

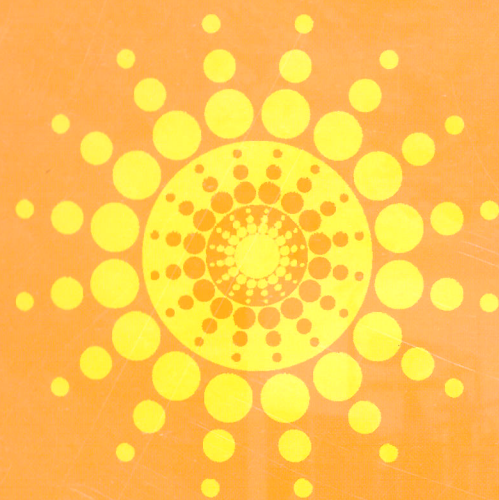


17th ANNUAL REPORT
2003-04



ENERGY FOR EVER

**Akshay Urja Se
Desh Vikas.
Gaon Gaon Bijli
Ghar Ghar Prakash**



Light of Universe, all-shining,
the Great Sun making objects visible,
spreads every where in vastness.
– Rig Veda

Our Mission

"Be a pioneering, participant friendly and competitive institution for financing and promoting self-sustaining investment in energy generation from Renewable Sources, Energy Efficiency and Environmental Technologies for sustainable development".

Quality Policy

IREDA is committed to maintain its position as a leading organization to provide efficient and effective financing in Renewable Energy & Energy Efficiency/Conservation. Focus of its services shall be :

- ▶▶ Customer Satisfaction
- ▶▶ Timely and prompt response
- ▶▶ Increase market share in financing
- ▶▶ Grow into Apex level financial institution
- ▶▶ Encourage micro lending through intermediation
- ▶▶ Professional excellence
- ▶▶ Organisational flexibility

Quality Objectives

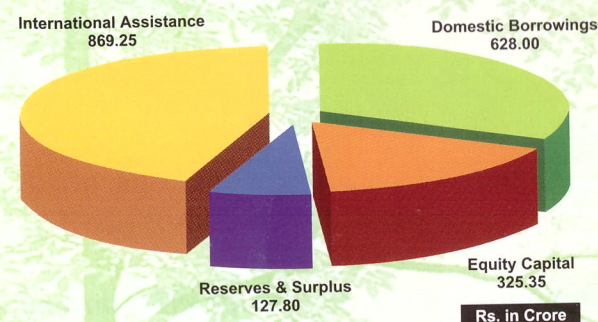
Following shall govern the operations :

- ▶▶ Improvement in the efficiency of services provided to customers
- ▶▶ Customer satisfaction
- ▶▶ Strengthen Human Resources Development
- ▶▶ Continual improvement of systems, processes and resources

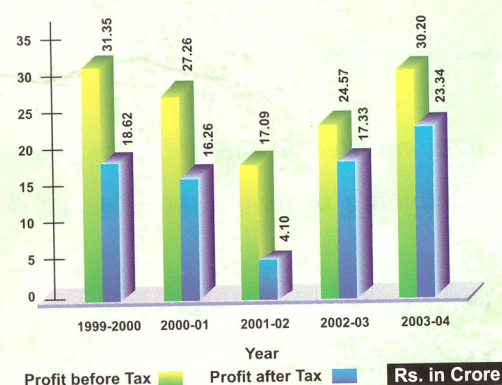


HIGHLIGHTS

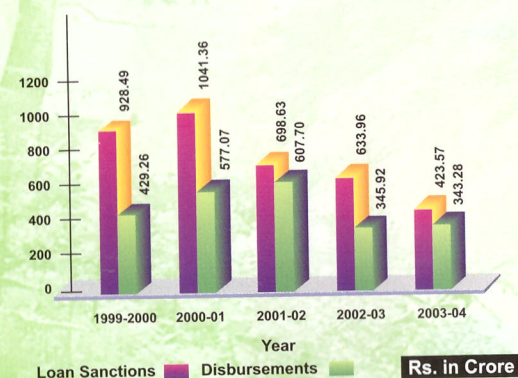
IREDA's Resource Base 2003-04



**IREDA's Working Results
Profit before Tax & Profit after Tax**



**IREDA's Operations
Loan Sanctions & Disbursements**



IREDA's Outstanding Loans



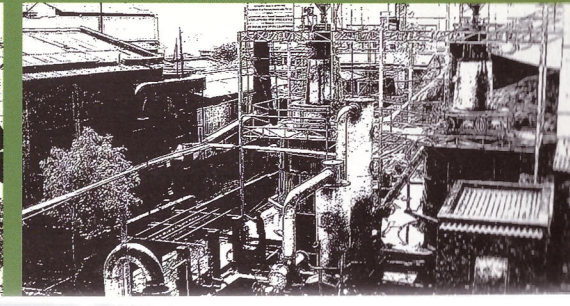
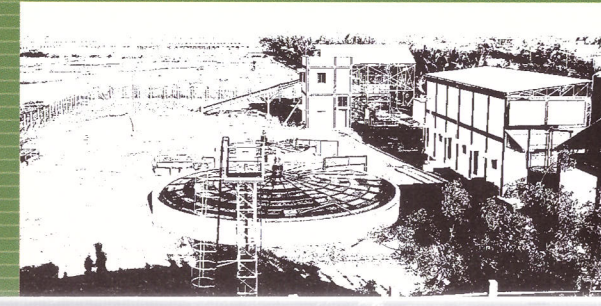
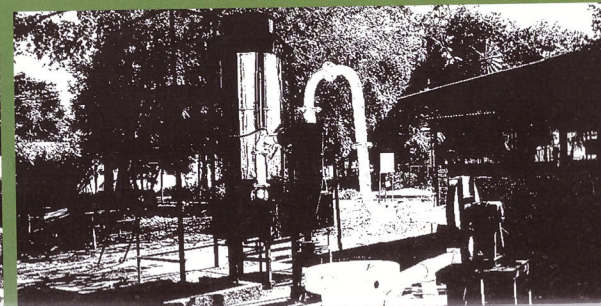
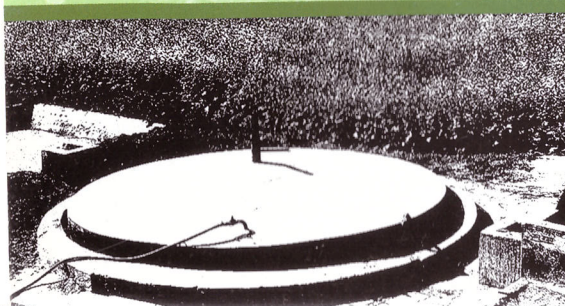
OF OUR PERFORMANCE

(Rs. in Crore)

RESOURCES	2003-04	2002-03	2001-02	2000-01	1999-2000
Equity Capital	325.35	285.35	250.35	223.35	196.35
Reserves & Surplus	127.80	112.14	76.67	75.57	61.12
International Assistance	869.25	1204.98	936.65	670.21	447.93
Domestic Borrowings	628.00	659.99	596.79	485.99	435.99
Total	1950.40	2262.46	1860.46	1455.12	1141.39

(Rs. in Crore)

OPERATIONS	2003-04	2002-03	2001-02	2000-01	1999-2000
Loan Sanctions	423.57	633.96	698.63	1041.36	928.49
Disbursements	343.28	345.92	607.70	577.07	429.26
Repayment by Borrowers	430.20	201.53	133.15	123.06	116.73
Outstanding Loans	1970.74	2085.07	1942.48	1484.62	1046.93
Working Results					
Gross Income	248.34	253.51	225.87	164.12	135.92
Profit before Tax	30.20	24.57	17.09	27.26	31.35
Profit after Tax	23.34	17.33	4.10	16.26	18.62
Earnings Per Share (Rs.)	71.74	60.74	16.00	72.08	94.82



IREDA SUPPORTS BIOMASS POWER

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Hon'ble Union Minister for Non-Conventional Energy Sources visits IREDA office



Board of Directors

(As on 31.12.2004)

Chairman

A.M. Gokhale

Managing Director

Debashish Majumdar
(Officiating Charge w.e.f. 29.12.04)

T. Prabakaran
(Officiating Charge upto 28.12.04)

Directors

T. Prabakaran (upto 28.12.04)
Debashish Majumdar
A. Arjunaraj (upto 16.08.04)
Prof. A Kalanidhi (upto 16.08.04)
Prof. Indrajit Dey (upto 16.08.04)
Dr. (Mrs.) Jyoti K. Parikh (upto. 16.08.04)
Dr. Jagdish Shettigar (upto 16.08.04)
R. Pattabi (upto 16.08.04)

Company Secretary

R.K. Sachdeva

Registered Office

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

Auditors

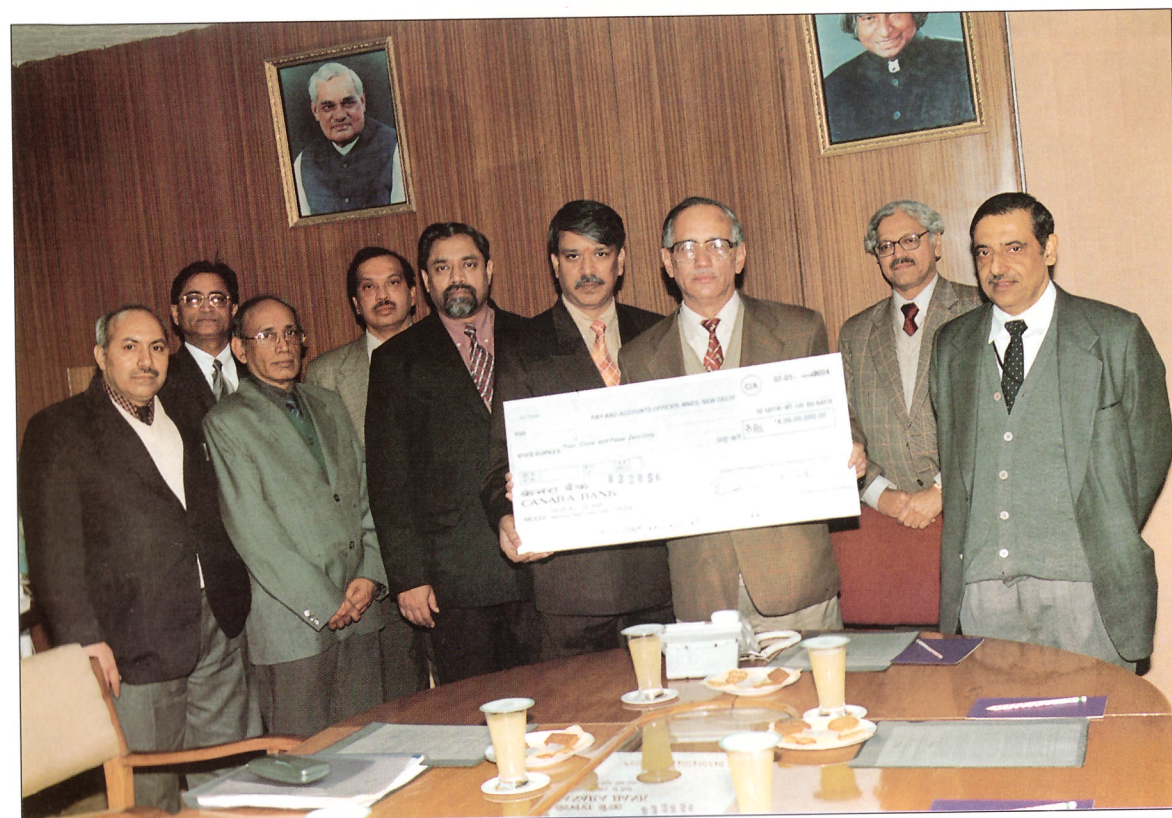
M/s. K.G. Somani & Co.
Chartered Accountants
3/15, Asaf Ali Road, Automobile Building
Delhi-110 002

Bankers

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



16th Annual General Meeting of IREDA's shareholders is in progress.



IREDA presents dividend for the financial year 2002-03 to Shri A.M. Gokhale, Secretary, Ministry of Non-Conventional Energy Sources (MNES).

Notice

Notice is hereby given that the Seventeenth Annual General Meeting of the Shareholders of Indian Renewable Energy Development Agency Limited (IREDA) will be held on Friday, the 31st December, 2004 at 4.00 P.M. at IREDA's Registered Office at India Habitat Centre, Lodi Road, New Delhi - 110 003 to transact the following business:

1. To receive, consider and adopt the Directors' Report, audited Balance Sheet as at 31st March, 2004 and Profit & Loss Account for the year ended as on that date, Auditors' Report and Comments of Comptroller and Auditor General of India thereon.
2. To declare a Dividend.

The meeting has been convened by giving a shorter notice than required under the Companies Act,

1956. The consent from all the Shareholders has been obtained.

BY ORDER OF THE BOARD OF DIRECTORS

New Delhi
27th December, 2004

(R.K. Sachdeva)
Company Secretary

1. All Shareholders
2. The Chairman and Directors
3. M/s. K.G. Somani & Co., Chartered Accountants, 3/15, Asaf Ali Road, 4th Floor, Automobile Building, Delhi-110 002.

NOTES:

1. 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 of the Company [A Proxy Form is enclosed].

PROXY FORM

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Regd. & Head Office: India Habitat Centre, Core-4'A', East Court,
1st Floor, Lodi Road, New Delhi - 110 003

I/We of in the district of being a member of the above named Company hereby appoint of in the district of or failing him/her of in the district of as my proxy to vote for me and on my behalf at the 17th ANNUAL GENERAL MEETING of the Company to be held on the day of December, 2004 and at any adjournment thereof.

(Signatures)

Signed this day of 2004.

NOTES: The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a shareholder of the Company.



A Parliamentary Committee on Government Assurances, Rajya Sabha, Parliament of India visits IREDA office.



A meeting of IREDA's Board of Directors is in progress.

Directors' Report

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the audited Statements of Accounts and the Auditors' Report for the year ended 31st March, 2004.

ENERGY SCENARIO

Population growth and economic development are the key drives to the rapid rise in India's energy consumption. India relies on coal for more than half of its total energy needs and oil accounts for about 30 per cent of its total energy consumption. Nearly, 70 per cent of country's fuel requirements are met through import. To strengthen the overall energy security, the Government has renewed its focus on tapping onshore and offshore gas/ oil potential and alternate sources of energy.

Despite having an installed Electric Power capacity of over 1,12,000 MW, a large gap still exists between the demand and supply of power. The peaking shortage and energy deficits are of the order of 12 per cent and 9 per cent respectively. Considering the gap between power demand and supply, the Government has plans to install additional capacity of 1,00,000 MW by 2012, out of which 10 per cent is expected to be harnessed from renewables. Renewable energy sources have great potential with Wind – 45,000 MW. Similarly Small Hydro and Biomass Power/Co-generation have a potential of 15,000 MW and 19,500 MW respectively.

The Common Minimum Programme of the Government, *inter alia*, lays down that all households would be electrified within five years i.e. by 2009. Energy security of ordinary people in rural areas can be achieved by way of setting up of distributed power generating units based on a variety of local fuels. The

power thus produced would have to be fed into along with localized distribution network. Low density, high delivery cost, poor quality of supply of power and commercial unviability on account of high fixed and variable cost characterize electricity distribution in the rural areas. In order to utilize technology to provide for an affordable solution in making available electricity in rural areas, the Rural Electricity Supply Technology Mission (REST) has been constituted under the auspices of the Ministry of Power. Electrification could be provided either through grid connection or through stand-alone distributed generation. The Ministry of Non-Conventional Energy Sources has been implementing a programme for electrification of remote villages and upto March 31, 2004, a total of 1563 remote villages and 316 remote hamlets have been electrified under the programme. Biomass gasifier based generation of electricity is a sustainable, environment-friendly energy security option for electrification of remote villages and hamlets through active community participation.

Ethanol and biodiesel are the most promising alternate fuels in the transport sector. Blending of ethanol with petrol (gasohol) has larger economic implications and would improve energy independence. The Government has launched the supply of gasohol in the nine States of Andhra Pradesh, Tamilnadu, Karnataka, Punjab, Haryana, Uttar Pradesh, Maharashtra, Gujarat and Goa and four Union Territories of Dadra and Nagar Haveli, Daman and Diu, Pondicherry and Chandigarh under a phased plan to make the entire country switch-over to this eco-friendly fuel.

There is good potential for production of biodiesel in India. *Jatropha curcas* has been identified as the



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There is good potential for production of biodiesel in India. *Jatropha curcas* has been identified as the

most suitable plantation crop for production of biodiesel in India. The Indian Railways and Indian Oil Corporation are working together to develop and test it for captive use, as the former is the largest user of diesel.

Energy Efficiency and Conservation hold considerable potential in domestic, commercial and agriculture sectors. Major industries alone have an estimated 15000 MW energy saving potential. It is going to be mandatory to ensure compliance with energy conservation standards for specified equipment and appliances, which consumes, generates or supplies energy. The Bureau of Energy Efficiency, a statutory body formed under the Energy Conservation Act, 2001, continuously strives to evolve systems and procedures to regulate the same.

