</u>	<u>10,600,359</u>	<u>371,787</u>	<u>40,647,781</u>	<u>51,696,298</u>	<u>41,508,419</u>

PARTICULARS	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
G. INVESTMENT		
Quoted		
10.85% Govt. of India securities (2001) at face value Market value Rs. 1,00,75,000 (Previous year Rs. 99,75,000)	100,000,000	100,000,000
Unquoted		
1,20,000 (Previous Year 1,20,000) Equity shares of Rs.10/- each in M.P. WIND FARMS LTD. fully paid up	1,200,000	1,200,000
	<u>101,200,000</u>	<u>101,200,000</u>

H. CURRENT ASSETS

1. Cash and Bank balances		
Cash in hand (imprest)	62,115	30,362
Bank balances with Scheduled Bank		
A) In Current Account		
- IREDA	163,223,712	133,702,978
- MNES	42,968,354	19,656,190
- UNDP	24,680,674	16,257,317
- Canara Bank London Imprest	5,671	—
B) In Foreign Currency Account		
- UNDP GEF Hilly Hydro	—	59,192,000
C) In Deposit Account		
a) - Short term Deposit		
- IREDA	909,700,000	1,306,125,307
- UNDP	60,000,000	—
- MNES	95,500,000	287,300,000
b) - Dollar Deposit	1,117,258,719	850,362,976
	<u>2,413,399,245</u>	<u>2,672,627,130</u>
2. Interest accrued but not due on Loans and Deposits		
- On Loans	37,091,556	44,224,259
- On Short term deposit with banks	17,035,387	7,249,103
- On Govt. Securities	1,843,014	1,843,014
- On \$ Deposit (BOB)	18,420,133	9,082,268
	<u>2,487,789,335</u>	<u>2,735,025,774</u>

PARTICULARS	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
I. LOANS & ADVANCES		
Loans to constituents		
As per last balance sheet		
- IREDA	7,441,784,602	6,176,147,907
- MNES	252,112,381	337,086,169
Add: Transfer from other Advances		
- IREDA	520,000	5,721,490
- MNES	3,917,295	26,396
Add : Disbursements during the year		
- IREDA & WB	4,194,373,068	2,148,943,545
- MNES*	98,173,876	108,310,768
	11,990,881,222	8,776,236,275
Less :Repayment during the year		
- IREDA	1,167,341,952	889,028,340
- MNES*	110,911,142	193,310,952
	10,712,628,128	7,693,896,983
Add : Interest Funded	67,613,499	
Add : Incidental Charges of NPAs	2,975,703	1,310,306
Less : Provision for NPAs	(348,475,148)	(269,620,395)
	10,434,742,182	7,425,586,894
Interest Accrued and due on Loans	120,920,646	145,873,757
Loans to Employees	10,982,790	8,723,830
	10,566,645,618	7,580,184,481

* includes MNES Subsidy of Rs. 3,95,96,654 (Previous year- Rs. 5,91,49,975.50)

Advances (Unsecured, considered good) (Recoverable in cash or in kind or for value to be received)		
Security Deposits	366,797	254,956
Staff Advances	732,271	866,755
Others	53,692,033	49,710,292
Advance Tax	400,614,926	441,505,939
	455,406,027	492,337,942
TOTAL	11,022,051,645	8,072,522,423
Particulars of Loan & Advances :		
- Loans considered good in respect of which Company is fully secured	1,861,763,360	6,449,928,669
- Loans considered good in respect of which Company holds no security other than personal security of the debtor	1,934,964,249	1,560,648,016
- Loans considered doubtful	7,573,799,184	331,566,134
TOTAL	11,370,526,793	8,342,142,819
- Due by Directors of the Company	2,605	317,341
- Due by other Officers of the Company	926,459	9,272,859
- Maximum amount due at any time during the year by Directors of the Company	312,728	714,695
- Maximum amount due at any time during the year by Officers of the Company	1,306,083	8,875,505

