

22nd ANNUAL REPORT 2008-09



IS/ISO 9001:2000 Certified



गाँव-गाँव बिजली, घर-घर प्रकाश

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 :

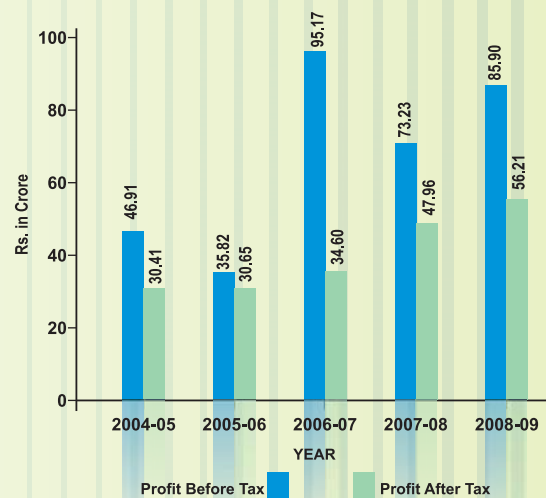
- Improvement in the efficiency of services provided to customers
- Customer satisfaction
- Strengthen Human Resources Development
- Continual improvement of systems, processes and resources.

Highlights of our Performance

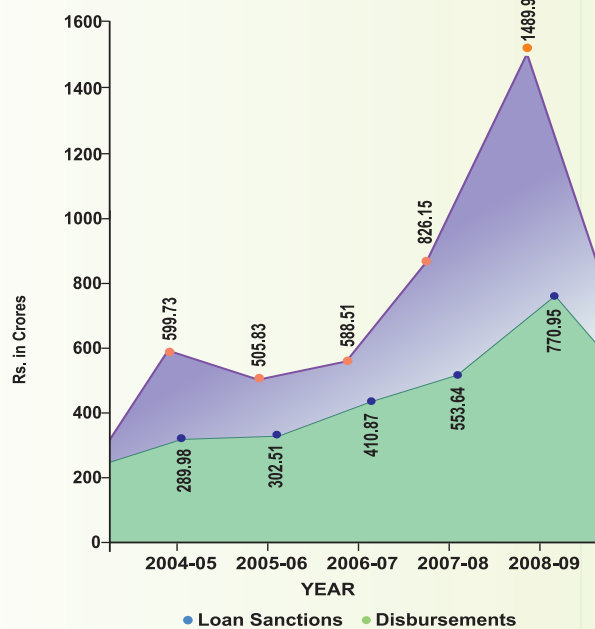
**IREDA's Resource Base
2008-09**



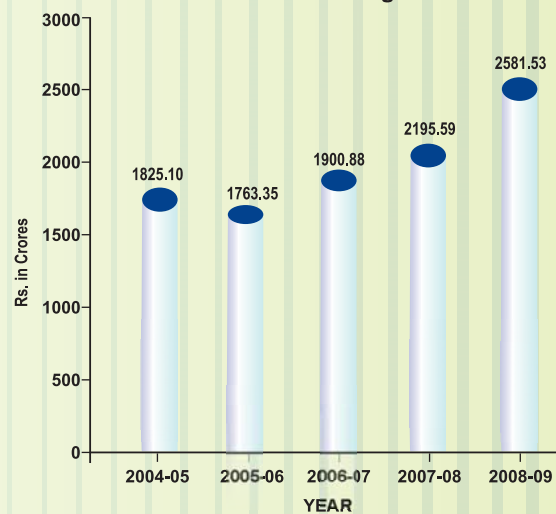
**IREDA's Working Results
Profit before Tax & Profit after Tax**



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



IREDA's Outstanding Loans



(Rs.in Crores)

RESOURCES	2004-05	2005-06	2006-07	2007-08	2008-09
Equity Capital	375.35	400.00	440.00	490.00	520.00
Reserves & Surplus	142.60	166.12	178.00	214.47	257.51
International Assistance	921.01	951.03	966.68	959.13	1040.82
Domestic Borrowings	528.71	617.34	537.86	473.60	773.36
Total	1967.67	2134.49	2122.54	2137.20	2591.69