Financial institutions like IREDA have to play an active role in the implementation of the above initiatives by way of providing adequate finance.

POLICIES & INITIATIVES

REVIEW OF POLICIES

In the prevailing competitive environment, the Company has made amendments in its financing policy and reduced interest rate/s for some of the sub - sectors. The policy environment is reviewed frequently, fine tuning to changes taking place in financial market.

NEW INITIATIVES

Your Company has introduced two new debt instruments for financing wind energy projects with reduced rate of interest and lesser repayment period of 7 and 8 years. It has announced an incentive scheme for generation of energy efficiency/ conservation project proposals. Your Company has been co-opted by IDBI for operation of Technology Upgradation Fund (TUF) Scheme of Ministry of Textiles for installation of captive wind energy

plants by non-SSI textile units to enable them to receive 5 per cent interest incentive from Ministry of Textiles.

OPERATIONS

SANCTIONS AND DISBURSEMENTS

Financial year 2003-04 also turned out to be a difficult year for the Company. The lending operations registered a decline over the previous year.

The main reasons for the decline in the sanctions were the continued non-conducive policy framework in the States and competition from banks and other financial institutions. The disbursement also did not pick up because of the uncertainty in the State policies as well as delays in clearances for implementation of the projects.

The loan sanctions and disbursements were Rs.423.57 crore and Rs.343.28 crore during 2003-04 as against Rs.633.96 crore and Rs.345.92 crore respectively in the previous year. The sector-wise details of the sanctions and disbursements are as under:

(Rs. in crore)

Sectors	Sanctions	Disbursements
Small Hydro	122.00	79.52
Wind Energy	121.05	93.37
Biomass		
Co-generation	58.56	86.03
Biomass Power Generation	58.29	52.69
Energy Efficiency & Conservation	45.03	5.30
Solar Thermal	11.43	7.87
Bio Fuels	4.25	1.94
Solar Photovoltaics	2.96	6.97
Waste to Energy	0.00	9.52
Biomass Briquetting	0.00	0.07
TOTAL	423.57	343.28

The cumulative sanctions and disbursements as on 31st March, 2004 stood at Rs.6345.43 crore and Rs.3426.10 crore respectively. The Cumulative State-wise and Sector-wise sanctions and disbursements are indicated in Annexure I to IV.

CAPACITY ADDITION

A major chunk of the loan amount sanctioned during the year was for the establishment of 204.85 MW of installed capacity of power generation. The sector-wise capacity addition through sanction is indicated below:

Sectors	Capacity (MW)
Biomass Co-generation	60.00
Wind Energy	43.53
Small Hydro	38.10
Energy Efficiency & Conservation	32.00
Biomass Power Generation	31.00
Solar Photovoltaics	0.22
TOTAL	204.85

The Company has also sanctioned loans for installation of solar thermal systems with total 19,108 sq. meters collector area and for setting up projects for production of ethanol with a total capacity of 60 KL per day. These projects, upon commissioning, may result in 22,425 Metric Tonnes of Coal Replacement (MTCR) per annum.

FINANCIAL PERFORMANCE

PRUDENTIAL NORMS

Your Company being a Non Banking Financial Company (NBFC), registered with Reserve Bank of India (RBI), has been following the prudential norms in respect of Income Recognition, Asset Classification, Provisioning and Disclosure requirements issued by RBI for Financial Institution(s), as amended from time to time and approved by MNES.

During the financial year 2003-04, 25 Small Hydro Projects located in the State of Andhra Pradesh could not generate power due to drought. The State



IREDA financed 6 MW Biomass power project set up at Gudebelluru Village, Maganur Mandal, Mahabubnagar District, Andhra Pradesh.

Government also declared drought in the area where these projects are located. As these projects could not generate any power due to non-availability of water, the interest due from the 22 projects out of 25 projects have been funded.

Ministry of Non-Conventional Energy Sources, on IREDA's request, have relaxed the prudential norms in respect of drought hit small hydro projects in the State of Andhra Pradesh. While according relaxation in prudential norms, MNES has issued certain directions with regard to further strengthening the risk management exercise so as to insulate itself against such eventualities.

As per the directions issued by MNES, the risk assessment and insulation measures being taken/proposed, *inter-alia*, include further strengthening of appraisal and disbursement methods/procedures; review of exposure matrix/limits; detailed study on hydrology; exploring possibilities of obtaining insurance coverage for natural calamities etc.

WORKING RESULTS

The overall performance for the year 2003-04 has been satisfactory, even though there was no growth in sanctions and disbursements. The key parameters of performance in this regard are listed below:

(Rs. in crore)

	2002-03	2003-04
Gross Income	253.51	248.34
Profit before Tax (including prior period adjustment)	24.57	30.20
Provision for Income Tax	11.20	14.00
Deferred Tax Credit	(-)5.20	(-)10.80
Profit available for appropriation (after adjustment of excess provisions made in earlier years, interest paid to IT Department and balance in Profit & Loss Account brought forward)	17.88	24.59

The Profit and Loss Account takes care of the prudential norms regarding income recognition, asset classification and provisions for stressed assets as per the RBI guidelines.

DIVIDEND

Your Directors recommend a dividend of Rs.4.00 crore for the financial year 2003-04.

STRESSED ASSETS MANAGEMENT

The level of stressed assets during the year 2003-04 was 13.73 per cent (Gross) as against 12.14 per cent of previous year. Though the level of stressed assets has increased, as compared to previous year, it has been well within the target of 14 per cent (commensurate to Very Good Category) fixed in the Memorandum of Understanding signed with MNES. The Company made provision required during the year for these stressed assets to the extent of Rs.12.44 crore as per the prudential norms prescribed by MNES. As a result, as on 31st March, 2004, the level of stressed assets, net of provision, was 9.58 per cent. Further, to insulate the Company against the eventualities of natural calamities such as drought etc., an adhoc provision of Rs.17 crore has also been made against standard assets in addition to what is required as per the prudential norms. The Company continues to take measures such as One Time Settlement, Rescheduling of loans and actions under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) 2002, to more vigorously follow up for the recovery from the stressed assets.

RISK MANAGEMENT

Your Company has been continuing to pay special attention to the Risk Management. The Company has introduced an Evaluation Matrix, which is invariably used for all loan proposals. The

Evaluation Matrix covers wide range of parameters.

Your Company is also exposed to various market risks including interest rate, foreign exchange fluctuations and other asset liability mismatches. In order to protect the Company from foreign exchange risk, the Company has entered into long term agreements with nationalised banks, with adequate flexibility, which enables the Company to re-negotiate the terms to get advantage of the current interest rate regime. The Company also has in place an Exchange Risk Administration Fund (ERAF) to cover loans, which are not received directly from lenders. The strategy for interest rate swap is also under process.

Your Company has taken steps to comply with the RBI Guidelines for Asset Liability Management.

DEBT EQUITY RATIO & NET WORTH

The Company's borrowing from all sources stood at Rs.1385.27 crore as on 31.3.2004 against its net worth of Rs.529.97 crore. Debt as ratio to Net worth works out to 2.61 which is well below the 5:1 ratio, indicated in the Operational Policy Statement of the Company.

RESOURCE MOBILISATION

SHARE CAPITAL

The authorized share capital of the Company stood at Rs.400 crore as on 31st March, 2004. With the Government of India contribution of Rs.40.00 crore towards equity for the current year, the paid-up capital of the Company rose to Rs.325.35 crore as on 31st March, 2004. For the financial year 2004-05, the Company has been allocated equity of Rs.50 crore.

DOMESTIC BORROWINGS

The Company was permitted to raise funds to the tune of Rs.50 crore through Tax Free Bonds

and the same was raised at the most competitive rates.

Further, your Company also raised term loans from commercial banks to the extent of Rs.131.50 crore to meet its resource requirements.

INTERNATIONAL ASSISTANCE

As for international lines of credit, an amount of Rs.42 crore was availed under India: Second Renewable Energy Development Project. The KfW, Germany and the World Bank released Euro 21.50 million equal to Rs.121.71 crore and US\$ 1.50 million equal to Rs.6.28 crore respectively.

INTEREST DIFFERENTIAL FUND

As per KfW Agreement, IREDA has to create an Interest Differential Fund (IDF) out of the difference between interest income earned from the borrowers on lending from portion I of KfW loan and 3.75 per cent. Out of this IDF amount, 25 per cent has to be utilized for further disbursement for the development of worthy renewable energy projects, capacity building of the Company, training and seminar etc and the balance 75 per cent can be utilized to meet forex risk and Government of India guarantee fee on KfW Line of Credit.

Accordingly, your Company has maintained the IDF Memorandum Account, the details of which, as on 31.3.2004, are as under:-

(Rs. in lakh)

Amount of Interest Differential Fund (IDF)	Allocation of IDF		Utilisation of IDF		Balance in IDF A/c.	
	25% of the amount to be utilised for disbursement to project, training etc.	75% of the amount to be utilised for Foreign Exchange Risk & GOI Guarantee Fee	Out of 25% portion	Out of 75% portion	(2-4)	(3-5)
1	2	3	4	5	6	7
1372.09	343.02	1029.06	10.64	1029.06	332.38	—



IREDA sponsored training program on Energy Conservation in Textile Industry at New Delhi.



IREDA supported Business Interaction Meet on Energy Efficiency in pumps, blowers and compressors at Indore, Madhya Pradesh.

COST REDUCTION MEASURES

Your Company continued to take adequate measures to reduce its cost of funds. In this connection, the Company prepaid high cost of funds to the extent of US\$ 43.09 Million of ADB loan, an amount of Rs.241.16 crore of IDA-I loan to Government of India (GoI) and Rs.75 crore to State Bank of India (SBI) and Rs.47.50 crore to bond holders. Further, your Company has re-negotiated the interest rates both for the foreign currency lines of credit and for borrowings from the commercial banks resulting in substantial reduction in interest expenditure.

PROMOTIONAL EFFORTS

BUSINESS MEETS

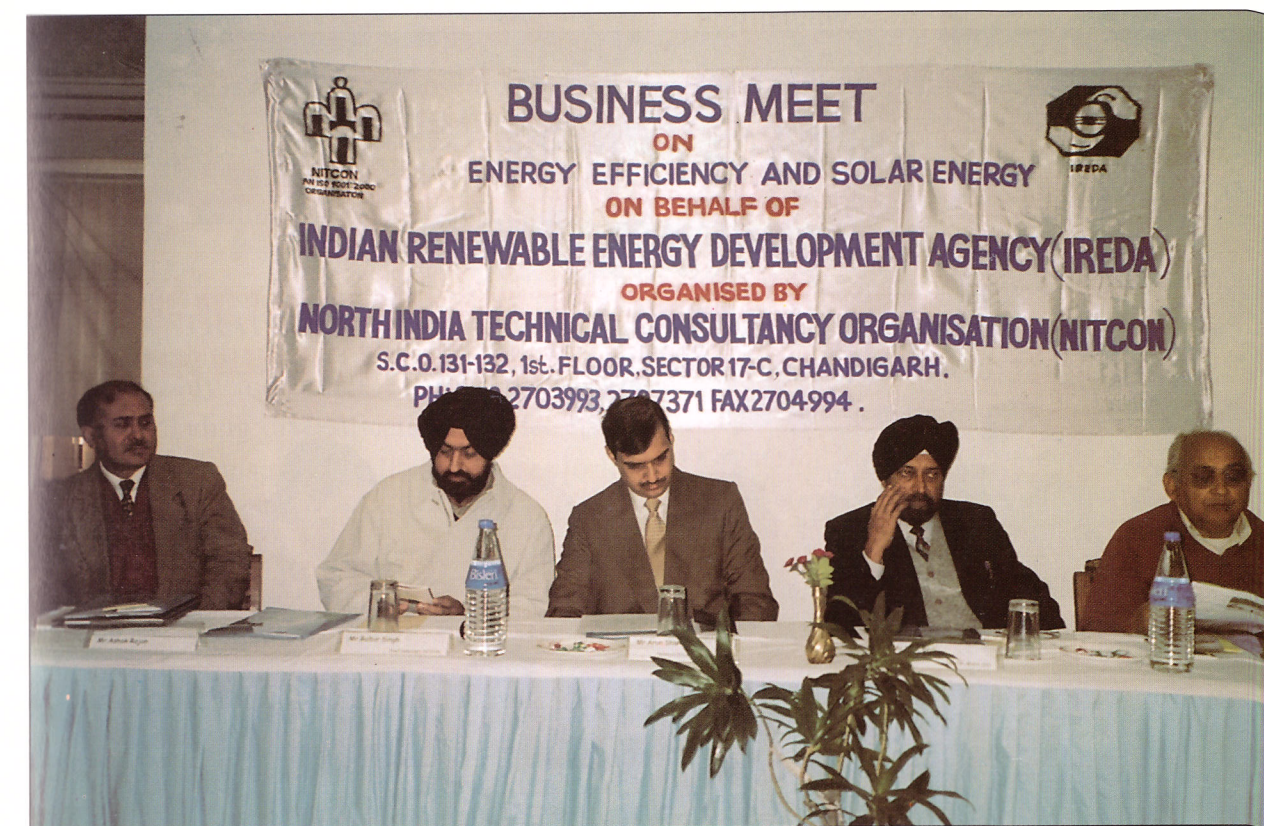
The Company continued to sponsor Seminars, Workshops, and Business Meets to promote renewable energy technologies. During the year, it

supported a total of 59 programmes in different parts of the country. The sector-wise break-up of the promotional programmes is given below:

Sector	No. of Programmes
Energy Efficiency	25
Solar Energy	6
Bio-Energy & Cogeneration	7
Small Hydro	5
Wind Energy	4
Women Development	4
Renewable Energy (General)	4
Others	4
Total	59

DISSEMINATION OF INFORMATION

Your Company, in its continued and committed endeavour to provide prompt and quality services to its valued clients/borrowers, has introduced a



IREDA sponsored Business Meet on Energy Efficiency and Solar Energy held at Chandigarh.

"Citizen's Charter", which is intended to provide information in respect of its various activities to its clients/borrowers. The "IREDA News" continued to be published quarterly to highlight the current developments in the renewable energy sector. A bi-monthly "Bulletin on Energy Efficiency" (BEE) is being published for creating awareness about Energy Efficiency and Conservation (EEC) in the country. Publicity campaign has been conducted through various media for corporate image building and to create an awareness and market for EEC products/services.

DEVELOPMENT OF BACKWARD AREAS

The Company accords high priority for development of backward areas. During the year, 23 projects with a loan assistance of Rs.210.63 crore were sanctioned in backward areas. The loan amount sanctioned for these areas constituted around 50 per cent of the total sanctions during the year.

DEVELOPMENT OF NE REGION & NEWLY CREATED STATES

The Company endeavours to promote renewable energy projects in the North Eastern Region & Sikkim, Jharkhand, Chhattisgarh, Uttaranchal, through its Business Development Associates by conducting Business Meets, Seminars, Workshops/ Training Sessions. It also sponsors visits by officials from these States to successful IREDA funded renewable energy projects in other States to appreciate renewable energy projects and to help to develop conducive policies in these States. They also assist States to participate as co-financier in MNES Demonstration projects, wherever possible, and explore possibilities of decentralized power generation in village electrification schemes. Seven promotional programmes namely "Energy Summit-III", "Business Meet on Energy Efficiency for Hotel Industries", "Awareness Programme on Renewable Energy for Women", "Business Meet on Energy

Efficiency for Commercial Sector" in North Eastern Region; "Awareness programme on Energy Efficiency & Renewable Energy for Women NGO working in Rural/Tribal areas" in Chhattisgarh, "Awareness Programme on Renewable Energy for Women" in Jharkhand and "All India Seminar on Energy & Environment – Issues and Challenges" in Uttaranchal were sponsored by IREDA during the year 2003-04.

WOMEN IN RENEWABLE ENERGY

Dedicated to the cause of women's empowerment, the Company has taken a number of initiatives for their development through renewable energy programmes. Besides giving special concessions in its lending terms and conditions to women, the Company has been organizing various promotional programmes exclusively for women. During the year, it organized four promotional programmes exclusively for women, namely "Awareness Programme for Energy Efficiency and Renewable Energy for Women NGOs Working in Rural/Tribal Areas", "Orientation Programme on Energy Efficiency & Renewable Energy for Mahila NGOs and Social Workers" and two awareness programmes on "Renewable Energy for Women".

BUSINESS STRATEGY

Your Company has been exploring various measures including diversification into fee-based activities like consultancy. It is also exploring possibilities of entering power trading either directly or in partnership with other agencies. Your Company is also examining various possibilities of networking with other institutions for better credit delivery mechanism.

PROGRAMMES ENTRUSTED BY MNES

The Company continued to implement the various schemes entrusted to it by the MNES.