PARTICULARS	As at 31.3.2000 Rs.	As at 31.3.1999 Rs.
J. CURRENT LIABILITIES		
Bank Overdraft (IREDA)	109,310,293	11,780,880
Bank Overdraft (MNES)	2,813,440	423,856
Sundry Creditors	1,483,979	6,588,161
MNES Programme Funds	582,140,824	722,911,048
UNDP Programme Funds	21,882,755	16,257,317
Interest accrued but not due	211,296,206	152,504,500
Interest Subsidy Small Hydro UNDP	—	28,947,000
UNDP- GEF Hilly Hydro Grant	62,797,919	59,192,000
Other Liabilities	57,496,427	41,210,861
	1,049,221,843	1,039,815,623
K. PROVISIONS		
For Standard Assets	21,640,212	—
For Income-tax	244,800,000	258,234,000
For Interest-tax	60,344,573	57,542,209
Interim Dividend	40,000,000	—
Proposed Dividend	20,000,000	40,000,000
For Dividend-tax & Surcharge	8,800,000	4,400,000
For Leave Encashment	587,398	214,431
	396,172,183	360,390,640
	year ended 31.3.2000	year ended 31.3.1999
L. INCOME FROM OPERATION		
Interest on Loans	1,137,976,383	925,419,121
Less : Rebate on Interest	25,082,674	2,204,775
Less : Special Incentive	4,020,266	—
Less : Interest Tax	21,441,346	17,041,907
	1,087,432,097	906,172,439
Front-end-Fee	55,080,320	28,012,079
Application Fee	2,747,500	1,945,000
MNES Service Charges	3,272,228	3,845,263
	1,148,532,145	939,974,781
M. OTHER INCOME		
Interest on Deposit	176,592,447	116,732,819
Interest on Staff Loan	980,068	799,322
Interest on Govt. Securities	10,850,000	10,850,000
Service charges UNDP Programme Fund	1,233,316	659,495
Dividend	336,000	336,000
Miscellaneous income	20,635,249	13,850,856
	210,627,080	143,228,492

PARTICULARS	Year ended 31.3.2000 Rs.	Year ended 31.3.1999 Rs.
N. PERSONNEL EXPENSES		
Salaries, Wages and other amenities	24,002,976	23,940,619
Contribution to Gratuity and Provident Funds	1,906,145	2,106,864
Human Resource Development	198,665	235,825
Staff Welfare	2,428,543	2,907,431
Recruitment	1,083,232	1,559
	29,619,561	29,192,298
O. ADMINISTRATIVE EXPENDITURE		
Business Promotion	1,240,860	2,582,637
Conveyance & Travelling	5,445,936	4,141,478
Donation	1,530,538	—
Electricity & Water Charges	117,314	74,458
Information & Dissemination	5,592,275	598,480
Insurance	125,762	174,566
Legal & Professional Fee	3,638,622	3,981,808
Loss on Sale/ Due to theft of Fixed Assets	240,051	802,921
Newspapers and Periodicals	349,461	338,834
Office Maintenance	1,988,322	926,582
Office rent	1,050,553	1,010,150
Postage, Telegram & Telephone	2,409,850	2,793,652
Printing and Stationery	2,734,102	2,056,917
Rates & Taxes	479,864	923,664
Repairs & Maintenance	2,217,980	1,082,366
Filing Fee	5,160	1,700
Difference in Exchange	314,731	574,950
Miscellaneous	766,750	508,964
	30,248,131	22,574,127
P. FINANCE CHARGES		
Interest on Borrowings		
- on Bonds	416,536,600	312,467,285
- on Loans	403,420,081	298,393,102
	819,956,681	610,860,387
Other Finance Charges		
Bond issue & Loan Raising Expenses written off	22,773,964	22,412,667
Bond Trusteeship fee	786,500	696,500
Bank Charges	53,031	70,070
Commitment fee (ADB)	19,539,001	6,202,498
Commitment fee (KfW)	2,938,031	—
GOI Guarantee Fee (LIC)	—	57,534
GOI Guarantee Fee (ADB)	4,272,476	5,084,862
	50,363,003	34,524,131
	870,319,684	645,384,518

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

- Income and expenses are accounted for on accrual basis except the following which are accounted for on cash basis:
 - Income on Non-performing assets of IREDA where (i) interest is past due for 180 days or more or (ii) loans where instalments of principal are past due for more than 365 days as on the Balance Sheet date. Such income are recognized on realization basis.
 - Additional interest charged by way of liquidated damages for default in payment of instalment/ interest within the stipulated time.
 - Prepayment premium received on loan.
 - Front-end-fee at stipulated rate collected from the borrowers.
 - One time service charges in respect of MNES Programmes.
 - Ex-gratia in lieu of bonus paid as per the directions of Government of India.
- 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.
- The up front interest subsidy received from MNES is appropriated and accounted for as income on due basis proportionately. The difference between the interest subsidy due for the quarters and the amount apportioned is debited to the interest income.