OPERATIONS	2004-05	2005-06	2006-07	2007-08	2008-09
Loan Sanctions	599.73	505.83	588.51	826.15	1489.93
Disbursements	289.98	302.51	410.87	553.64	770.95
Repayment by Borrowers	426.91	345.21	266.00	262.00	361.42
Outstanding Loans	1825.10	1763.35	1900.88	2195.59	2581.53

WORKING RESULTS

Gross Income	263.13	195.05	232.78	247.22*	275.11
Profit before Tax	46.91	35.82	95.17	73.23	85.90
Profit after Tax	30.41	30.65	34.60	47.96	56.21
Earning per Share (Rs.)	81.01	79.82	85.79	103.91	110.30

* Figure Regrouped

ENERGY FOR EVER

Renewable Energy



Shri Farooq Abdullah
Hon'ble Minister for New & Renewable Energy



C O N T E N T S

Board of Directors	7
---------------------------	----------

Notice	9
---------------	----------

Chairman's Speech	11
--------------------------	-----------

Directors' Report	16
--------------------------	-----------

Statutory Auditors' Report	40
-----------------------------------	-----------

Comments of CAG	44
------------------------	-----------

Balance Sheet	46
----------------------	-----------

Profit & Loss Account	47
----------------------------------	-----------

Schedules	48
------------------	-----------





Inauguration of IREDA Corporate Office by dignitaries from left Chairman & Managing Director, IREDA, Secretary, MNRE, PS to MoS (NRE), Joint Secretary, MNRE, Director (Finance) and Director (Technical)

Board of Directors'

Chairman & Managing Director	Debashish Majumdar
Directors	S.P. Reddi
	K.S. Popli
	K.P. Sukumaran
	Hari Kumar
	A. Prasad
	Dr. Raj Kishore Prasad
	Prof. S. Sadagopan
Company Secretary	S.K. Bhargava
Registered Office	India Habitat Centre East Court, Core 4 A 1st Floor, Lodhi Road New Delhi-110003
Corporate Office	3 rd Floor August Kranti Bhavan Bhikaiji Cama Place New Delhi - 110066
Auditors	M/s. S.C. Vasudeva & Co. Chartered Accountants B-41, Panchsheel Enclave Delhi - 110017
Bankers	Canara Bank State Bank of Hyderabad Union Bank of India Bank of Baroda State of Bank of India Vijaya Bank





IREDA bagged First Award In the Best Wind Power Financier Category



Chairman & Managing Director, IREDA receives The AEE India Chapter Corporate Award from CMD, WBSEDCL & WBSETCL



Notice

NOTICE is hereby given that the 22nd Annual General Meeting of the Shareholders of Indian Renewable Energy Development Agency Limited (IREDA) will be held on **Wednesday, the 30th September, 2009 at 2.00 P.M.** at IREDA's Corporate Office, 3rd Floor, August Kranti Bhavan, Bhikaiji Cama Place, New Delhi – 110066 to transact the following business:

1. All Shareholders
2. The Chairman & Managing Director and Directors.
3. M/s. S.C. Vasudeva & Co., Chartered Accountants, B-41, Panchsheel Enclave, New Delhi - 110017

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, audited Balance Sheet as at 31st March, 2009 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 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
25th September, 2009

(S.K. BHARGAVA)
Company Secretary)

NOTES:

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

(A Government of India Enterprise)

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

Corporate office: 3rd Floor, August Kranti Bhavan, Bhikaiji Cama Place New Delhi – 110066

I/We.....of.....in the district of
.....being a member of the above named company hereby appoint
.....of.....in the district ofor failing him/her
.....of.....in the district of
as my proxy to vote for me and on my behalf at the **22nd ANNUAL GENERAL MEETING** of the Company to be held on the **30th day of September, 2009** and at any adjournment thereof.

Signed this day of, 2009

.....
Signature

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.





Chairman & Managing Director, IREDA participated in International Biofuels Conference



Chairman & Managing Director, IREDA in Renewable Energy Conclave & CEOs Round Table.