JOINT SECTOR COMPANY

M/s M.P. Windfarms Limited is the sole Joint Sector Company promoted by your Company in collaboration with the Government of Madhya Pradesh and a private sector company. The paid-up capital of M/s M.P. Windfarms Limited stood at Rs.70 lakh, including your Company's initial subscription of Rs.12 lakh and bonus share of Rs.4.80 lakh, against the authorized share capital of Rs.100 lakh. The Company earned a net profit of Rs.22.40 lakh after providing for depreciation and tax for the current year as against a loss of Rs.11.08 lakh in 2002-03. The Company has identified new opportunities for capacity addition of 15 MW at Nagda hills near Dewas. The Company is hoping that the recent tariff order by the Madhya Pradesh Electricity Regulatory Commission shall catalyze investors interest, leading to construction activities this year, which would help the Company overcome its financial difficulties and maintain profitability.

NETWORKING ARRANGEMENTS

The Company has been networking with various technical and professional organizations through a scheme of Business Development Associates (BDAs) for generating more business. During the year, two more BDAs were registered, taking the total number of BDAs to 53 as on 31st March, 2004. These BDAs comprise 16 Technical Consultancy Organisations, 12 State Nodal Agencies, 2 Local Productivity Councils, 15 Private Sector Enterprises and 8 NGOs and Technical Institutions.

FOREIGN DELEGATION

A Team from Bangladesh (IDCOL & REB Group) visited IREDA as a part of study tour on 19th May, 2003. An Iranian delegation visited IREDA to understand financing policies for renewable energy programme.



Business Meet on Energy Efficiency & Solar Energy sponsored by IREDA held at Jammu.

PLANNING, MONITORING AND EVALUATION

PLANNING

The Company has revised its mission statement reflecting new business area "environment technologies". It has prepared a vision document, wherein it has laid out long term goals and specific strategies, for the period upto 2012. The Company has also prepared the Annual Plan for the year 2004-05, which envisages loan sanction of Rs.500 crore and loan disbursement of Rs.350 crore with capacity addition of 215 MW and 20000 MTCR.

MEMORANDUM OF UNDERSTANDING (MoU)

Based on the provisional figures, the Company's performance in achieving the MoU targets fixed for the year 2003-04 is likely to be rated as "Good". The Company has also signed a MoU with the Government for the year 2004-05.

MONITORING & EVALUATION

Project monitoring and evaluation are being carried out through the mechanism of appointing Nominee Directors/Concurrent Auditors/ Engineers, direct inspections, physical verifications and special review meetings. Consultants are preparing a manual for systematic monitoring and evaluation of energy efficiency projects.

HUMAN RESOURCE DEVELOPMENT

Human Resource Development efforts were made to keep up motivation level and team spirit. The Company nominated officials at various levels for attending professional training courses and Seminars/Workshops/ Symposia on specialized subjects both in India and abroad, so as to keep them abreast with the latest developments in their respective fields.

The morale of the employees continued to remain high, 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, welfare measures and introduction of new schemes etc.

INSTITUTIONAL DEVELOPMENT

Your Company is in the process of computerization of its operation and steps have been taken to acquire appropriate software to suit its requirements. Custom-designed software has been developed and is under various stages of implementation for the operation of Finance, Technical, and Planning, Monitoring & Evaluation Services Departments.

ECOLOGY & ENVIRONMENT

The Company has been assisting renewable energy technologies, which are eco-friendly and have a benign impact on environment, besides reducing pollution. The projects sanctioned by the Company will result in the saving or conservation 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.

RESERVATION FOR SC/ST/OBCs/PH

In accordance with the Government policy, the Company has been strictly following the Government's instructions regarding recruitment and promotion of candidates belonging to SC/ST/OBCs/PH. Liaison officers for SC/STs and OBCs have also been nominated to watch the interests of these categories.

OFFICIAL LANGUAGE IMPLEMENTATION

The Company has been constantly endeavouring to implement the official language policy effectively. Two new schemes for increasing use



IREDA Hindi Diwas function of 2003 is in progress.



Shri M.L. Gupta, Joint Secretary, Government of India, Ministry of Home Affairs, Department of Official Language releasing IREDA Vision 2012 booklet in Hindi.

of Hindi in official work were introduced during the year. Due to continuous efforts, the level of correspondence in Hindi rose to 76.11 per cent as against 63.33 per cent at the end of the previous year.

The Company also organized Hindi Diwas and Hindi Pakhwara with a view to creating awareness and accelerating use of Hindi. Quarterly meetings of the Rajbhasha Karyanvayan Samiti were held to review and make suggestions for accelerated use of Hindi and implementation of the provisions of the Official Language Act.

AUDITS & INSPECTIONS OF ACCOUNTS

STATUTORY AUDITORS

M/s K.G. Somani & Co., Chartered Accountants, New Delhi, were appointed as Statutory Auditors of the Company by the Comptroller and Auditor General of India for the financial year 2003-04.

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-V).

INTERNAL AUDIT & LEGAL AUDIT

M/s Ray & Ray, Chartered Accountants, Delhi were appointed your Company's Internal auditors for the financial year 2003-04 and their reports were submitted on a quarterly basis to the Audit Committee. M/s Singhanian & Partners were appointed as Legal Auditors for the year 2003-04.

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 NIL.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the earnings in foreign exchange were equivalent to Rs.887.01 lakhs and the outflow was Rs.1673.23 lakhs.

PERSONNEL AND INDUSTRIAL RELATIONS

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

CUSTOMER RELATIONS

The Company continued with its customer-friendly approach in day-to-day dealings. The problems of borrowers were redressed by a response mechanism of immediate hearing by senior executives. The Company has also provided a Suggestion Box in the office for receiving suggestions/complaints. A customer facilitation centre is functioning for quick disposal, timely assistance and response to the queries of borrowers, promoters and entrepreneurs.

VIGILANCE

Your Company has made efforts to streamline the systems and procedures with emphasis on preventive vigilance. The Vigilance Advisory Committee has been meeting periodically to advice on preventive vigilance. In compliance with Central Vigilance Commission (CVC) instructions, a Vigilance Awareness Week was observed by your Company, during which Essay/Debate/Cartoon Competitions for the awareness of IREDA officials/staff were organized on Vigilance related topics.



IREDA employees participating in an essay competition on "Corruption is the main cause for all" organised as a part of Vigilance Awareness Week.

In-house training programmes were also conducted to create awareness among the staff members.

CORPORATE GOVERNANCE

Your Company firmly believes in and has constantly endeavoured to practice good Corporate Governance. Values of transparency, professionalism and accountability in its dealing with borrowers, employees and stakeholders are the touchstone of Corporate Governance at IREDA. The decision making process in IREDA reflects these concerns. Taking note of the requirements, four meetings of the Audit Committee were held during the year.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors confirm that in the preparation of the annual accounts for the year ended 31st March, 2004:

- the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors had prepared the annual accounts on a going concern basis.

BOARD OF DIRECTORS

During the year, six meetings of the Board were held to transact the business of the Company. In addition, five meetings of the Committee of Directors (COD) were also held. The decisions taken by the COD were reported to the Board of Directors in their subsequent meetings.

ACKNOWLEDGEMENTS

The Board of Directors 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 Company is thankful to the World Bank, Swiss Development Co-operation, Global Environment Facility, Asian Development Bank, Danish International Development Agency, 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 conveys their appreciation to the employees of the Company at all levels for their individual and collective valuable contribution towards the Company's performance.

Last but not the least, the Board of Directors wish to record their gratitude to the Shareholders for their continued trust and confidence reposed in them.

For and on behalf of the Board of Directors.

A.M. GOKHALE
Chairman

Place: New Delhi
Dated: 27th December, 2004



30 KLPD Ethanol Project set up at Surat District, Gujarat with IREDA's assistance.



In take structure & power canal view of IREDA financed 4.00 MW Small Hydro project set up at Madhavaram District, Andhra Pradesh.

IREDA financed 2.5 MW Wind Farm project set up at Narasimhakonda, Nellore District, Andhra Pradesh.



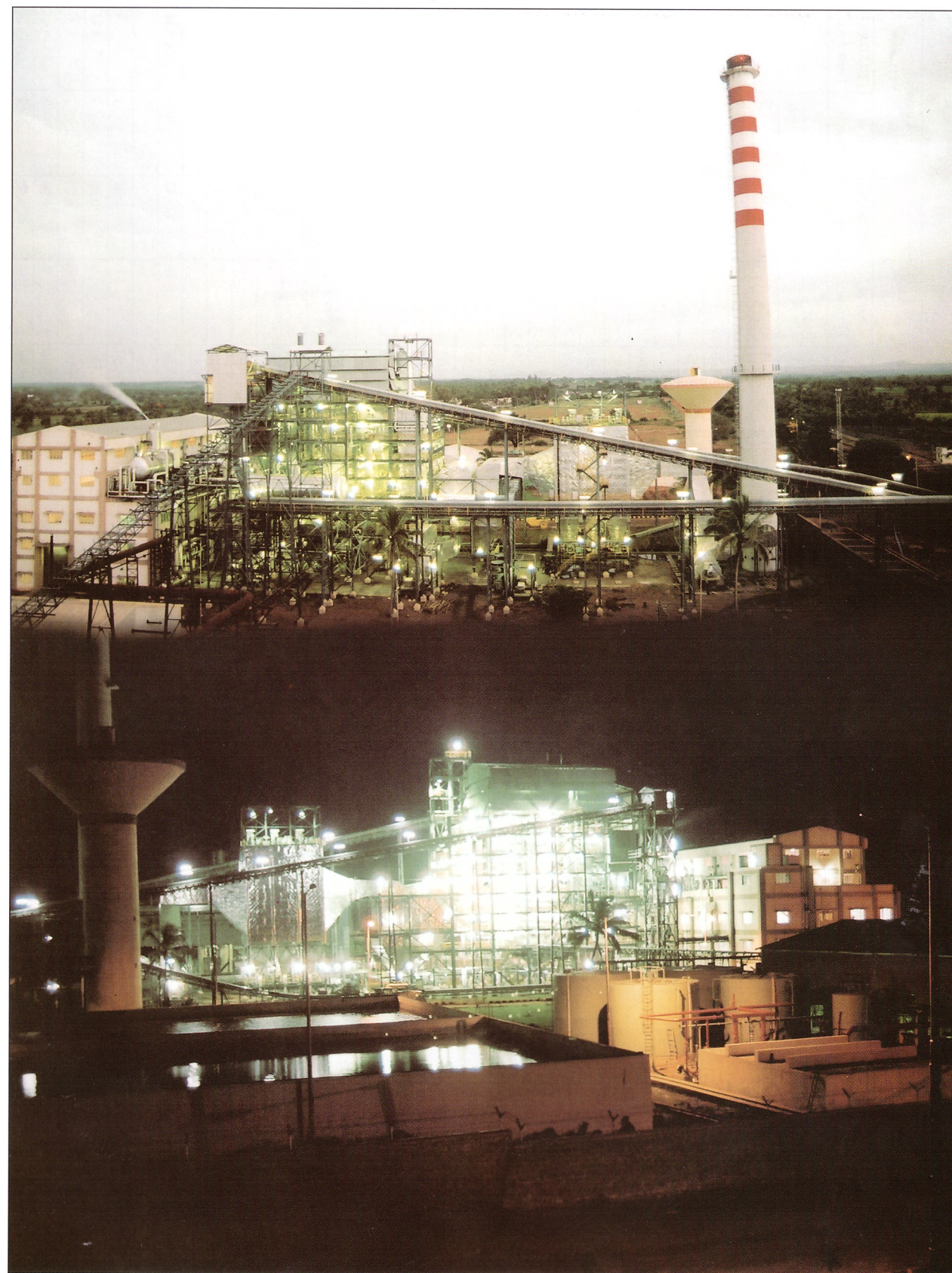
ANNEXURE - I
[Rs. in Crore]

STATEWISE SANCTIONS DURING LAST FIVE YEARS

S. No.	Name of State/ Union Territory	1999-2000		2000-01		2001-02		2002-03		2003-04		Cumulative since 1987	
		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	46	359.61	32	334.20	14	54.57	4	2.89	2	18.40	240	1,192.15
2	Assam	1	8.93	0	0.00	0	0.00	0	0.00	0	0.00	3	9.40
3	Bihar	0	0.00	1	0.15	0	0.00	0	0.00	0	0.00	8	3.17
4	Chhattisgarh*	0	0.00	0	0.00	2	1.18	0	0.00	0	0.00	2	1.18
5	Gujarat	6	7.57	3	0.94	1	0.40	3	14.18	0	0.00	84	158.43
6	Goa	3	0.23	0	0.00	3	0.23	0	0.00	0	0.00	7	0.49
7	Haryana	1	0.32	1	0.11	1	4.76	0	0.00	0	0.00	20	22.18
8	Himachal Pradesh	3	4.91	7	68.99	2	52.96	2	69.92	4	35.28	25	244.07
9	Jammu & Kashmir	0	0.00	1	0.05	0	0.00	0	0.00	0	0.00	2	0.67
10	Jharkhand *	0	0.00	1	0.26	0	0.00	1	0.07	0	0.00	2	0.33
11	Karnataka	22	210.23	18	99.28	27	295.28	21	379.10	9	103.66	223	1,570.08
12	Kerala	3	1.13	1	0.17	3	1.01	2	0.16	0	0.00	31	125.11
13	Madhya Pradesh	5	56.43	1	8.49	1	6.63	0	0.00	1	5.32	70	176.98
14	Maharashtra	30	106.06	42	332.87	39	211.56	15	46.48	7	70.61	285	973.36
15	Manipur	1	0.19	0	0.00	1	0.10	0	0.00	0	0.00	3	0.46
16	Mizoram	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.16
17	Nagaland	0	0.00	0	0.00	1	0.82	0	0.00	0	0.00	1	0.82
18	National Capital Territory of Delhi	8	9.75	3	6.90	4	6.53	3	0.97	0	0.00	60	46.63
19	Orissa	0	0.00	0	0.00	0	0.00	1	60.00	0	0.00	8	93.66
20	Punjab	4	0.49	6	26.13	2	0.46	0	0.00	5	32.67	31	81.47
21	Rajasthan	8	5.54	8	16.23	5	30.70	4	15.13	11	72.63	55	148.62
22	Tamilnadu	25	115.41	17	112.56	5	11.69	7	24.50	5	45.75	385	1,054.59
23	Uttar Pradesh	3	8.85	3	17.20	2	14.67	0	0.00	0	0.00	76	272.14
24	Uttaranchal*	0	0.00	0	0.93**	1	1.29	0	0.00	0	0.00	1	2.22
25	West Bengal	7	26.16	6	15.90	2	3.79	3	20.56	2	39.25	53	157.44
	TOTAL "A"	176	921.81	151	1,041.36	116	698.63	66	633.96	46	423.57	1676	6,335.81
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	1	6.68	0	0.00	0	0.00	0	0.00	0	0.00	2	8.13
3	Pondicherry	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	1.38
	TOTAL "B"	1	6.68	0	0.00	0	0.00	0	0.00	0	0.00	5	9.62
	TOTAL 'A' + 'B'	177	928.49	151	1,041.36	116	698.63	66	633.96	46	423.57	1681	6,345.43

* Sanction has been shown after the formation of the respective States

** Additional Loan

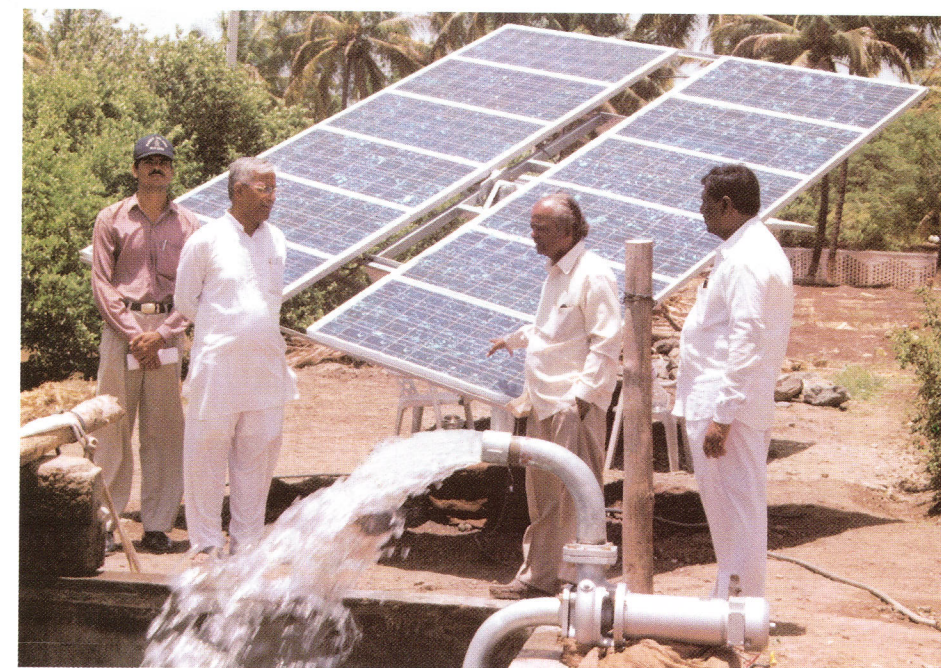


IREDA financed 24 MW Bagasse based Co-generation project set up at Kukkuwada Village, Davangere Taluk, Davangere District, Karnataka.