(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

- Premises and other assets are stated at historical cost.
- 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.
- Depreciation on Library books is provided @ 100% in the year of purchase.
- Insurance claims are accounted for as and when admitted by the insurer.

(5) Investments

- Investment in equity shares of units financed are classified as Long Term and valued at cost.
- 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.
- 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 was 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 upto 31.3.1999. Vide Notification No. DNBS.135/CGM(VSNM)-2000 dated 13th January, 2000, Reserve Bank of India issued directions that the provisions contained in notification no DFC.119/DG(SPT)/98 dated 31st January, 1998 shall not apply to an NBFC being a Government Company as defined under Section 617 of the Companies Act, 1956. However, for the FY 1999-00 the Board of Directors in its 118th meeting held on 28th April, 2000 decided to follow the Prudential Norms issued by the Reserve Bank of India to the term lending institution. The decision of the Board of Directors has been referred to MNES for their concurrence and the same is awaited. The prudential norms are as under:-

Revenue/Income Recognition:

Interest income is accounted for on accrual basis, except where (i) interest is past due for 180 days or more or (ii) loans where instalments of principal are past due for more than 365 days as on the Balance Sheet date. Such income are recognized on realization basis.

Loans & Advances and Provisioning:

- ♦ Loans and advances to assisted concerns are classified based on record of recovery under four categories i.e.
 - (a) Standard Assets,
 - (b) Sub-standard Assets
 - (c) Doubtful Assets and
 - (d) Loss Assets, as per guidelines issued from time to time to term lending institutions by Reserve Bank of India;
- ♦ Provision is made for assets as under:-
 - (a) Standard Assets at 0.25% of the outstanding;
 - (b) Sub-standard Assets at 10% of the outstanding;
 - (c) Doubtful Assets at 20%, 30%, 50% of the secured portion based on the number of years the account remained as 'Doubtful Asset' (i.e. upto one year, one to three years and more than three years respectively) and at 100% of the unsecured portion of the outstanding;
 - (d) Loss Assets at 100% of the outstanding.

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 grants. The respective revenue expenditure for which the grant has accrued is accounted net of grant.

(8) THE 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 MoU's, MNES has placed an agreed sum in respect of each Programme with IREDA for programme implementation. Interest on MNES loans are accounted on due basis and interest on MNES term deposits on cash basis. As the income generated by the MNES programme loans are not the income of IREDA and also the loan assets belongs to MNES, the same are not considered for asset classification and provisioning purposes.

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

MNES has released total interest subsidy of Rs. 22,94,51,000 upto 31.3.2000 (upto previous year Rs. 14,39,35,000). Out of this, a sum of Rs. 4,30,30,999 (previous year Rs. 50,15,750) has been passed on during the year to the borrowers on compliance of the terms and conditions of the interest subsidy scheme. The programme-wise details of interest subsidy received and passed on upto

31-3-1999, received during the year, passed during the year and the balance as on 31-3-2000 are as under:-

(Amount in Rs.)					
Name of the programme	Interest subsidy received upto 31.3.99	Interest subsidy passed on upto 31.3.99	Received during the year	Passed on during the year	Closing balance as on 31.3.00
Co-generation	10,43,58,000	18,53,857	1,00,99,000	1,68,82,637	9,57,20,506
Small Hydro	1,12,18,000	Nil	5,75,78,000	1,49,71,943	5,38,24,057
Briquetting	35,80,000	Nil	Nil	10,99,200	24,80,800
Biomethanation	32,79,000	Nil	98,39,000	32,89,457	98,28,543
Solar Thermal	2,00,00,000	37,18,012	Nil	67,87,762	94,94,226
SPV Water Pumping - Mfg.	Nil	Nil	30,00,000	Nil	30,00,000
SPV Water Pumping	Nil	Nil	50,00,000	Nil	50,00,000
Solar Cooker	15,00,000	35,885	Nil	Nil	14,64,115
Total	14,39,35,000	56,07,754	8,55,16,000	4,30,30,999	18,08,12,247