Chairman's Speech



Dear Shareholders,

I have great pleasure in extending a warm welcome to all of you at the Twenty-second Annual General Meeting of the Indian Renewable Energy Development Agency Limited. The Directors' Report and the Audited Statements of Accounts for the year ended March 31, 2009, duly certified by the Comptroller and Auditor General of India are already available with you, and with your consent, I shall take it as read.

Your Company continues to register commendable success and excellence in all facets of its activities. Before I take up the Company's performance during the last fiscal, let me place before you the current economic and industry scenario, and the emerging global economic indicators that have a bearing on your Company's strategic pursuits and performance. It is a privilege to address this august gathering.

It has been a matter of great honour and pride for the Company that during the financial year 2008-09 in the midst of an ongoing turmoil in the global economy and its spill over effects on India, the Company posted a robust all-round performance, earning a highest ever profit after tax of Rs.56.21 crore.

ECONOMIC SCENARIO

The global recessionary trends, as I had foreseen last year, became full-blown in the second half of 2008, interrupting India's growth momentum through the contraction of export demand and cautious financing conditions. As a consequence, India's economy grew by 6.7% in 2008-09 after clocking annual growth of 8.9% on an average over the preceding five years. The growth slowdown was more pronounced in the second half of 2008-09.

Notably, domestic demand in the form of private consumption and investment demand slackened while government consumption increased on account of discretionary fiscal stimulus measures. The headline inflation based on Wholesale Price Index (WPI), after rising to nearly 13.0% in the middle of 2008-09, slumped to 0.26% by the close of 2008-09 mainly on account of the easing of commodity prices and weakening of demand. The RBI eased the monetary system to maintain comfortable domestic and forex

liquidity within India. Simultaneously, the Government launched three stimulus packages of the order of 3.0% of GDP focusing on critical sectors like infrastructure, SMEs, low-cost housing projects, etc. Although the resultant impact was not immediate, it did, however go some way in fostering positive sentiments.

In the current financial year, the challenges for Indian policymakers remain in the form of stepping up the public and private investment demand, increasing credit flows to productive sectors and exercising adequate control over credit quality. Equally important is preserving financial stability with benign interest rate environment and unwinding the fiscal stimulus in a structured sequence.

Going forward, the monetary and fiscal stimulus combined with lower commodity prices is expected to cushion the economic activity. Assuming a normal monsoon, the RBI had placed the GDP growth for India at 6.0% for 2009-10 and inflation (WPI) at 4.0% by 31st March, 2010. The Reserve Bank of India in its latest Monetary Policy statement has forecast that subdued economic growth and emerging inflation risks pose a "complex dilemma" for policy makers.

The Monetary Policy stance of the Reserve Bank of India shifted from concerns related to inflation in the first half of 2008-09 to maintaining financial stability and accelerating growth momentum in the second half. As far as the financial sector is concerned, the first half of 2008-09 offered challenges to banks in the form of rising inflation due to accelerated levels of global commodity prices, sustained monetary tightening and consequent pressures on margins and profitability. At the beginning of the second half, however, the global crisis created intense uncertainties for funding liquidity. The RBI had to ensure adequate provision of liquidity to the market through banks, with the aim of restoring normal functioning of the market, and thereby assist liberal flow of credit to the economy.

Reserve Bank of India cut benchmark interest rates six times from October 2008 to April 2009 to unprecedented lows. The reverse-repo rate remained unchanged at 3.25 percent and the repo rate at 4.75 percent.

The suddenness and severity of the global financial crisis caught everybody by surprise. We, in India, had initially hoped that the inherent strength and momentum of our rapidly growing economy would insulate us from the global ills. However, our economy started to decelerate even as the global economy went into reverse gear and before we knew, we were fighting with our backs to the wall. I am happy to share with you that your Company was able to weather the storm and has emerged even stronger.

NAPCC

Last year when the government announced the National Action Plan for Climate Change, it formally recognized the need to rework



our developmental paths, strategically redirect goals and resources, and develop timelines with credible and verifiable end results for each of the Missions under the Action Plan. The recently announced Solar and Energy Efficiency Missions under the National Action Plan for Climate Change by the Prime Minister are two such initiatives that would focus on mitigation. Once the Mission objectives and strategies are announced, it would directly impinge upon the scope of IREDA's business and the challenge ahead would be to address raising additional financial resources at appropriate cost.