ANNEXURE - II

SECTORWISE SANCTIONS DURING LAST FIVE YEARS

S. No.	Sectors	[Rs. in Crore]					Cumulative since 1987
		1999-2000	2000-01	2001-02	2002-03	2003-04	
1	Wind Energy	187.55	361.36	190.52	159.84	121.05	2082.41
2	Small Hydro	143.50	182.92	122.38	281.52	122.00	1514.03
3	Biomass Cogeneration	224.66	208.05	143.80	76.71	58.56	1057.53
4	Biomass Power Generation	135.01	128.05	118.88	51.01	58.29	585.14
5	Energy Efficiency & Conservation	70.24	68.78	9.73	17.20	45.03	238.13
6	Solar Photovoltaics	133.22	75.00	64.67	18.75	2.96	585.95
7	Solar Thermal	10.33	11.92	12.46	13.35	11.43	104.75
8	Waste to Energy	17.04	0.00	29.78	2.32	0.00	49.14
9	Biomass Briquetting	1.62	1.78	0.28	0.00	0.00	19.47
10	Biomass Gasification	0.00	0.00	0.33	0.00	0.00	10.75
11	Biomethanation from Industrial Effluents	4.90	3.50	0.00	0.00	0.00	72.47
12	Biogas (Small Scale)	0.25	0.00	0.94	0.00	0.00	1.19
13	High Efficiency Wood Burning Stoves	0.00	0.00	0.00	0.00	0.00	0.49
14	Miscellaneous	0.17	0.00	4.86	13.26	4.25	23.98
	TOTAL	928.49	1041.36	698.63	633.96	423.57	6345.43



1800 watt Solar Photovoltaic Water Pumping Systems set up at Akluj Village, Solapur Taluk, Solapur District, Maharashtra under MNES programme through IREDA.

ANNEXURE-III

STATEWISE DISBURSEMENTS DURING LAST FIVE YEARS

[Rs. in crore]

S. No.	Name of State/Union Territory	1999-2000	2000-01	2001-02	2002-03	2003-04	Cumulative since 1987
A.	STATES						
1	Andhra Pradesh	116.44	232.56	209.52	115.81	41.92	893.46
2	Assam	0.00	0.00	0.00	0.00	0.00	0.21
3	Bihar	0.01	0.16	0.00	0.00	0.00	0.62
4	Chhattisgarh *	0.00	4.64	0.00	0.00	0.00	4.64
5	Goa	0.00	0.00	0.00	0.09	0.00	0.09
6	Gujarat	26.57	26.8	1.55	0.94	2.08	125.36
7	Haryana	0.10	0.00	0.00	0.02	0.00	4.20
8	Himachal Pradesh	2.95	8.44	0.74	22.23	32.68	71.71
9	Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00
10	Jharkhand*	0.00	0.00	0.00	0.05	0.00	0.05
11	Karnataka	87.74	69.62	90.40	68.31	151.11	650.98
12	Kerala	5.98	0.07	0.05	0.14	0.07	44.43
13	Madhya Pradesh	20.23	17.65	13.46	2.59	9.25	112.56
14	Maharashtra	85.91	121.79	175.28	47.66	42.11	515.79
15	National Capital Territory of Delhi	0.65	1.91	5.97	1.83	0.20	12.41
16	Orissa	14.47	0.00	0.00	0.00	0.18	30.96
17	Punjab	5.84	3.74	5.15	20.44	3.22	42.19
18	Rajasthan	1.34	6.96	3.01	13.75	44.39	73.67
19	Tamilnadu	47.59	57.98	64.83	40.09	13.56	706.46
20	Uttar Pradesh	11.07	13.88	19.69	5.48	0.00	89.99
21	Uttaranchal *	0.00	0.00	0.00	1.41	0.00	1.41
22	West Bengal	2.37	10.87	18.05	5.08	2.51	42.29
	TOTAL 'A'	429.26	577.07	607.70	345.92	343.28	3423.48
B.	UNION TERRITORY						
1	Andaman Nicobar	0.00	0.00	0.00	0.00	0.00	0.00
2	Daman	0.00	0.00	0.00	0.00	0.00	1.49
3	Chandigarh	0.00	0.00	0.00	0.00	0.00	0.00
4	Pondicherry	0.00	0.00	0.00	0.00	0.00	1.13
	TOTAL 'B'	0.00	0.00	0.00	0.00	0.00	2.62
	GRAND TOTAL A+B	429.26	577.07	607.70	345.92	343.28	3426.10

* Disbursement has been shown after the formation of the respective States.

30

ANNEXURE-IV

SECTORWISE DISBURSEMENTS DURING LAST FIVE YEARS

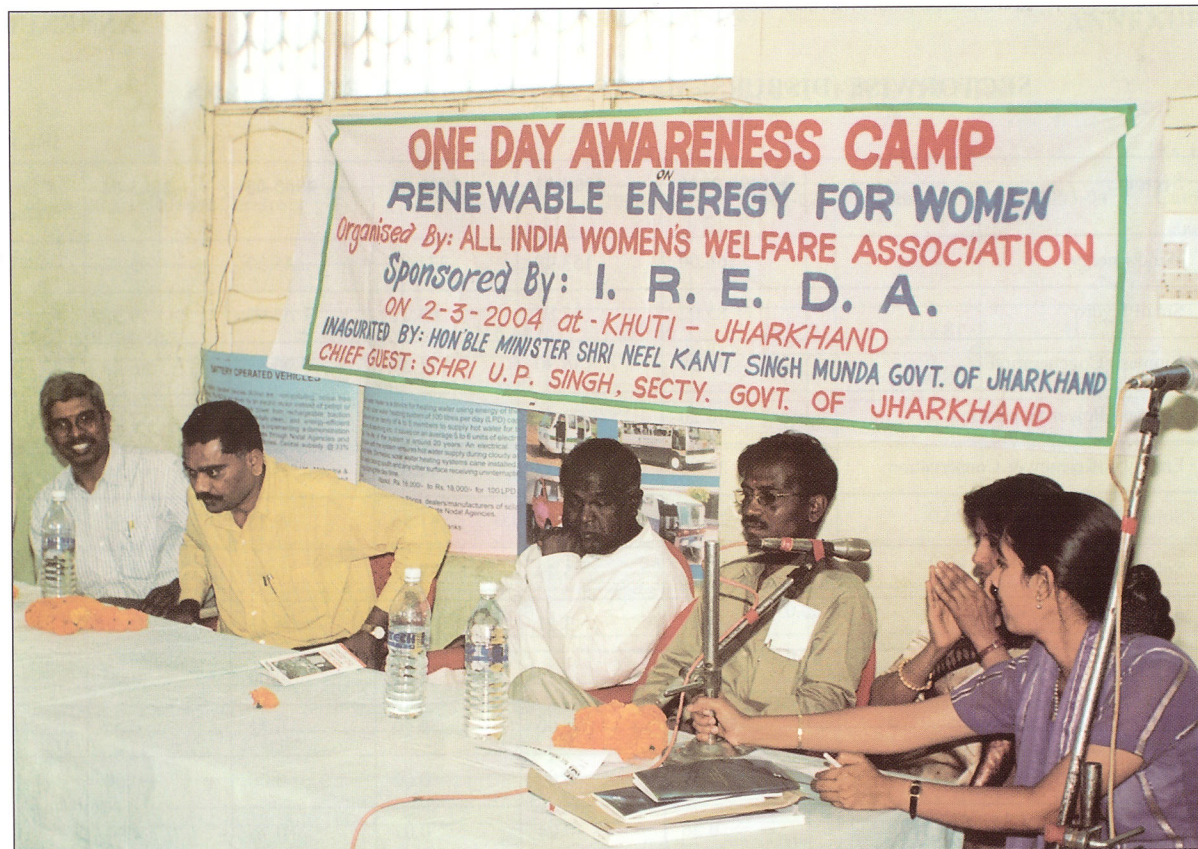
[Rs. in crore]

S. No.	Sectors	1999-2000	2000-01	2001-02	2002-03	2003-04	Cumulative since 1987
1	Wind Energy	166.00	153.49	231.87	45.39	93.37	1265.01
2	Small Hydro	85.02	87.87	63.21	65.92	79.52	584.23
3	Biomass Cogeneration	71.28	136.30	131.39	90.55	86.03	646.60
4	Biomass Power Generation	46.20	102.43	93.41	68.08	52.69	392.07
5	Energy Efficiency & Conservation	28.80	23.79	10.63	4.91	5.30	85.93
6	Solar Photovoltaics	22.92	60.47	61.56	35.35	6.97	282.58
7	Solar Thermal	4.16	5.49	7.95	10.92	7.87	57.44
8	Waste to Energy	0.00	3.51	0.20	24.43	9.52	37.66
9	Biomethanation from Industrial Effluents	3.93	2.59	6.81	0.00	0.00	57.60
10	Biomass Briquetting	0.52	1.09	0.60	0.22	0.07	9.99
11	Biomass Gasification	0.17	0.00	0.00	0.00	0.00	3.87
12	Miscellaneous	0.26	0.04	0.07	0.15	1.94	3.12
	TOTAL	429.26	577.07	607.70	345.92	343.28	3426.10



600 LPD Solar Water Heating systems installed at Bangalore, Karnataka under direct users category with IREDA's assistance.

31



IREDA sponsored awareness Camp on Renewable Energy for Women at Khuti, Jharkhand — A view of audience.

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, 2004.

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.

(As conveyed vide letter No. MAB-II/CAD-I/2003-2004/809 dated 31st December, 2004 by the Office of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board-II, New Delhi).

BALANCE SHEET Current Assets, Loans and Advances (Schedule-H)

1. Loans to Constituents IREDA: Rs. 1970.74 crore

This includes accumulated interest amounting to Rs. 52.81 crore on rescheduled loans of Small Hydro Projects of Andhra Pradesh. The Company has accounted for this interest since the loans have been treated as standard assets in relaxation of Prudential norms with the approval of the Ministry of Non-Conventional Energy Sources. The relaxation was given by the Ministry due to drought for three consecutive years ended March 2004. However, the fact that the interest of Rs. 52.81 crore has been accounted for on these loans has not been disclosed in the accounts.

The disclosure about the reschedulement of the Small Hydro Projects due to drought in the State of Andhra Pradesh and the relaxation in the prudential norms by Ministry of Non Conventional Energy Sources has been made in Schedule 'Q' Note No. 7 of Notes on Accounts. However, the fact of non disclosure of past (Rs. 43.89 crores) and current (Rs. 8.92 crores) interest dues totalling to Rs. 52.81 crores is noted for future guidance.

2. Provision for Bad and Doubtful Debts (IREDA only): Rs. 90.86 crore

This does not include Rs. 4.47 crore (M/s Gayatri Sugar Complex Rs. 3.17 crore and M/s Kay Pulp and Paper Mills Ltd. Rs. 1.30 crore) on account of Non-Provisioning on Assets which had become Doubtful in terms of the Reserve Bank of India circular dated 17th June, 1997.

The loans referred to in the observations have been classified as sub standard and not doubtful as per the guidelines of Reserve Bank of India issued vide Circular dated 17th June, 1997 due to following reasons:-

This has resulted in over-statement of both Loans and Advances and Income for the year by Rs. 4.47 crore.

- ◆ There is no erosion in the value of security assets mortgaged to IREDA;
- ◆ All the securities (all assets mortgaged to IREDA) are intact on the project site;
- ◆ There are no other factors such as fraud etc. which has come to our notice, due to which the above said circular may be made applicable.

Necessary provisions have been made in terms of the prudential norms.

3. Advance Tax, Additional Tax paid and Tax Recoverable: Rs. 29.38 crore

This includes Rs. 0.12 crore being the Tax Refund recoverable from Income Tax Department for the years 1991-92 and 1994-95. As the final assessments had already been completed and the Income Tax Department had not admitted these refunds so far the same were not likely to be recoverable.

Non-provision has resulted in over-statement of Advance Tax, Additional Tax paid and Tax Recoverable under Loans and Advances and Profit for the year by Rs. 0.12 crore.

The amount of Rs. 0.12 crore, being the tax refund recoverable from Income Tax Department for the year 1991-92 and 1994-95 is being pursued with the Department and IREDA is hopeful of its recovery. Therefore, the amount has been treated as good and recoverable and thus no provision was felt necessary.

For and on behalf of the Board of Directors

(Vijaya Moorthy)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-II

(A.M. Gokhale)
Chairman

Place: New Delhi

Date: 31st December, 2004

Review of Accounts of Indian Renewable Energy Development Agency Ltd. for the year ended 31st March, 2004 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 Auditor's Report.

1. Financial Position

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

	2001-02	2002-03	2003-04
(Rs. in Crore)			
LIABILITIES			
a) <u>Paid up Capital</u>			
i) Government	250.35	285.35	325.35
ii) Others	0.00	0.00	0.00
b) <u>Reserves & Surplus</u>			
i) Free Reserves & Surplus	68.89	105.34	121.01
ii) Capital Grants	9.05	10.13	11.24
iii) Capital Reserves	101.73	100.73	100.73
iv) NBFC Reserves	6.79	6.79	6.79
c) <u>Borrowings</u>			
i) From Government of India	415.16	421.87	190.70
ii) From Financial Institutions	503.13	567.39	795.61
iii) Foreign Currency Loans	411.70	672.25	566.58
iv) Others (Tax free bonds)	460.99	480.99	392.50
d) <u>Current Liabilities & Provisions</u>			
i) Current Liabilities & Provisions	184.42	233.51	153.79
ii) Provision for Leave Encashment	0.18	0.26	0.25
Total	2412.39	2884.61	2664.55
ASSETS			
e) Gross Block	10.00	10.53	11.09
f) Less: Depreciation	6.60	7.04	7.64
g) Net Block	3.40	3.49	3.45
h) Investments	0.12	0.12	0.12
i) Current Assets, Loans & Advances	2405.55	2850.48	2620.12
j) Misc-expenditure not written off	3.32	1.69	1.22
k) Deferred Tax Assets	0.00	28.83	39.64
Total	2412.39	2884.61	2664.55
l) Working Capital [i-d(i)]	2221.13	2616.97	2466.33
m) Avg. Capital Employed	2096.72	2515.69	2371.75
n) Net Worth [a+b(i)-j]	315.92	389.00	445.14
o) Net Worth per rupee of paid-up capital (in rupees)	1.26	1.36	1.37

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:

	2001-02	2002-03	2003-04
			(in Percentage)
A Liquidity Ratio	1304.39	1220.71	1703.70
Current Ratio			
(Current Assets to Current Liabilities & provisions and interest accrued & due but excluding provision for gratuity/leave encashment [I/d(i)])			
B Debt Equity Ratios	566.91	550.77	437.03
Long term Debt [Net worth c(i) to c(iii) but excluding short term loans] to Net Worth			

C. Profitability Ratios

	2001-02	2002-03	2003-04
a) Profit before Tax to			
i) Capital employed	0.82	0.93	1.27
ii) Net Worth	5.41	6.00	6.78
iii) Operational Income	8.17	9.89	12.69
b) Profit after Tax to Equity	1.64	6.07	7.17
c) Earning per share (in Rupees) (Face Value Rs. 1000/-)	16.39	60.74	71.74

3. Sources and Utilisation of Funds

Funds amounting to Rs. 208.47 crores were generated from internal and external sources and utilised during the year 2003-04 as shown below:

Sources of Funds	(Rs. in Crore)
Increase in Paid-up Capital	40.00
Increase in Cumulative Depreciation	0.60
Increase in Reserves and Surplus	16.77
Decrease in Net Working Capital	150.63
Decrease in Net Miscellaneous Expenses and Losses	0.47
Total	208.47

Utilisation of Funds

Increase in Gross Block	0.56
Increase in Deferred Tax Assets	10.80
Decrease in Long Term Loans	197.11
Total	208.47

4. Working Results

	2001-02	2002-03	2003-04
1. Income	225.87	253.51	248.34
2. Profit/Loss before Tax and Prior period adjustment	16.96	23.37	30.26
3. Prior period adjustments	0.13	-0.04	-0.06
4. Profit/Loss before Tax	17.09	23.33	30.20
5. Tax Provision (Net)	12.98	11.20	14.00
6. Interest paid to I.T. Department	-	-	3.66
			12.54
7. Deferred Tax Credit	0.00	-5.20	-10.80
8. Profit after Tax and available for appropriation	4.11	17.33	23.34
9. Proposed dividend including dividend tax	4.00	4.51	4.52

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, 2004:

Year	Balance outstanding at the beginning of the year				Loans disbursed during the year	Interest for the year on outstanding loans	Repayments received during the year	Amount outstanding at the end of the year			
	Repayments outstanding but not due	Repayment due	Total	Interest accrued and due				Repayment outstanding but not due	Repayment due	Total	Interest accrued and due
2000-01	1006.89	64.37	1071.26	12.09	577.07	140.79	143.73	1396.90	107.85	1504.75	7.69
2001-02	1396.90	107.85	1504.75	7.69	607.70	210.95	147.30	1761.31	182.25	1943.56	12.29
2002-03	1761.31	182.25	1943.56	12.29	345.92	241.32	220.48	1794.14	262.42	2056.56	14.09
2003-04	1794.14	262.42	2056.56	14.09	343.27	223.37	441.03	1735.29	193.54	1928.83	12.56

Place: New Delhi

Date: 31.12.2004

(Vijaya Moorthy)

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] for the financial year 2003-04

Sl. No.	Auditor's Report	Management Reply
A (f)	Note No. 5 regarding depreciation on leasehold building which is reproduced below:- 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.	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 and HPL can enter into an 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.
A (f)	Note No. 6 regarding Office Equipments which is reproduced below:- Office Equipment includes Rs.12,730 (Previous Year Rs.14,786) being the written down value of 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.	IREDA has been regularly pursuing for collection of the items from the Hon'ble Ex-Minister of State for Non-Conventional Energy Sources.
A (f)	Note No. 7 regarding 25 Small Hydro Projects which is reproduced below:- During the year, 25 Small Hydro Projects located in the state of Andhra Pradesh could not generate power due to drought. Out of these 25 projects, the loans sanctioned to 22 projects have been rescheduled and treated as standard assets in terms of relaxation in prudential norms granted by MNES vide letter No. 1/31/2000-IREDA dated 26th October, 2004.	Statement of fact. The accounting treatment for the drought hit Small Hydro Projects in the state of Andhra Pradesh has been given in terms of guidelines issued by Ministry of Non-Conventional Energy Sources.