(3) (i) The balance in Dollar Deposit Account amounting to Rs.111,72,58,719 (equivalent to US \$ 2,56,13,450) (previous year Rs. 85,03,62,976 equivalent to US \$ 2,01,12,654) includes:

(a) US\$ 0.22 (equivalent to Rs.10) (previous year :: US\$ 2,74,279 equivalent to Rs.1,15,96,502) 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\$ 2,56,13,450 (equivalent to Rs.111,72,58,709) (previous year : US\$ 1,98,38,375 equivalent to Rs.83,87,66,474) which represent part of the unsecured loan availed from Asian Development Bank.

(ii) Current liabilities includes a sum of Rs.6,27,97,919 which includes interest earned, was received on 30th December 1997, in US\$ 14,00,000 for creating a Revolving Fund for Hilly Hydro Projects on behalf of the UNDP-GEF Hilly Hydro Project of the Ministry of Non-Conventional Energy Sources has been converted into Rupee fund on 1.9.1999.

(4) Current Assets include a sum of Rs.2,18,82,755 (Previous year - Rs. 1,62,57,317) 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. 39,38,242 (Previous year - Rs.39,38,242) recoverable on account of tax deposited on payments made 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, VI and VII) issued by the Company are secured by a negative lien on the assets of the Company.

(7) (i) Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs.41,43,149 (Previous year - Rs.41,43,149) and office premises costing Rs.2,64,10,058 (Previous year - Rs.2,64,10,058) 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.

(ii) Consequent to the letter issued by the Ministry of Urban Affairs & Employment (Lands Division) vide their letter No.J-13014/3/87-LD dated 4th/5th March 1999 to L&DO, New Delhi with a copy to India Habitat Centre (IHC) to charge land premium at institutional rate instead of commercial rate for the lease-hold office premises allotted by IHC to IREDA, the total demand of Rs.1,63,05,157 (Previous year - Rs. 1,63,05,157) raised by IHC vide letter No. IHC-6/12/1232 dated 25-8-1995 at commercial rate towards land premium Rs.1,44,08,059 (Previous year - Rs.1,44,08,059) and Ground Rent Rs. 18,97,098 (Previous year - Rs.18,97,098) has become infructuous. Additional liability at institutional rate, if any, has not been determined so far by the IHC. It shall be accounted for/capitalised when demand is raised/paid.

(8) Petition filed by a borrower seeking reduction in rate of interest is pending before the Hon'ble Delhi High Court. Keeping in view the consent letter executed by the borrower accepting the enhanced rates, no provision is made for the interest reduction of Rs.28,02,999 (Previous year - Rs.9,42,055) and the interest received/receivable is recognised as income.

(9) The income such as front-end-fee, service charges, pre-payment premium, ex-gratia in lieu of bonus etc. are accounted for on cash basis, as disclosed in the accounting policies. This income cannot be accounted on accrual basis because of the following reasons:-

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 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. It cannot be accounted for on accrual basis as there is no period involved over which it accrues.

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 amount recovered including interest. 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 consistently. The duration of the programme is subject to extension of time granted by MNES depending upon the implementation of the Programme, as such, it cannot be accounted for on accrual basis.

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. As the directions are not received before the finalization of accounts, it is not possible to account it on accrual basis.

Pre-payment premium:

Out of the borrowers who pre-paid the loan during the year 1999-00, one borrower did not remit the pre-payment premium which works out to Rs.1,20,57,866 (Previous year - Rs.48,55,565). This will be accounted for on receipt.

- (10) Office Equipment includes Rs.31,000 (Previous Year: Rs.31,000) 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.
- (11) Consequent to the issuance of Notification No.DNBS.135/CGM(VSNM)-2000 dated 13th January, 2000, by Reserve Bank of India, the Board of Directors of IREDA decided to follow the prudential norms issued by the Reserve Bank of India to the term lending institutions for the year 1999-00 for income recognition, asset classification and provisioning. Accordingly, the unrealised interest amounting to Rs.34,74,03,187* (Previous year Rs.24,11,23,571**) on accounts classified as Non Performing Asset (NPA) has not been recognised as income for the year. A sum of Rs.3,85,16,609 (previous year Rs.38,76,266) being the amount of unrealised interest pertaining to 1998-99 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.4,75,43,218 (Previous year Rs.3,25,16,179) has been recognised as income.

* FI Norms

** NBFC Norms

The effect of adopting the prudential norms of RBI applicable to financial institutions w.e.f. financial year 1999-00 in respect of income recognition, asset classification and provisioning norms instead of the norms applicable to NBFCs which was followed upto 31-3-1999 are as under:-

Particulars	(Amount in Rs.)	
	As per	
	NBFC Norms	FI Norms
Interest income from loan	107,19,34,946	108,74,32,097
Profit before tax	30,00,90,731	31,34,80,187
Profit after tax	17,60,90,731	18,61,80,186
Provision for NPAs	9,83,87,271	7,88,54,753
Provision for Standard Assets	Nil	2,16,40,212
NBFC Reserves	3,52,18,146	Nil
NPAs	200,81,45,346	181,32,50,832
NPA %	19.18%	17.32%

- (12) While making provisions for Non- Performing Assets as per the prudential norms applicable to financial institutions, the value of security for doubtful cases has been derived from the last Balance Sheet of the constituents/other documents available on record 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 the authentic realisable value is not determinable/available.
- (13) 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 (Previous year - Nil).

- (14) Loan to constituents include a sum of Rs.189,58,95,024 (Previous year - Rs.156,06,48,000) in respect of which the execution of final security documents are in the process of being completed by the constituents.
- (15) The extended period for issue of Bond Certificates for Bonds allotted during 1996-97, 1997-98 and 1998-99 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 1999-00, extension for issue of Bond Certificate is sought for from Company Law Board.
- (16) Under sundry creditors, amount payable to small scale industries as on 31st March, 2000 is Nil (Previous year - Nil).
- (17) The Current Asset, Loans & Advances of IREDA have a value on their realisation in the ordinary course of the business equivalent to the amount stated in the Balance Sheet.
- (18) The remuneration paid to Statutory Auditors of the Company is as under:
For Statutory Audit Rs.72,450 (Previous year - Rs.72,450)
For Tax Audit Rs.28,980 (Previous year - Rs.28,980)
For Certification fee Rs.31,500 (Previous year - Rs.31,500)
- (19) Remuneration paid to the Director (Technical), Director (Finance) and Managing Director are as under:

Particulars	(Amount in Rs.)		
	Director (Technical) *	Director (Finance)	Managing Director
Salary	57,460	5,81,119	7,70,382
		(50,833)	(2,31,566)
Medical allowance	4,602	28,238	33,948
		(4,003)	(18,836)
Provident Fund	6,626	60,047	80,548
		(5,763)	(25,540)
Value of perquisite for residential accommodation as per Income-Tax Act	1,806	17,141	34,165
		(0,00)	(25,040)
LTC	0.00	0.00	0.00
	0.00	(0.00)	(0.00)
Staff Car (As per Income tax Rules)	1,150	6,900	6,900
		(1,034)	(4184)
Total :	71,644	6,93,445	9,25,943
		(61,633)	(3,05,166)

Previous year figures shown within bracket

* w.e.f 1.2.2000

- (20) The Managing Director and Functional Directors have been provided with staff cars for use of private journeys also upto a ceiling of 1,000 kms per month on payment of Rs.325/- per month for non air conditioned car in accordance with the provisions of Govt. of India, DPE letter No. 2(53)/90-DPE(WC)-GIV dated 26th March, 1999 as amended from time to time. For using the air conditioned car, the

said deduction is Rs.520 per month. 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.6,900 (Previous year - Rs.4,184) in respect of Managing Director, Rs.6,900 (Previous year - Rs.1,034) in respect of Director (Finance) and Rs.1,150 (Previous year - Nil) in respect of Director (Technical).