IREDA financed 0.8 MW SHP project set up at Banathal Village, Gulbarga District, Karnataka under World Bank line of credit.

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, 2004 and the Profit & Loss Account and also Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A) We report that

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
- The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- in our opinion, Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 in so far as they are applicable to the Company;
- the provision of Section 274(1)(g) of the Companies Act, 1956 are not applicable to the Company;
- in our opinion and to the best of our information and according to the explanation given to us, subject to Note No. 5 regarding depreciation on lease-hold building, Note No. 6 regarding office equipments, Note No. 7 regarding the Small Hydro Projects in the

State of Andhra Pradesh, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

- in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2004; and
- in the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.
- in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

B) As required by the Companies (Auditor's Report) Order 2003, under Sub Section (4A) Section 227 of the Companies Act, 1956, We further report that in terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - According to the information given to us, physical verification of assets was conducted by the management at the year end and no major discrepancies have been noticed on such physical verification except as mentioned in Note No.7 of Schedule "Q". The frequency of physical verification according to us is reasonable.
 - The Company has not disposed off, any assets during the year.
- The Company has neither granted nor taken any loan from any party covered in the register maintained under Section 301 of the Companies Act, 1956.
 - The interest paid or received on loans availed or loans given are prima-facie not prejudicial to the interest of the Company.
 - The Company is regular in payment of the principal and interest to its lenders. However, all the borrowers of IREDA are not regular.
 - All reasonable steps were taken to recover the overdues.
- There are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets, and other applicable purchases.

- 4) There are no transaction during the year, which are required to be registered in the Register maintained pursuant of Section 301 of the Companies Act, 1956.
- 5) The Company has not accepted public deposits from the public.
- 6) The internal audit system is commensurate with its size and nature of its business.
- 7) a) The Company is regular in depositing all undisputed statutory dues including Provident Fund, Income Tax and other statutory dues with the appropriate authorities.
b) All disputed Income Tax demands have been paid and there are no outstanding dues as on date.
- 8) The Company is making profit since inception. There are no accumulated losses.
- 9) The Company has not defaulted in any debt service payment. All payments due to the bond holders, interest / repayment due on all the borrowings are paid on or before due date.
- 10) Adequate documents and records are maintained in cases where the Company has granted loans and advances on the basis of security by way of pledge and other securities.
- 11) a) As per Government of India directions, RBI prudential norms applicable to FIs are being followed by IREDA, as modified by the Government of India.
- b) The Company has in place adequate procedures for appraisal of credit proposals / requests, assessment of credit needs and repayment capacity of the borrowers.
- 12) The Company has not given any guarantee for loans taken by others, from bank or Financial Institutions.
- 13) According to the information and explanation given to us, the term loans were applied for the purpose for which the loans were obtained.
- 14) The funds raised on long term basis have not been used for short term investment and vice versa.
- 15) The tax free bonds issued by the Company are secured by negative lien on the assets of the Company.
- 16) According to the information and explanation given to us, no fraud has been noticed or reported on or by the Company, during the year.
- 17) The other clauses of the said order, namely 2, 8, 13-A & 13-D, 14, 18 and 20 are not applicable.

For K. G. SOMANI & CO.
Chartered Accountants

(K. G. SOMANI)
PARTNER

Place : New Delhi
Dated : 22.11.2004

Membership No.6238

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, 2004 and 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 147th meeting held on 30th April, 2003 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, 2004;

- (D) Subject to Note No.7 & 8 on the accounts, regarding basis of valuation of securities for doubtful debts, the Company has complied with the accounting standards, prudential norms relating to income recognition; asset classification and provisioning for the bad and doubtful debts as per norms applicable to term lending institutions, as approved by the Government of India.
- (E) As stated in Note No.20 on the accounts, there is delay in implementation of guidelines issued by the Reserve Bank of India, on Assets and Liability Management (ALM) system, which are required to be implemented by all the Non-Banking Financial Companies (NBFCs). However, the reports viz; Structural Liquidity, Dynamic Liquidity and Interest Rate Sensitivity as on 31st March, 2004, have been compiled in Excel sheet.

for K.G.SOMANI & CO.
Chartered Accountants

Place: New Delhi
Date: 1st December, 2004

(K.G. SOMANI)
Membership No. 6238

Annexure-II

Comments of IREDA's Management on Auditors' Report Pursuant to Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998 for the financial year 2003-04.

Sl. No.	Auditors' Report	Management Reply
(D)	Subject to Note No. 7 on the accounts, regarding basis of valuation of securities for doubtful debts, the Company has complied with the accounting standards, prudential norms relating to income recognition; asset classification and provisioning for the bad and doubtful debts as per norms applicable to term lending institutions.	Statement of fact. The accounting treatment for the drought hit Small Hydro Projects in the state of Andhra Pradesh has been given in terms of guidelines issued by Ministry of Non-Conventional Energy Sources.
(D)	Subject to Note No. 8 on the accounts, regarding basis of valuation of securities for doubtful debts, the Company has complied with the accounting standards, prudential norms relating to income recognition; asset classification and provisioning for the bad and doubtful debts as per norms applicable to term lending institutions.	As per the prudential norms prescribed by Ministry of Non-Conventional Energy Sources, IREDA is required to follow the prudential norms applicable to Financial Institutions to make provision for non performing assets. As per RBI Circular No. FIC. No. 841/01.02.00/93-94 dated 28th March, 1994, 100% provision has to be made to the extent to which advances are not covered by the realisable value of the security. As per the RBI circular, the realisable value of security is to be estimated on a realistic basis. The realisable value is estimated by working out the same from the balance sheet of the borrower by applying the depreciation as per rates prescribed under Schedule XIV of the Companies Act, 1956. Further, the balance sheet of the borrower(s), if older than 5 years from the financial year for which the shortfall is worked out, the same is ignored. The above method is more realistic and followed consistently.
(E)	As stated in Note No. 20 on the accounts, there is delay in implementation of guidelines issued by the Reserve Bank of India, on Assets and Liability Management (ALM) system, which are required to be implemented by all the Non-Banking Financial Companies (NBFCs). However, the reports viz; Structural Liquidity, Dynamic Liquidity and Interest Rate Sensitivity as on 31 st March, 2004 have been compiled in Excel sheet.	The guidelines issued by the Reserve Bank of India (RBI) on Assets and Liability Management (ALM) System are required to be implemented by all the Non-Banking Financial Companies (NBFCs). As required, Asset Liability Committee (ALCO) has been constituted and communicated to Reserve Bank of India. The implementation of the system requires positioning of software in IREDA which has been installed and now the ALM system is fully operational and the reports viz; Statement of Structural Liquidity, Statement of Short Term Dynamic Liquidity and Statement of Interest Rate Sensitivity as on 31 st March, 2004 have been compiled in excel sheet and sent to the ALM Consultant for confirmation/correctness of the report. Based on the ALM report, further action shall be taken to reduce the gap which is a continuous process.

Balance Sheet

as at 31st March, 2004

	SCHEDULE	As at 31.3.2004 Rs.	As at 31.3.2003 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	3,253,500,000	2,853,500,000
Reserves and Surplus	B	2,397,683,120	2,229,957,634
Loan Funds			
Secured Loans	C	11,881,051,244	10,483,734,300
Unsecured Loans	D	7,572,814,467	10,941,261,076
		25,105,048,831	26,508,453,010
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	110,885,308	105,284,189
Less : Depreciation		76,422,786	70,414,627
Net Block		34,462,522	34,869,562
Investments	F	1,200,000	1,200,000
Current Assets, Loans & Advances			
Current Assets	G	6,803,854,677	7,440,560,588
Loans & Advances	H	19,397,280,986	21,063,876,375
		26,201,135,663	28,504,436,963
Less : Current Liabilities & Provisions			
Current Liabilities	I	996,555,084	1,757,420,019
Provisions	J	543,793,691	579,889,558
		1,540,348,775	2,337,309,577
Net Current Assets		24,660,786,888	26,167,127,386
Deferred Tax Assets	K	396,372,000	288,362,000
Miscellaneous Expenditure			
(to the extent not written off or adjusted)		12,227,421	16,894,062
		25,105,048,831	26,508,453,010
Accounting Policies and Notes on Accounts	Q		

As per our Report of even date
For K G Somani & Co
Chartered Accountants

K G Somani
Partner, M. No.6238

A M Gokhale
Chairman

T Prabakaran
Director(Finance) & Managing Director

Place : New Delhi
Date : 22.11.2004

Debashish Majumdar
Director (Technical)

R K Sachdeva
Company Secretary

Profit and Loss Account

for the year ended 31st March, 2004

	SCHEDULE	Year ended 31.3.2004 Rs.	Year ended 31.3.2003 Rs.
INCOME			
Income from operations	L	2,379,039,744	2,358,056,619
Other Income	M	104,334,315	177,086,160
		2,483,374,059	2,535,142,779
EXPENDITURE			
Personnel	N	51,157,216	47,962,428
Administrative and Others	O	32,827,499	45,269,733
Depreciation		5,510,769	6,289,320
Finance Charges	P	1,497,017,274	1,913,901,466
General Provision for Standard Assets		166,528,009	2,152,909
Provision for Bad & Doubtful debts		124,413,545	146,866,189
Bad debts written off		303,259,788	126,575,687
		2,180,714,100	2,289,017,732
PROFIT FOR THE YEAR		302,659,959	246,125,047
Prior period Adjustments (net)		-630989	-438501
PROFIT BEFORE TAX		302,028,970	245,686,546
INCOME TAX			
- Current Year		140,000,000	112,000,000
- Interest paid to IT department		36,635,419	12,405,026
- Deferred Tax credit		-108010000	-52,031,000
PROFIT AFTER TAX		233,403,551	173,312,520
Add : Balance in Profit & Loss Account brought from Previous Year		44,124,138	5,501,458
Less : Provision of Income Tax for earlier years		31,630,000	—
Add : Excess Provision for earlier years		—	3,160
PROFIT AVAILABLE FOR APPROPRIATION		245,897,689	178,817,138
APPROPRIATIONS			
Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		191,303,000	89,568,000
Proposed Dividend		40,000,000	40,000,000
Dividend Tax		5,227,500	5,125,000
Surplus carried to Balance sheet		9,367,189	44,124,138
		245,897,689	178,817,138
Accounting Policies and Notes on Accounts	Q		

As per our Report of even date
For K G Somani & Co
Chartered Accountants

K G Somani
Partner, M. No.6238

A M Gokhale
Chairman

T Prabakaran
Director(Finance) & Managing Director

Place : New Delhi
Date : 22.11.2004

Debashish Majumdar
Director (Technical)

R K Sachdeva
Company Secretary

Schedules

PARTICULARS	As at 31.3.2004 Rs.	As at 31.3.2003 Rs.
A. SHARE CAPITAL		
Authorised		
40,00,000 (40,00,000) Equity Shares of Rs. 1,000 each	4,000,000,000	4,000,000,000
Issued, Subscribed & Paid up		
3253500 (2853500) Equity Shares of Rs. 1,000 each fully paid up	3,253,500,000	2,853,500,000
	3,253,500,000	2,853,500,000
B. RESERVES & SURPLUS		
Capital Reserve :		
(I) Grant-in-Aid from :		
Government of Netherlands	167,858,986	167,858,986
World Bank - GEF Project Grant	793,570,095	793,570,095
World Bank - SDC Project Grant	45,914,000	45,914,000
Sub Total (I)	1,007,343,081	1,007,343,081
(II) Capital Grant		
Capital Grants from World Bank for purchase of Fixed Assets		
Balance from Previous year	9,579,753	9,880,021
Received during the year	2,882,980	3,014,910
	12,462,733	12,894,931
Less : Transferred to Miscellaneous Income	-2,922,445	-3,315,178
	9,540,288	9,579,753
UNDP Hilly Hydro Capital Grant	102,897,598	91,678,698
Sub Total (II)	112,437,886	101,258,451
Total (I)+(II)	1,119,780,967	1,108,601,532
Special Reserve (under section 36(1)(viii) of Income Tax Act,1961)		
(A) Created up to 31.3.97	119,573,145	119,573,145
(B) Additions after 31.3.97	397,935,000	308,367,000
Addition During the Year	191,303,000	89,568,000
	708,811,145	517,508,145
NBFC Reserve	67,933,276	67,933,276
Debenture Redemption Reserve	177,459,543	177,459,543
General Reserve		
Balance from Previous year	314,331,000	78,000,000
Addition during the year from Deferred Tax Credit	—	236,331,000
	314,331,000	314,331,000
Profit & Loss Account	9,367,189	44,124,138
	2,397,683,120	2,229,957,634

PARTICULARS	As at 31.3.2004 Rs.	As at 31.3.2003 Rs.
C. SECURED LOANS		
Tax Free Bonds		
(Secured by negative lien on assets of the Company)		
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
Tranche II on 27.03.2004	—	298,540,000
Tranche III on 31.03.2004	—	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
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*	15,000,000	190,000,000
Tranche III on 16.03.2006*	100,000,000	300,000,000
Tranche IV on 17.03.2006	—	100,000,000
Put/call option is available at the end of 5 th year.		
* Interest rate reduced on Bonds worth Rs. 42.50 crores from 10.5% to 6% w.e.f. 22.12.2003, 5.1.2004 and 16.3.2004 respectively. Bonds worth Rs. 47.50 crores were redeemed by exercising call option		
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	500,000,000
8.50% Tax free Secured Redeemable Energy Bonds (Series VIII- 2000-01)		
Redeemable at par after the expiry of 7 years i.e. on 30.8.2007	100,000,000	100,000,000
8.75% Tax free Secured Redeemable Energy Bonds (Series VIII- 2000-01)		
Redeemable at par after the expiry of 7 years i.e. on 31.8.2007	100,000,000	100,000,000
9% Tax free Secured Redeemable Energy Bonds (Series VIII- 2000-01)		
Redeemable at par after the expiry of 7 years i.e. on 1.9.2007	300,000,000	300,000,000
8.75% Tax free Secured Redeemable Energy Bonds (Series IX- 2001-02)		
Redeemable at par after the expiry of 7 years as under		
Tranche I on 20.11.2008	100,000,000	100,000,000
Tranche II on 15.12.2008*	300,000,000	300,000,000
* Put/call option is available at the end of 5 th year.		
8.50% Tax free Secured Redeemable Energy Bonds (Series IX- 2001-02)		
Redeemable at par after the expiry of 7 years i.e. on 20.11.2008		
Put/call option is available at the end of 5 th year.	100,000,000	100,000,000
6.00% Tax free Secured Redeemable Energy Bonds (Series X- 2002-03)		
Redeemable at par after the expiry of 10 years on 17-1-2013		
Put/call option is available at the end of 7 th year	500,000,000	500,000,000

PARTICULARS	As at 31.3.2004 Rs.	As at 31.3.2003 Rs.
5.50% Tax free Secured Redeemable Energy Bonds (Series XI- 2003-04)		
Redeemable at par after the expiry of 10 years on 22-10-2013		
Put/call option is available at the end of 7 th year	500,000,000	—
Bank Loans		
Bank of Baroda Rupee Loan (secured by ADB US\$ deposit)	2,357,101,244	2,447,364,300
Canara Bank Rupee Loan (secured by EURO deposit)	3,207,950,000	1,400,450,000
Canara Bank Rupee Loan (secured by IBRD US\$ deposit)	36,000,000	36,000,000
State Bank of India Term Loan(secured by charge on the book debts)	—	750,000,000
Oriental Bank of Commerce Term Loan-I (secured by charge on the book debts)	500,000,000	500,000,000
Oriental Bank of Commerce Term Loan-II (secured by charge on the book debts)	300,000,000	—
Canara Bank Term Loan-I (secured by charge on the book debts)	1,000,000,000	540,000,000
Canara Bank Term Loan -II (secured by charge on the book debts)	305,000,000	—
The South Indian Bank Term Loan (secured by charge on the book debts)	250,000,000	—
	11,881,051,244	10,483,734,300

D. UNSECURED LOANS

A. Loans Guaranteed by the Government of India

From		
Asian Development Bank	2,288,028,338	4,624,635,377
KfW-Germany	3,279,426,126	2,062,311,727
IBRD	98,360,003	35,613,750

B. Government Loans

Against		
IDA Credit-Renewable Resources Development Project	—	2,731,700,222
IDA Credit- Second Renewable Energy Project	1,907,000,000	1,487,000,000
	7,572,814,467	10,941,261,076

E. FIXED ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1.4.2003	Additions during the year	Disposals during the year	Adjust- ments during the year	As at 31.03.2004	As at 1.4.2003	For the year	Disposal during the year	Adjust- ments during the year	As at 31.03.2004	As at 31.03.2004	As at 31.03.2003
Buildings-residential- leasehold	4,143,149	—	—	—	4,143,149	1,500,678	132,123	—	—	1,632,801	2,510,348	2,642,471
Buildings-office- leasehold	26,410,058	—	—	—	26,410,058	9,228,837	859,061	—	—	10,087,898	16,322,160	17,181,221
Office Equipment	10,829,231	6,794	—	—	10,836,025	4,161,655	929,042	—	—	5,090,697	5,745,328	6,667,576
Computers	53,503,384	148,105	—	3,462,910	57,114,399	48,122,613	2,952,593	—	497,390	51,572,596	5,541,803	5,380,771
Furniture & Fixtures	7,315,598	1,479,233	—	—	8,794,831	4,878,193	478,959	—	—	5,357,152	3,437,679	2,437,405
Vehicles	1,447,536	—	—	—	1,447,536	887,418	145,014	—	—	1,032,432	415,104	560,118
Library	1,635,233	13,977	—	—	1,649,210	1,635,233	13,977	—	—	1,649,210	—	—
Total A	105,284,189	1,648,109	—	3,462,910	110,395,208	70,414,627	5,510,769	—	497,390	76,422,786	33,972,422	34,869,562
Previous year	99,677,343	8,224,096	2,617,250	—	105,284,189	65,987,478	6,289,320	1,862,171	—	70,414,627	34,869,562	33,689,865
Capital Work In Progress	—	490,100	—	—	490,100	—	—	—	—	—	490,100	—
Total B	—	490,100	—	—	490,100	—	—	—	—	—	490,100	—
Previous year	288,250	—	288,250	—	—	—	—	—	—	—	—	288,250
Total A+B	105,284,189	2,138,209	—	3,462,910	110,885,308	70,414,627	5,510,769	—	497,390	76,422,786	34,462,522	34,869,562
Previous year	99,965,593	8,224,096	2,905,500	—	105,284,189	65,987,478	6,289,320	1,862,171	—	70,414,627	34,869,562	33,978,115

PARTICULARS

As at 31.3.2004
Rs.

As at 31.3.2003
Rs.

F. INVESTMENTS

Unquoted (At Cost)

1,68,000 Equity shares of Rs.10/- each, including 48,000 equity shares allotted as bonus shares (Previous Year 1,68,000) in MP Wind Farms Ltd. fully paid up	1,200,000	1,200,000
	1,200,000	1,200,000

G. CURRENT ASSETS

1. Cash and Bank balances

Cash in hand (imprest)	75,472	50,000
Cheques in Hand (MNES)	1,784,255	—
Bank balances with Scheduled Banks		

A) In Current Account

- IREDA	298,422,997	100,213,600
- MNES	12,204,942	10,460,346
- UNDP	32,595,361	27,228,361

B) In Deposit Account

a) - INR-Short term Deposit		
- IREDA	650,000,000	404,000,000
- MNES	39,800,000	27,400,000
- MNES - NETCOF	—	44,503,838
- UNDP - HH Grant	8,551,720	
b) Foreign Currency Deposit		
- Dollar Deposit	2,403,370,218	4,673,725,639
- EURO Deposit	3,279,392,341	2,067,195,466

C) Cheques Under Collection

	43,362,398	41,983,598
	6,769,559,704	7,396,760,848

2. Interest accrued but not due on Loans and Deposits

- On Loans	13,448,693	14,834,860
- On deposit with banks	20,846,280	28,964,880
	6,803,854,677	7,440,560,588

H. LOANS & ADVANCES

Loans to Constituents IREDA

Interest Accrued and due on Loans	19,707,422,066	20,841,665,888
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Loans to Employees

	125,575,589	140,542,213
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Sub Total -I

	9,511,478	10,550,692
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Advances (Unsecured, considered good)

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

Security Deposits	502,346	569,480
Staff Advances	812,048	1,000,510
Advance Tax, Additional Tax Paid & Tax Recoverable	293,807,659	620,309,475
Others	32,297,071	53,530,160

Sub Total -II

	327,419,124	675,409,625
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Total III=(I+II)

	20,169,928,257	21,668,168,418
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Less : Provision for Bad & doubtful debts (IREDA Only)

	-908,608,003	-784,194,458
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Total Loans & Advances to constituents of IREDA

	19,261,320,254	20,883,973,960
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Loans to constituents of MNES

	135,960,732	179,902,415
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Total Loans to constituents of IREDA & MNES

	19,397,280,986	21,063,876,375
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PARTICULARS	As at 31.3.2004 Rs.	As at 31.3.2003 Rs.
Particulars of loan & Advances :		
IREDA		
- Loans considered good in respect of which company is fully secured	18,162,705,971	18,537,749,579
- Loans considered good in respect of which company holds no security other than personal security of the borrower	319,255,562	601,028,076
- Others	327,419,124	675,409,625
- Loans considered doubtful	1,360,547,600	1,853,981,138
	20,169,928,257	21,668,168,418
Less : Provision for Bad & doubtful debts (IREDA Only)	-908,608,003	-784,194,458
	19,261,320,254	20,883,973,960
MNES		
- Loans considered good in respect of which company is fully secured	52,402,139	65,990,760
- Loans considered good in respect of which company holds no security other than personal security of the borrower	17,811,922	48,164,983
- Loans considered doubtful	65,746,671	65,746,672
	135,960,732	179,902,415
GRAND TOTAL	19,397,280,986	21,063,876,375
- Due from Directors of the Company	272,860	340,379
- Due from other officers of the Company	16,949,331	17,061,216
- Maximum amount due at any time during the year from directors of the company	521,329	1,212,245
- Maximum amount due at any time during the year from officers of the company	19,775,307	20,695,659
I. CURRENT LIABILITIES		
Sundry Creditors	1,926,134	1,679,458
Provident Fund Payable	245,525	235,012
MNES Programme Funds	612,742,857	681,124,731
MNES Co Gen Specific Grant	63,922,029	79,917,642
UNDP Programme Funds	28,593,270	26,568,506
Interest accrued but not due	171,377,810	369,693,675
MNES- NETCOF	—	44,503,838
Other Liabilities	117,747,459	165,457,585
Book Overdraft (IREDA)	—	388,239,572
	996,555,084	1,757,420,019
J. PROVISIONS		
Standard Assets	211,304,453	44,776,444
Income-tax	275,502,915	479,131,000
Proposed Dividend	40,000,000	40,000,000
Dividend Tax	5,227,500	5,125,000
Leave Encashment	2,524,630	2,555,762
Other Provisions	9,234,193	8,301,352
	543,793,691	579,889,558
K. DEFERRED TAX ASSETS		
Balance from previous year	288,362,000	236,331,000
Addition during the year	108,010,000	52,031,000
	396,372,000	288,362,000

PARTICULARS	For the Year ended 31.3.2004 Rs.	For the Year ended 31.3.2003 Rs.
L. INCOME FROM OPERATIONS		
Interest on Loans	2,332,198,508	2,413,190,832
Less : Rebate on Prompt Payment	-98,104,815	-122,613,949
Less : Special Incentive	-359,250	-1,767,968
	2,233,734,443	2,288,808,915
Front end Fee	30,712,385	37,729,413
Application Fee	2,935,000	3,301,850
Recovery out of Bad Debts written off	3,070,000	2,740,130
Prepayment Premium	107,883,817	24,805,924
MNES Service Charges	704,099	670,387
	2,379,039,744	2,358,056,619
M. OTHER INCOME		
Interest on Deposits		
- On STD	5,253,734	25,475,615
- On US\$ Deposit	33,991,573	68,610,256
- On GEF II	210,296	246,447
- On EURO Deposit	54,709,606	58,761,317
	94,165,209	153,093,635
Interest on Staff Loan	1,001,156	1,110,849
Service charges UNDP Programme Fund	2,880,614	1,758,908
Interest on Income Tax Refund	2,594,635	17,141,069
Difference In exchange	750,829	588,372
Miscellaneous income - Transfer from Capital Grant	2,922,445	3,315,178
- Others	19,427	78,149
	104,334,315	177,086,160
N. PERSONNEL EXPENSES		
Salaries, Wages and other amenities	41,064,338	39,383,906
Contribution to Provident Fund	2,906,013	2,776,119
Contribution to Benevolent fund	70,930	72,420
Contribution to Gratuity	1,358,856	1,103,633
Human Resource Development	502,222	445,300
Staff Welfare	5,198,487	4,178,702
Recruitment	56,370	2,348
	51,157,216	47,962,428

PARTICULARS	For the Year ended 31.3.2004 Rs.	For the Year ended 31.3.2003 Rs.
O. ADMINISTRATIVE EXPENSES		
Business Promotion	1,505,997	4,501,851
Director Sitting Fee	122,000	138,000
Travelling & Conveyance	8,569,878	9,929,664
Electricity & Water Charges	163,706	185,253
Information & Dissemination	4,901,566	917,823
Insurance	208,889	200,433
Legal & Professional Fee	3,322,987	7,910,284
Loss on Sale of Fixed Assets	—	570,081
Newspapers and Periodicals	590,198	620,093
Office Maintenance	965,036	995,511
Office rent	3,068,386	4,446,489
Postage Telegram & Telephone	1,407,756	1,780,283
Printing and Stationery	2,162,869	2,628,944
Rates & Taxes	921,112	497,781
Repair & Maintenance	2,867,743	2,438,907
ROC Filing Fee	5,050	6,400,000
Miscellaneous	2,044,326	1,108,336
	32,827,499	45,269,733
P. FINANCE CHARGES		
Finance Charges		
Interest on Borrowings		
- on Bonds	444,055,664	460,201,189
- on Loans	869,670,892	1,371,825,084
	1,313,726,556	1,832,026,273
Other Finance Charges		
Miscellaneous Expenditure written off	8,416,661	20,040,362
Bond Trusteeship fee	739,011	817,582
Bank Charges	44,826	76,793
ADB Prepayment Premium	83,167,997	—
Commitment fee		
- ADB	—	6,317,757
- KfW	2,572,705	3,461,185
- IBRD	8,830,150	9,556,346
GOI Guarantee Fee		
- ADB	16,154,229	23,103,605
- KfW	26,470,086	18,074,153
- IBRD	932,388	427,410
	147,328,053	81,875,193
Others	35,962,665	—
	1,497,017,274	1,913,901,466

Q. ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

(1) General

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

(2) Revenue Recognition

(i) Income and expenses are 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 due for 180 days or more or (ii) loan installments of principal are due for 180 days or more on the Balance Sheet date. Such income are recognized on realization basis.

(ii) Loan/ Bond issue expenses such as front-end fee/ Arranger's fee, Stamp duty, etc., are written off during the tenure of the loan/bond.

(iii) 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

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Current assets and liabilities are re-stated at the FEDAI exchange rate prevailing at the year end. The difference between the year end and the exchange rate at the date of transaction is recognized as income or expense in the Profit & Loss A/c and accounted as per the Accounting Standard issued by ICAI.

(4) Fixed Assets

(i) Premises and other assets are stated at historical cost.

(ii) Depreciation on fixed assets (including leasehold properties) is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

(iii) Depreciation on Library books is provided @ 100% in the year of purchase.

(5) Insurance Claims

Insurance claims are accounted for as and when admitted by the insurer.

(6) Investments

Investment in equity shares of units financed are classified as Long Term and valued at cost.

(7) Income Recognition, Asset Classification and Provisioning with respect to Loan

IREDA is a Non Banking Financial Company registered with Reserve Bank of India and follow the guidelines in case of income recognition, asset classification and provisioning, issued by Reserve Bank of India for financial institutions and comply with the disclosure requirements as contained in RBI circulars, as amended from time to time and as approved by MNES.

(8) Loans

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

(9) Grants

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

(10) The Staff Benefits

- 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.
- Gratuity
The Company has taken Master Policy from 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.
- Leave Encashment
The liability on account of leave encashment is provided on the basis of actuarial valuation at the year end.
- Benevolent Fund
Company contributes to IREDA Employees' Benevolent Fund Scheme. The contribution of Company is charged to Revenue Account.

B. NOTES ON ACCOUNTS :

(1) Contingent liabilities not provided for:-

- Income tax demand of Rs. Nil (Previous year – Rs. 57,77,390) not acknowledged as debt based upon the rectifications and appeal pending with the assessing authority.
- Claims against the Company not acknowledged as debt Rs. Nil (Previous year – Rs. 6,00,12,000).
- Interest on unutilised amount of interest subsidy to be refunded to MNES (amount not ascertainable).
- The estimated amount of contracts remaining to be executed on Capital account and not provided for is Rs. 4,90,100 (Previous year – Rs.9,61,049).

(2) MNES Programme Funds :

- The Company besides its own activities implements Programmes on behalf of Ministry of Non-Conventional Energy Sources on the basis of Memorandum of Understanding entered into with them. In terms of stipulations of each of the MoUs, MNES has placed an agreed sum in respect of each Programme with IREDA for programme implementation. 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 in separate bank account with Nationalised Banks as short-term deposits, is shown under Current Liabilities in the Balance Sheet.
- Current liabilities include Rs. Nil (Previous year – Rs.4,45,03,838) which represents contribution and interest received on the Non Conventional Energy Technology Commercialization Fund (NETCOF). The funds received from MNES are to facilitate the implementation of the Scheme on NETCOF to support the

commercialisation of indigenous development of Non Conventional Energy Technologies. The interest earned by the fund is accounted on cash basis. The equivalent amount is shown under Current Assets. The entire fund along with interest earned has been refunded to MNES during the current financial year.

- MNES has created a Revolving Fund out of UNDP – GEF sources with an initial contribution of US \$ 1.40 millions for the development of Small Hydro Project in Hilly Areas. The initial contribution to IREDA has been treated as a capital grant and interest accrued credited to the fund.

(3) Subsidy

(a) Interest Subsidy

As per the Government policy, MNES is providing interest subsidy. The interest subsidy is released to programmes like Co-generation, Small Hydro, Briquetting, Biomass and Waste to Energy on NPV basis and for Solar and SPV programmes on actual basis. The interest subsidy is to be passed on to the borrowers on quarterly basis subject to the borrowers complying with the terms and conditions of the sanction.

The undisbursed interest subsidy as on 1-4-2003 was Rs.42,29,63,135 (Previous year Rs.37,70,92,235) and IREDA received during the year Rs.21,71,62,698 (Previous year Rs.21,72,57,710). Out of this, a sum of Rs.20,73,51,177 (Previous year Rs.16,18,78,810) has been passed on during the year to the borrowers on compliance of the terms and conditions of the interest subsidy scheme. Further, during the year a sum of Rs.6,61,26,983 (Previous year - Rs.95,08,000) has been refunded to MNES on account of loan recalled/preclosed by the borrowers. The total undisbursed interest subsidy as on 31-3-2004 stands at Rs.36,66,47,673 (Previous year - Rs. 42,29,63,135).

During the year, the proportionate interest subsidy (difference between gross subsidy and upfront subsidy) to the tune of Rs. 2,68,39,589 (Previous year - Rs.2,24,97,439) has not been passed on to the borrowers due to non compliance of the terms and conditions of the interest subsidy sanction.