- (21) Income Tax and Interest Tax assessments have been completed upto FY 1996-97.
- (22) Contingent liability – Rs.2,00,000 (Previous year - Nil).
- (23) Information pursuant to the provisions of Part-II of Schedule VI of the Companies Act, 1956 :
- a) Expenditure, in Foreign Currency:
- On Travelling Rs.2,44,811 (Previous year - Rs. 1,09,124)
 - Others Rs.6,82,96,014 (Previous year - Rs.6,45,57,620)
- b) Earnings in Foreign Exchange:
- Interest Rs.4,04,13,885 (Previous year - Rs. 4,92,86,761)
- c) Revenue Grant Rs. 2,81,47,923 (Previous year -Rs.4,71,83,366) (SDC/GEF/Netherland)
- (24) 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).
- (25) 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.
- (26) 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
Director (Finance)

DR. V. BAKTHAVATSALAM
Managing Director

N.N. MOOKERJEE
Chairman

As per our report of even date

For Gianender & Associates
Chartered Accountants

(MANJU AGRAWAL)
Partner

Place : New Delhi
Date : 31st July, 2000

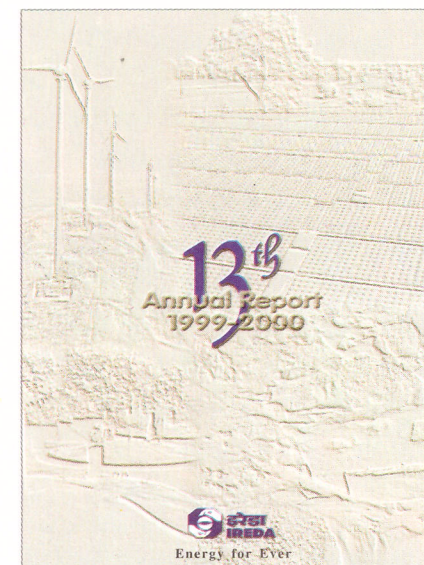
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration No.	027265	State Code	55 (Refer Code List)
	Balance Sheet Date	31 03 00		
		Date Month Year		
II.	Capital raised during the year (Amount in Rs. Thousands)			
	Public Issue	NIL	Right Issue	NIL
	Bonus Issue	NIL	Private Placement (Govt. Contribution)	420000
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
	Total Liabilities	13719265	Total Assets	13719265
	Sources of Funds			
	Paid-up Capital	1963500	Reserves & Surplus	1502405
	Secured loans	5219920	Unsecured loans	3588046
	Current Liabilities	1445394		
	Application of Funds			
	Net Fixed Assets	0043811	Investment	0101200
	Current Assets	13509841	Misc. Expenditure & others	0064413
	Accumulated Losses	NIL		
IV.	Performance of Company (Amount in Rs. Thousands)			
	Turnover (Gross Income)	1359159	Total Expenditure	1042383
	Profit before tax	+ 313480	Profit after tax	+ 186180
	(Please tick Appropriate box (+) for Profit (-) for Loss)			
	Earning per share in Rs. (PAT)	095	Dividend Rate %	306
V.	Generic names of Three Principal Products/Services of Company (as per monetary terms)			
	Item Code No. (ITC Code)	NOT APPLICABLE		
	Product Description	PROJECT FINANCING		
	N. N. MOOKERJEE Chairman		DR. V. BAKTHAVATSALAM Managing Director	

MNES FUND POSITION FOR THE PERIOD 1.4.99 TO 31.3.2000

(AMOUNT IN RS.)