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2004 are as under:-

(i) Interest subsidy on NPV basis:-

(Amount in Rupees)						
Sl. No.	Name of the sector	Opening Balance as on 1.4.2003	Interest Subsidy received during 2003-04	Amount refunded during 2003-04	Interest Subsidy passed on during 2003-04	Closing Balance as on 31.3.2004
1	Bio-mass	290,733,328	64,846,000	66,126,983	78,814,052	210,638,293
	Co-generation	(285,993,851)	(88,570,000)	(9,508,000)	(74,322,523)	(290,733,328)
2	Bio Methenation	9,812,277	0.00	0.00	891,340	8,920,937
		(11,076,187)	(0.00)	(0.00)	(1,263,910)	(9,812,277)
3	Biomass Briquetting	1,156,886	0.00	0.00	301,679	855,207
		(1,527,984)	(0.00)	(0.00)	(371,098)	(1,156,886)
4	Small Hydro	113,631,252	98,281,698	0.00	41,030,687	170,882,263
		(89,765,048)	(42,391,840)	(0.00)	(18,525,636)	(113,631,252)
5	Waste to Energy	13,700,000	10,835,000	0.00	3,977,797	20,557,203
		(0.00)	(13,700,000)	(0.00)	(0.00)	(13,700,000)
Sub Total....A		429,033,743	173,962,698	66,126,983	125,015,555	411,853,903
		(388,363,070)	(144,661,840)	(9,508,000)	(94,483,167)	(429,033,743)

(ii) Interest subsidy on actual basis:-

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2003	Subsidy received during 2003-04	Amount refunded during 2003-04	Subsidy passed on during 2003-04	Closing Balance as on 31.3.2004
1	Solar Thermal Sector	(-) 61,79,005 (-) (1,21,63,286)	3,85,00,000 (2,85,00,000)	0.00 (0.00)	2,89,04,983 (2,25,15,720)	34,16,011 (-) (61,79,006)
2	SPV WP 2000-01	(-) 11,372 (8,78,724)	0.00 (1,43,89,000)	0.00 (0.00)	1,36,84,348 (1,52,79,096)	(-) 1,36,95,720 (-) (11,372)
3	SPV WP 2001-02	59,890 (0.00)	0.00 (1,46,33,120)	0.00 (0.00)	1,82,08,995 (1,45,73,230)	(-) 1,81,49,105 (59,890)
4	SPV WP 2002-03	60,000 (0.00)	47,00,000 (60,000)	0.00 (0.00)	73,34,923 (0.00)	(-) 25,74,923 (60,000)
5	SPV WP 1999-00	(-) 473 (-) (2,80,641)	0.00 (61,50,000)	0.00 (0.00)	51,31,220 (58,69,832)	(-) 5,131,693 (-) (473)
6	SPV WP Manufacturing	353 (2,94,368)	0.00 (88,63,750)	0.00 (0.00)	90,71,153 (91,57,765)	(-) 90,70,800 (353)
Sub Total.....B		(-) 60,70,608 (-) (1,12,70,835)	4,32,00,000 (7,25,95,870)	0.00 (0.00)	8,23,35,622 (6,73,95,643)	(-) 4,52,06,230 (-) 60,70,608
Grand Total (A + B)		42,29,63,135 (37,70,92,235)	21,71,62,698 (21,72,57,710)	6,61,26,983 (95,08,000)	20,73,51,177 (16,18,78,810)	36,66,47,673 (42,29,63,135)

Previous year figures shown within bracket

(b) Capital subsidy

The undisbursed capital subsidy as on 1.4.2003 was Rs.2,13,57,244 (Previous year – Rs.2,13,58,348) pending due to non compliance of the terms and conditions of the capital subsidy scheme by the borrower. During the year an amount of Rs. 1,19,34,491 (Previous year - Rs. Nil) was received from MNES. Out of the total capital subsidy amount available Rs. 65,08,727 (Previous year - Rs. 3,006) was disbursed to the borrowers on compliance of the terms and conditions of the capital subsidy scheme. The sector-wise details of capital subsidy at the beginning, received during the year, passed/ refunded during the year and the balance as on 31-3-2004 are as under:

(Amount in Rupees)

Name of the sector	Opening balance as on 1.04.2003	Received during the year	Interest received on FDR during the year	Passed on during the year	Amount refunded to MNES during the year	Closing balance as on 31.3.2004
Co- generation	2,13,57,244 (2,13,58,348)	1,19,34,491 (0.00)	0.00 (3006.00)	65,08,727 (0.00)	0.00 (0.00)	2,67,83,008 (2,13,57,244)

Previous year figures shown within bracket

- (4) Current Assets include a sum of Rs.2,85,93,270 (Previous year – Rs.2,65,68,506) in Current Account with Scheduled Banks on account of unutilised funds received from UNDP/MNES for implementation of “Green House Gases Emission”. The equivalent amount is shown under Current Liabilities.
- (5) 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.
- (6) Office Equipment includes Rs.12,730 (Previous Year Rs.14,786) being the written down value of 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.
- (7) During the year, 25 Small Hydro Projects located in the state of Andhra Pradesh could not generate power due to drought. Out of these 25 projects, the loans sanctioned to 22 projects have been rescheduled and treated as standard assets in terms of relaxation in prudential norms granted by MNES vide letter No. 1/31/2000-IREDA dated 26th October, 2004.
- (8) (i) While making provisions for Non Performing Assets, the value of security and provision for doubtful cases has been derived from the balance sheet of the borrower(s) by applying the depreciation as per rates prescribed under schedule XIV of the Companies Act, 1956. However, the balance sheet of the borrower(s) if older than 5 years from the financial year for which the shortfall is worked out, the same is ignored.
(ii) In respect of doubtful category NPA in 50% category, from 3rd year onwards provision for the NPA has been stepped up by 20% p.a. and the same shall continue until full provision is made, in addition to the shortfall in value of securities as worked out above.
(iii) The above said change in procedure for valuation of securities of doubtful assets as compared to what was being followed during previous years has financial impact during the year 2003-04 and it has necessitated additional provision of Rs.10,86,75,997.
- (9) IREDA is following the prudential norms issued by the Reserve Bank of India to the term lending institutions for income recognition, asset classification and provisioning as amended by Ministry of Non-Conventional Energy Sources from time to time. Accordingly, the unrealised interest amounting to Rs.101,78,34,913 (Previous year - Rs.72,04,32,183) on accounts classified as Non-Performing Asset (NPA) has not been recognised as income for the year. A sum of Rs.1,19,35,068 (Previous year – Rs.9,76,845) being the amount of unrealised interest pertaining to 2002-03 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.9,47,71,600 (Previous year - Rs.5,56,43,692) has been recognised as income.
- (10) IREDA has created Exchange Risk Administration Fund (IREDA - ERAF) for management of foreign exchange risk on international lines of credit which is approved by Central Board of Direct Taxes vide notification No.11220. IREDA has made Nil provision (Previous year – Nil) equivalent to liability of IDA credit Second Renewable Energy Project on Rupee basis. Books of Accounts of ERAF are prepared and maintained separately.
- (11) All the operations of the Company are considered as a single business segment. Further, the Company does not have any full-fledged branch. As such all the activities are considered as a single business/geographical segment for the purpose of AS-17 of The Institute of Chartered Accountants of India.

(12) **Deferred Taxes**

(A) AS-22 has been made mandatory by the Institute of Chartered Accountants of India on and from 1-4-2002. In accordance with the provisions of AS-22, the current year deferred tax credit of Rs.1080.10 lakhs has been credited to the profit and loss account.

(B) The details of deferred tax assets (net) as on 31st March, 2004 is given below:-

A Deferred Tax Assets

(Rs. in lakhs)			
Arising on account of timing differences:-	As at 31.3.2003	As at 31.3.2004	During the year 2003-04
◆ Provision for Leave Salary	25.56	25.25	(-) 0.31
◆ Provision for doubtful debts and advances	8137.46	11007.48	2870.02
Total – A	8163.02	11032.73	2869.71

B Deferred Tax Liability

◆ Depreciation	144.78	146.34	1.56
◆ Other :- Deferred revenue expenditure	33.00	0.23	(-) 32.77
◆ Stamp duty paid but not debited to P&L A/c	98.44	47.68	(-) 50.76
Total – B	276.22	194.25	(-) 81.97
Deferred Tax Assets (A-B)	7886.80	10838.48	2951.68
Deferred Tax Assets @ 36.5925%			1080.10

(13) Loan to constituents include a sum of Rs.9,10,87,400 (Previous year - Rs. 25,10,75,000) in respect of which the execution of final security documents are in the process of being completed by the constituents and has been treated as unsecured.

(14) Bonds have been issued in demat form as per the requests received from bondholders.

(15) Under sundry creditors, amount payable to small scale industries as on 31st March, 2004 is Nil (Previous year - Nil).

(16) 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.

(17) The remuneration (excluding service tax) paid to Statutory Auditors of the Company is as under:

For Statutory Audit Rs.1,15,000 (Previous year - Rs.1,15,000)

For Tax Audit Rs.46,000 (Previous year - Rs.46,000)

For Certification Rs.81,500 (Previous year - Rs.73,000)

For Consultancy and opinion Rs.30,000 (Previous year – Rs.18,500)

(18) Remuneration paid to the Director (Technical), Director (Finance) and Managing Director are as under:

(Amount in Rupees)

Particulars	Director (Technical)	Director (Finance)*	Managing Director
Salary & allowances	4,44,753 (4,28,086)	4,70,558 (4,31,540)	4,37,791 (6,22,236)
Medical allowance	34,776 (33,041)	35,501 (33,264)	13,880 (41,688)
Provident Fund	49,008 (46,234)	50,080 (47,305)	25,118 (57,947)
Value of perquisite for residential accommodation as per Income-tax Act	21,636 (18,232)	23,701 (21,352)	36,578 (22,880)
LTC	Nil (Nil)	Nil (25,479)	21,140 (17,490)
Staff Car (As per Income tax Rules)	15,300 (15,300)	15,300 (15,300)	6,375 (15,300)
Total :	5,65,473 (5,40,893)	5,95,140 (5,74,240)	5,40,882 (7,77,541)

Previous year figures shown within bracket

* Also Officiating as Managing Director w.e.f. 1.8.2003

(19) (i) Income tax assessment has been completed upto assessment year 2001-02. Additional liability for the assessment year 1999-00 amounting to Rs.840.24 lakhs have not been provided since the liability is disputed by the Company and appeal/matters are pending for disposal.

(ii) As the assessment under Section 143(3) is still pending for the assessment years 2002-03 and 2003-04, additional tax liability, if any, would be known only after the assessments are completed.

(iii) Interest tax assessment have been completed upto the assessment year 2001-02. In respect of tax recoverable amounting to Rs.26.08 lakhs from the assessment years 1993-94 to 2000-01, Company is taking the necessary steps for its recovery.

(20) The guidelines issued by the Reserve Bank of India (RBI) on Asset and Liability Management (ALM) System are required to be implemented by all the Non-Banking Financial Companies (NBFCs). As required, Asset-Liability-Committee (ALCO) has been constituted and communicated to Reserve Bank of India. The financial as well as the ALM software is in position. However, the testing of ALM software is delayed due to the proposed closure of IDBI Intech Ltd. who has developed the ALM software. Efforts are being made to sort out the issue and to implement the ALM system.

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

(a) Expenditure in Foreign Currency:

◆ On Travelling Rs.11,10,151 (Previous year - Rs. 7,01,412)

◆ Others Rs.16,62,12,793 (Previous year - Rs. 27,61,45,039)

(b) Earnings in Foreign Exchange:

◆ Interest Rs.8,87,01,178 (Previous year - Rs. 12,73,71,573)

(c) Revenue Grant Rs.1,82,03,445 (Previous year -Rs. 1,94,74,227) (GEF)

(22) The disclosure under RBI Guidelines are as under (IREDA only):-

(i) On CRAR, NPAs, Exposure, Liquidity etc. (Rs. in crores)

SI No	Particulars	Status			
(A) Capital					
a)	CRAR, core CRAR and supplementary CRAR	28.04% (23.80%)			
b)	The amount of subordinated debt raised and outstanding as Tier – II capital	Nil (Nil)			
c)	Risk weighted assets				
◆	On balance sheet items	2015 (2126)			
◆	Off balance sheet items	0.02 (10.15)			
d)	The shareholding pattern as on the date of the balance sheet	100% owned by Govt. of India (100% owned by Govt. of India)			
(B) Asset quality and credit concentration					
e)	Percentage of net NPAs to net loans and advances	9.58% (8.69%)			
f)	Amount and % of net NPAs under the prescribed asset classification categories (excluding incidental charges)				
Category		Gross	NPA provision	Net	Net %
S. Std		127.56 (62.95)	12.76 (6.30)	114.81 (56.66)	6.36% (2.90%)
Doubtful		135.43 (184.53)	77.41 (71.19)	58.03 (113.34)	3.22% (5.79%)
Loss		0.06 (0.03)	0.06 (0.03)	0.00 (0.00)	0.00% (0.00%)
Total		263.05 (247.51)	90.22 (77.52)	172.84 (170.00)	9.58% (8.69%)
g)	Amount of provisions made during the year towards standard assets, NPAs, Investment (other than those in the nature of an advance), income tax etc.				
Category		2003-04	2002-03		
Standard assets		(-) 0.35	0.22		
NPAs (including incidental charges)					
Against loan outstanding		12.69	14.53		
Against incidental charges		(-) 0.25	0.16		
		12.44	14.69		
Adhoc provision on standard assets		17.00	0.00		
Investments		0.00	0.00		
Income Tax		17.16	11.20		
Total		46.25	26.11		

h) **Movement in net NPAs**

Particulars	2003-04	2002-03
Net NPA as on 1st April	170.00	157.90
Add: Additions during the year	80.51	48.98
Less: Reduction during the year	35.24	9.89
Less: Provision made during the year	12.69	14.53
Less: Assets written off	29.74	12.46
Net NPA as on 31st March	172.84	170.00

i) **Credit exposure as % to net worth and as % to total assets in respect of:**

		% to Net worth	% to total loan assets
	Loan	529.97 (497.49)	1915.23 (2038.57)
◆ The largest single borrower	56.56 (58.99)	10.67% (11.86%)	2.95% (2.89%)
◆ The largest borrower group	63.04 (84.42)	11.90% (16.97%)	3.29% (4.14%)
◆ The 10 largest single borrowers:			
No. 1	56.56 (58.99)	10.67% (11.86%)	2.95% (2.89%)
No. 2	54.03 (58.40)	10.20% (11.74%)	2.82% (2.86%)
No. 3	48.46 (53.41)	9.14% (10.74%)	2.53% (2.62%)
No. 4	48.40 (48.88)	9.13% (9.82%)	2.53% (2.40%)
No. 5	45.37 (42.45)	8.56% (8.53%)	2.37% (2.08%)
No. 6	43.69 (42.20)	8.24% (8.48%)	2.28% (2.07%)
No. 7	40.16 (40.69)	7.58% (8.18%)	2.10% (2.00%)
No. 8	39.10 (36.51)	7.38% (7.34%)	2.04% (1.79%)
No. 9	38.64 (31.72)	7.29% (6.38%)	2.02% (1.56%)
No. 10	36.03 (31.50)	6.80% (6.33%)	1.88% (1.55%)
Total	450.44 (444.75)	84.99% (89.40%)	23.52% (21.82%)

◆ **The 10 largest borrower groups:**

No. 1	63.04 (84.42)	11.90% (16.97%)	3.29% (4.14%)
No. 2	61.42 (63.52)	11.59% (12.77%)	3.21% (3.12%)
No. 3	56.35 (62.22)	10.63% (12.51%)	2.94% (3.05%)
No. 4	52.78 (58.03)	9.96% (11.66%)	2.76% (2.85%)
No. 5	48.74 (48.34)	9.20% (9.72%)	2.54% (2.37%)
No. 6	33.56 (34.10)	6.33% (6.85%)	1.75% (1.67%)
No. 7	32.62 (33.56)	6.16% (6.75%)	1.70% (1.65%)
No. 8	28.10 (20.33)	5.30% (4.09%)	1.47% (1.00%)
No. 9	27.88 (17.96)	5.26% (3.61%)	1.46% (0.88%)
No. 10	27.07 (16.50)	5.11% (3.32%)	1.41% (0.81%)
Total	431.56 (438.97)	81.43% (88.24%)	22.53% (21.53%)

j) **Credit exposure to the 5 largest Industrial sectors as % to total loan assets**

	Industries	Loan O/S	% to total loan
No. 1	Power	865.48 (928.30)	45.19% (45.54%)
No. 2	Sugar	360.13 (340.94)	18.80% (16.72%)
No. 3	FIs/NBFCs	122.59 (87.82)	6.40% (4.31%)
No. 4	Steel	67.19 (80.32)	3.51% (3.94%)
No. 5	Engineering	66.33 (75.27)	3.46% (3.69%)

(C) Liquidity

k) Maturity pattern of rupee assets and liabilities;

l) Maturity pattern of foreign currency assets and liabilities:-

(Rs. in crores)

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	238.49 (214.63)	571.55 (536.67)	567.26 (551.59)	380.69 (438.53)	157.24 (297.15)	1915.23 (2038.57)
Foreign currency assets	21.90 (9.08)	79.20 (50.45)	76.35 (112.91)	63.67 (64.34)	327.16 (437.31)	568.28 (674.09)
Total Assets	260.39 (223.71)	650.75 (587.12)	643.61 (664.50)	444.36 (502.87)	484.40 (734.46)	2483.51 (2712.66)
Rupee liabilities*	317.51 (361.05)	253.51 (290.97)	240.80 (283.51)	118.91 (208.59)	1194.52 (1067.69)	2125.25 (2211.81)
Foreign currency liabilities	21.90 (9.08)	76.97 (48.05)	76.35 (112.91)	63.67 (64.34)	327.70 (437.87)	566.59 (672.25)
Total liabilities	339.41 (370.13)	330.48 (339.02)	317.15 (396.42)	182.58 (272.93)	1522.22 (1505.56)	2691.84 (2884.06)

* includes IDA - 2nd loan received from MNES in INR. However, the repayment liability is in foreign currency as per prevailing exchange rate at the time of repayment.