Sl. No.	Programme	Balance as on 1.4.99	Grant Received During the year	Interest Earned During the year			Charge Recoverable	Service Amount Refunded	Subsidy Disbursed	Total Funds as on 31.03.2000	Loan Outstanding as on 31.03.2000	Interest Outstanding as on 31.03.2000	Balance with Bank		Balance with IREDA	Total Funds
	SECTOR			STD	LOAN	TOTAL							CURRENT A/C	STD		
1	SPV/MFG. LOAN	110,271,031	0	3,172,189	5,829,718	9,001,887	321,380	61,867,000	0	57,084,538	47,046,324	5,002,086	1,807,681	1,000,000	2,228,467	57,084,538
2	SPV USER LOAN (32290+32425+32045)	253,785,146	0	3,122,227	7,086,680	10,208,907	468,432	20,300,000	0	243,225,621	134,878,110	10,518,419	32,175,467	1,000,000	64,653,325	243,225,621
3	SPV USER'S SUBSIDY (32424+32044)	-54,252,165	0	815,244	0	815,244	0	0	25,208,854	-78,645,775	0	0	162,854	0	-78,808,629	-78,645,775
4	SPV MARKET	11,605,999	0	199,862	619,407	819,269	62,977	50,000	0	12,312,291	3,878,000	0	11,973	5,000,000	3,422,319	12,312,291
5	SOLAR THERMAL	116,371,983	0	5,204,934	3,407,492	8,612,409	430,860	96,200,000	0	28,304,915	31,688,258	1,225,894	2,847,475	2,500,000	-9,956,713	28,304,915
6	WIND ENERGY	126,423,909	0	5,631,220	2,174,144	7,805,364	413,579	98,943,650	0	34,872,043	8,843,000	0	1,469,688	0	24,559,405	34,872,043
7	SPV USER'S SUBSIDY 1999-2000	0	55,000,000	411,777	90,411	502,188	0	0	8,548,074	46,951,114	16,938,118	-412,941	-2,813,440	39,400,000	-6,177,923	46,951,114
8	NFB POWER GENERATION	0	8,498,000	132,153	0	132,153	0	0	0	8,630,153	0	0	230,153	0	8,400,000	8,630,153
9	MICRO-HYDEL GRANT	7,482,613	0	0	0	0	0	0	322,734	7,159,879	0	0	0	0	7,159,879	7,159,879
10	SPV PUMPING PUBLICITY GRANT 94-95	477,643	1,500,000	0	0	0	0	0	291,384	1,686,259	0	0	0	0	1,686,259	1,686,259
11	SOLAR THERMAL GRANT 93-94	16,529	0	0	0	0	0	0	0	16,529	0	0	0	0	16,529	16,529
12	SOLAR THERMAL GRANT 94-95	4,496	0	0	0	0	0	0	0	4,496	0	0	0	0	4,496	4,496
13	INSPECTION CHARGES	0	500,000	0	0	0	0	0	0	500,000	0	0	0	0	500,000	500,000
14	CO GENERATION INT. SUBSIDY	113,876,376	10,099,000	68,266	0	68,266	0	0	24,482,537	99,561,005	0	0	765,282	33,700,000	65,097,723	99,561,005
15	CAPITAL SUBSIDY CO-GENERATION	0	33,787,000	530,715	0	530,715	0	0	0	34,317,715	0	0	0	8,400,000	25,917,715	34,317,715
16	MNES SPV MKT FROM REIMBURT	972,201	0	0	0	0	0	0	0	972,201	0	0	0	0	972,201	972,201
17	MNES SPV PUMPING FILM GRANT	10,000	0	0	0	0	0	0	0	10,000	0	0	0	0	10,000	10,000
18	SOLAR THERMAL FILM GRANT	83,100	0	0	0	0	0	0	0	83,100	0	0	0	0	83,100	83,100
19	INTEREST SUBSIDY ON SOLAR THERMAL	16,281,988	0	0	0	0	0	0	6,787,762	9,494,225	0	0	0	0	9,494,226	9,494,226
20	INTEREST SUBSIDY ON SPV USER LOAN	0	5,000,000	0	0	0	0	0	0	5,000,000	0	0	499,925	4,500,000	75	5,000,000
21	INTEREST SUBSIDY ON SPV MFG	0	3,000,000	0	0	0	0	0	0	3,000,000	0	0	2,999,925	0	75	3,000,000
22	INTEREST SUBSIDY ON BIO-MASS BRQ.	6,859,000	9,639,000	0	0	0	0	0	4,388,657	12,309,343	0	0	0	0	12,309,343	12,309,343
23	SOLAR COOKER INTEREST SUBSIDY	1,423,217	0	0	0	0	0	0	-40,898	1,464,115	0	0	0	0	1,464,115	1,464,115
24	INTEREST SUB ON SMALL HYDRO	11,218,000	57,578,000	0	0	0	0	0	14,971,943	53,824,057	0	0	0	0	53,824,057	53,824,057
	TOTAL	722,911,065	184,801,000	19,288,567	19,207,852	38,496,402	1,697,228	277,360,650	84,961,147	582,140,824	243,292,410	16,333,457	40,154,914	95,500,000	186,860,043	582,140,824



"The cover design for the 13th Annual Report 1999-2000 depicts IREDA's deep commitment in promoting sustainable development through various forms of renewable energy and energy efficiency. It also shows IREDA's emergence as a strong, dynamic and techno-savvy organisation. Aiming for greater heights in the years to come."



Indian Renewable Energy Development Agency Limited

(A Government of India Enterprise)

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