(D) Operating Results

m) Income from Operation as a percentage to average capital employed	9.74% (10.45%)
n) Non-operating income as % to average capital employed	0.02% (0.02%)
o) Operating profit as a percentage to average capital employed	3.53% (2.15%)
p) Return on average assets	0.90% (0.71%)
q) Net profit per employee/Rs. in lakhs	16.32 (12.12)

(E) Movement in Provisions
(I) Provisions for Non Performing Assets comprising loans (excluding provisions for standard assets)

(Rs. in crores)

Particulars	2003-04	2002-03
Opening balance as at the beginning of the financial year	78.42	63.73
Add: Provisions made during the year	53.12	34.04
Less:		
◆ Write off during the year	30.33	12.66
◆ Write back during the year	10.35	6.69
Net charged to P&L A/c for NPA loans		
Loan outstanding	12.69	14.53
Against incidental charges	(-) 0.25	0.16
	12.44	14.69
Closing balance at the close of the financial year	90.86	78.42
Provisions for Non Performing Assets comprising bonds and debentures in the nature of advance and inter-corporate deposits	Nil	Nil
(II) Provisions for depreciation in investments	Nil	Nil

(F) Restructured Accounts

(Rs. in crores)

Sl. No	Particulars	31.3.2004	31.3.2003
1	Total amount of loan assets subjected to restructuring	210.78	404.64
2	Restructured instalment of principal in the total amount of loan assets indicated out of 1 above subjected to restructuring	22.00	112.50
3	Amount of standard assets subjected to restructuring	207.14	399.90
4	Amount of sub standard/doubtful assets subjected to restructuring	3.64	4.74

(G) Assets Sold to Securitisation Company/Reconstruction Company

Particulars	2003-04	2002-03
Number of accounts	Nil	Nil
Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
Aggregate consideration	Nil	Nil
Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil
Aggregate gain/loss over net book value	Nil	Nil

(H) On forward rate agreements and interest rate swaps

- ◆ The notional principal of swap agreements
- ◆ A swap agreement was entered with Bank of Baroda for foreign exchange risk management of Asian Development Bank (ADB) line of credit. As per the arrangement, the loan drawn from ADB will be kept in \$ deposit with Bank of Baroda, London which earns interest at 6 monthly LIBOR. Against this deposit, INR loan is drawn from Bank of Baroda, New Delhi at PLR less 3% as modified in their revised terms;

- ◆ A similar swap agreement was entered with Canara Bank for foreign exchange risk management of KfW line of credit. As per the arrangement, the loan drawn from KfW will be kept in Euro deposit with Canara Bank, London which earns interest at 6 monthly EURIBOR. Against this deposit INR loan is drawn from Canara Bank, New Delhi at PLR less 4.10%.

- ◆ Another similar swap arrangement was entered with Canara Bank for foreign exchange risk management of IBRD-II line of credit for IBRD portion. As per arrangement, the loan drawn from Canara Bank will be kept in US\$ deposit with Canara Bank, London which earns interest at 6 monthly LIBOR. Against the deposit, INR loan is drawn from Canara Bank, New Delhi at PLR less 1.50% p.a.

- ◆ Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps

- ◆ Nature and terms of swap is indicated above.

- ◆ All foreign currency liabilities and assets has been translated at FEDAI exchange rate prevailing at the year end, which is disclosed in the accounting policy number 3.

- ◆ Quantification of the losses which would be incurred if the counter parties failed to fulfil their obligations under the agreements

- ◆ Not applicable

- ◆ Collateral required by the entity upon entering into swaps

- ◆ Nil

- ◆ Any concentration of credit risk arising from the swaps. Examples of concentration could be exposures particular industries or swaps with highly geared companies

- ◆ Not applicable

- ◆ The 'fair' value of the total swaps book. If the swaps are linked to specific assets, liabilities or commitments, the fair value would be the estimated amount that the entity would receive or pay to terminate the swap agreements at balance sheet date. For a trading swap, the fair value would be its mark to market value.

Particulars	Amount (FC/milli)	Amount (Rs./Cr)
Liabilities		
BOB Rupee Term Loan against US\$ deposit	(NIL)	235.71 (244.74)
Canara Bank Rupee Term Loan against Euro deposit	(NIL)	320.79 (140.05)
Canara Bank Rupee term loan against US\$ deposit	(NIL)	3.60 (3.60)
Assets		
BOB \$ Deposit	US\$52.21 (US\$ 97.17)	Rs.228.27 (Rs.461.41)
Canara Bank Euro Deposit (includes Disposition Fund deposit A/c)	Euro 61.35 (Euro 39.95)	Rs.327.94 (Rs.206.72)
Canara Bank US\$ Deposit	US\$ 2.25 (US\$ 0.75)	Rs.9.84 (Rs.3.56)

(I) Interest Rate Derivatives

The FIs dealing in interest rate derivatives on exchanges may disclose as a part of the 'notes on accounts' to balance sheets the following details:

Sl. No.	Particulars	Amount
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	Nil
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March, 2004 (instrument-wise)	Nil
3	Notional principal amount of exchange traded interest rate derivatives and not "highly effective" (instrument-wise)	Nil
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil

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

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

As per our Report of even date
For K G Somani & Co
 Chartered Accountants

K G Somani
 Partner, M. No.6238

A M Gokhale
 Chairman

T Prabakaran
 Director(Finance) & Managing Director

Place : New Delhi
 Date : 22.11.2004

Debashish Majumdar
 Director (Technical)

R K Sachdeva
 Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration No.	0 2 7 2 6 5	State Code	5 5 (Refer Code List)
Balance Sheet Date	3 1 0 3 2 0 0 4 Date Month Year		
II. Capital raised during the year (Amount in Rs. Thousand)	Public Issue N I L Bonus Issue N I L	Rights Issue N I L Private Placement (Govt. Contribution) 4 0 0 0 0 0	
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)	Total Liabilities 2 6 6 4 5 3 9 8 Sources of Funds Paid-Up Capital 3 2 5 3 5 0 0 Secured Loans 1 1 8 8 1 0 5 1 Current Liabilities 1 5 4 0 3 4 9 Application of Funds Net Fixed Assets 3 4 4 6 3 Net Current Assets 2 6 2 0 1 1 3 6 Accumulated Losses N I L	Total Assets 2 6 6 4 5 3 9 8 Reserves & Surplus 2 3 9 7 6 8 3 Unsecured Loans 7 5 7 2 8 1 5 Investments 1 2 0 0 Misc.Expenditure & Others 1 2 2 2 7 Deferred Tax Assets 3 9 6 3 7 2	
IV. Performance of the Company (Amount in Rs. Thousands)	Turnover (Gross Income) 2 4 8 3 3 7 4 Profit before Tax + 3 0 2 0 2 9 (Please tick Appropriate box (+) for Profit (-) for Loss) Basic and diluted Earnings per share in Rs. (PAT) 7 1 . 7 4	Total Expenditure (including PPD) 2 1 8 1 3 4 5 Profit after Tax + 2 3 3 4 0 4 Dividend Rate % 1 . 2 3	
V. Generic names of three principal products/Services of the Company (as per monetary terms)	Item Code No. (ITC Code) Product Description	N O T A P P L I C A B L E P R O J E C T F I N A N C I N G	

A M Gokhale
 Chairman

T Prabakaran
 Director (Finance) & Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

(Amount in Rupees)

Particulars	For the year ended March 31, 2004	For the year ended March 31, 2003
A Cash Flow from Operating Activities:		
Net Profit before Tax and Extraordinary/ PP items:	302,659,959	233,720,021
Adjustment for:		
1 Loss on Sale of Fixed Assets	—	570,081
2 Depreciation	5,510,769	6,289,320
3 NPA Provision	124,413,545	146,866,189
4 Misc Expenses written off	4,666,641	16,290,342
5 Prior period expenses/income	-630,989	-438,501
6 Adjustment for Provision for tax	-375,258,085	—
7 Adjustment for Fixed Assets	-2,965,520	—
8 Adjustment for Interest to income tax deptt	-36,635,419	—
9 Excess provision written back	—	3,160
Operating profit before working Capital Charges:	21,760,901	403,300,612
Increase / Decrease		
1 Decrease/Increase in Loans & Advances	1,498,240,161	-1,811,551,076
2 Decrease/Increase in MNES loan	43,941,683	-2,539,600
3 Decrease/Increase in other Current Assets	9,504,767	-952,834
4 Decrease/Increase in Current Liabilities	-759,932,094	351,043,529
5 Increase in Provision	166,496,877	2,871,197
Net cash used in Operating Activities	958,251,394	980,012,295
B Cash Flow From Investing Activities		
1 Sale of Fixed Assets	—	184,998
2 Purchase of Fixed Assets	-2,138,209	-7,935,846
Net Cash used in Investing Activities		-7,750,848
C Cash Flow from Financial Activities		
1 Equity received from Govt of India	400,000,000	350,000,000
2 Capital grants received	11,179,435	10,734,354
3 Issue of Bonds Sr-XI	500,000,000	500,000,000
4 Redemption of Bonds Sr-IV	-909,920,000	-300,000,000
5 Redemption of Bonds Sr-VI	-475,000,000	—
6 Increase in Term Loans from Banks	3,122,500,000	728,950,000
7 Repayment of Term Loans to Banks	-840,263,056	-86,430,700
8 Increase in IDA loan	420,000,000	1,233,000,000
9 Repayment of IDA loan	-2,731,700,222	-1,165,943,667
10 Increase in Foreign currency loans	1,279,860,652	2,691,872,434
11 Repayment of foreign currency loan	-2,336,607,039	-86,334,808
12 Dividend & dividend Tax paid	-45,125,000	-40,000,000
Net Cash in-flow from Financing Activities	-1,605,075,230	3,835,847,613
Net Increase in Cash & Cash Equivalents	-627,201,144	2,770,268,593
Cash & Cash Equivalents at the beginning of the year	7,396,760,848	4,626,492,255
Cash & Cash Equivalents at the end of the year	6,769,559,704	7,396,760,848
Net Increase in Cash & Cash Equivalents	-627,201,144	2,770,268,593

Notes to the Cash Flow statement.

- Previous years figures have been rearranged and regrouped wherever necessary
- Cash and cash equivalent includes foreign currency deposits which are available to meet the foreign currency loans only.
- As on 31st March 2004 the Company has undrawn term loan from commercial banks to the tune of Rs 269.50 Crs which are available to meet the future operating activities.

As per our Report of even date

For K G Somani & Co
Chartered Accountants

K G Somani
Partner, M. No.6238

Place : New Delhi
Date : 22.11.2004

A M Gokhale
Chairman
Debhashish Majumdar
Director (Technical)

T Prabakaran
Director(Finance) & Managing Director
R K Sachdeva
Company Secretary

STATUS OF MNES FUNDS AS ON 31.03.2004

Sl. No.	PROGRAMME	SECTOR	BALANCE AS ON 1.4.2003	GRANT RECEIVED DURING THE YEAR	INTEREST EARNED DURING THE YEAR	SERVICE CHARGES RECOVERABLE	AMOUNT REFUNDED	AMOUNT SUBSIDY DISBURSED	TOTAL FUNDS AS ON 31.03.2004	LOANS OUTSTANDING AS ON 31.03.2004	INTEREST OUTSTANDING AS ON 31.03.2004	CURRENT AC	BALANCE WITH BANK	BANKS	BALANCE WITH IREDA	TOTAL FUNDS
1	SPV MFG. LOAN (32046)		4060473	0	0	12051	3944638	0	4061388	2360007	1710843	90376	90376	90376	9161	4061388
2	SPV USER LOAN (32045-32045)		20602498	0	0	285231	9587425	0	19870472	8724520	1912286	648578	648578	648578	8562168	19870472
3	SPV USER'S SUBSIDY (32424-32044)		(83257884)	0	0	0	0	0	(83257884)	0	0	80479	80479	80479	(83257884)	(83257884)
4	SPV MARKET (32142)		12000	0	0	0	0	0	12000	0	0	221431	221431	221431	(204530)	12000
5	SOLAR THERMAL (42081)		13856109	0	0	98817	3247163	1531	11377394	752544	210824	190814	190814	190814	(156787)	11377394
6	MICRO HYDEL GRANT		715879	0	0	0	0	0	715879	0	0	0	0	0	715879	715879
7	SPV PUMPING PUBLICITY GRANT 04-95		163590	0	0	0	0	0	163590	0	0	0	0	0	163590	163590
8	SPV WP REIMBURSEMENT 2001-02		(472664)	0	0	0	0	0	(472664)	0	0	0	0	0	(472664)	(472664)
9	SOLAR THERMAL GRANT 04-94		21025	0	0	0	0	0	21025	0	0	0	0	0	21025	21025
10	MNES SPV MKT PROM REIMBURT		972201	0	0	0	0	0	972201	0	0	0	0	0	972201	972201
11	MNES SPV PUMPING FILM GRANT		93100	0	0	0	0	0	93100	0	0	0	0	0	93100	93100
12	CAPITAL SUBSIDY COGENERATION (32586)		380744	640491	77369	0	39236	640491	384577	18592800	0	154755	154755	154755	384577	384577
13	CAPITAL SUBSIDY COGENERATION-GR BIO NFR		17549800	5465000	0	0	0	0	23014800	0	0	0	0	0	4422000	23014800
14	CO GENERATION INT SUBSIDY		29073438	6484600	0	0	6613693	78818162	210633293	0	0	0	0	0	210633293	210633293
15	INTEREST SUBSIDY ON SOLAR THERMAL		(6179066)	3350000	0	0	0	2994093	3416011	0	0	0	0	0	3416011	3416011
16	SPV USER'S SUBSIDY 2001-2002 (32351)		11655	0	0	0	0	11655	0	0	0	0	0	0	0	0
17	SPV USER'S SUBSIDY 2001-2002 (32745)		1317805	2400000	8438	0	0	2284128	1442115	0	0	1435013	1435013	1435013	7102	1442115
18	SPV USER'S SUBSIDY 2002-2003 (32869)		50314255	0	120632	0	0	51508062	12425	0	0	114177	114177	114177	(101752)	12425
19	SPV USER'S SUBSIDY 2003-2004 (32968)		0	3050000	321370	0	0	0	3062170	0	0	621370	621370	621370	0	3062170
20	INTEREST SUBSIDY ON SPV USER LOAN 99-00 (32853)		(473)	0	0	0	0	0	(473)	0	0	0	0	0	(473)	(473)
21	INTEREST SUBSIDY ON SPV USER LOAN 2000-01 (32656)		(11372)	0	0	0	0	5131220	(13695720)	0	0	8366	8366	8366	(13695720)	(13695720)
22	INTEREST SUBSIDY ON SPV MFG (32591)		353	0	0	0	0	9071153	(9070600)	0	0	453	453	453	(9070600)	(9070600)
23	INTEREST SUBSIDY ON SPV USER LOAN 2001-02 (32746)		59890	0	3077	0	0	1820895	(1818328)	0	0	3077	3077	3077	(1818328)	(1818328)
24	INTEREST SUBSIDY ON SPV USER LOAN 2002-03		60000	4700000	0	0	0	7334023	(2574923)	0	0	0	0	0	(2574923)	(2574923)
25	INTEREST SUBSIDY ON BIO-MASS BRQ		10669163	0	0	0	0	1189109	9776144	0	0	0	0	0	9776144	9776144
26	INTEREST SUB ON SMALL HYDRO		113611252	100066320	0	0	0	41031054	172666518	0	0	0	0	0	172666518	172666518
27	INTEREST SUB ON WASTE TO ENERGY		13700000	10855000	0	0	0	3977797	20857205	0	0	0	0	0	20857205	20857205
28	INTEREST SUB ON BIOFUELS		0	10000000	254331	0	0	0	10254331	0	0	25264	25264	25264	10025433	10025433
	TOTAL		681124731	273581811	720630	50409	82945445	26702288	612742856	13590731	38333633	12104943	39800000	5290443	38444550	612742856



The above picture depicts the primordial source of energy, the sun, and along with it trees which are indispensable for the sustenance of human life on earth. The light and heat energy of the sun and the oxygen from trees are the core substances that create and support life on earth.



The theme for the Annual Report 2003-04 cover for IREDA is renewable energy generation through biomass. It demonstrates the benefits humankind and environment can derive from the intelligent use of renewable energy sources like biomass etc.



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