DROUGHT

The abnormal failure of the monsoon across large parts of the country could have a serious impact on the current and future business prospects of your Company in the Small Hydro power and Biomass Power business segments.

ENERGY POLICY

The gross installed power generation capacity of the country as on 31st March 2009 stood at 1,49,208 MW including installed renewable energy (RE) capacity of 14,485 MW which constitutes 9.71% share of the total capacity. The conventional power generation installed capacity witnessed growth of 2.11% during 2008-09 over previous year while RE registered growth of 16.79%.

The peak shortage in power supply during the year 2008-09 was as high as 11.9% of peak power demand. The existing interstate variations in demand and supply makes it imperative that a suitably structured framework is made available for distribution companies to purchase power from surplus states at nominal charges. The acute shortage of electricity across the country requires a policy elucidation that seeks to raise capacity addition manifold and strengthen the distribution network. Apart from this a major initiative is required to improve power plant load factors, improve efficiencies across all areas of power sector. We also need to further strengthen and expand the transmission network to bring about greater grid stability and ease power evacuation from RE sites.

Renewable energy and energy efficiency continue to remain the major components of CDM projects registered in India. As the Conference of Parties move to Copenhagen for a decision on the way forward for post-Kyoto initiatives, the current negotiations see developing countries calling for greater flexibilities for granting incentives by removal of stringent conditions demonstrating additionality; reduction of threshold limits; and revision of monitoring criteria.

The National Tariff Policy 2006 has prompted 15 State Electricity Regulators to pass orders for renewable energy tariff and for a minimum off-take of renewable power by distribution licensees. As predicted, in some states regulators have also ordered their upward revision.

Power exchanges and platforms for power trading have already been established successfully and regulators are currently working towards further facilitating trading and open access benefiting power producers and end users.

In order to enable distribution licensees to fulfil their Renewable Purchase Obligations as specified by state regulators, Renewable Energy Certificates are being proposed by CERC that would establish market mechanisms for greater RE power generation. These steps, I am sure, would go a long way in ensuring enhanced investments in the renewable energy sector within the country. Competition and cooperation will co-exist. Complexities will grow but so will the opportunities.

For IREDA, the new initiatives of the government entail raising additional resources, at cost competitive rates, to meet the challenges of projected growth in business.

The first green signs of revival have started to emerge and the world appears less pessimistic about the coming months. The basic strategy and framework are in place to resume the march of the Indian economy on its high growth track.

PERFORMANCE HIGHLIGHTS

Your Company has been making significant strides over the years. Year on Year the lending operation of your Company has been setting records. The average project size rose from Rs.28.49 crore in last fiscal to Rs.31.70 crore this year, further stamping our position as market leader in appraising and lending to renewable energy sector. Loan sanctions and disbursements again surpassed MoU targets of Rs.900 crore and Rs.650 crore. Loan sanctions were Rs.1489.93 crore in this fiscal compared to Rs 826.15 crore in the previous fiscal, registering strong growth of 80.35 percent. Disbursements during the year 2008-09 amounted to Rs 770.95 crore compared to Rs. 553.64 crore in the previous year recording impressive growth of 39.25 per cent. The principal sectors funded during this fiscal were Wind, Small Hydro, Cogeneration, Energy Efficiency and Conservation, Solar Photovoltaics and Biomass Power. The projects sanctioned, upon commissioning, would lead to the power generation capacity addition of 403 MW.

This year your Company has recorded a 17.30 percent rise in Profit Before Tax (PBT) to reach Rs.85.90 crore.

Your Company recorded its highest ever Profit After Tax (PAT) in FY 2008-09 which stood at Rs.56.21 crore, compared to Rs. 47.96 crore in FY 2007-08.

RESOURCE MOBILISATION

With the receipt of Government equity application money of Rs.30 crore, as on 31st March 2009, the paid-up capital of your Company rose from Rs.490 crore to Rs.520 crore against an Authorized Share Capital of Rs.1000 crore. Your Company has also borrowed Rs.384 crore from various banks to meet its financial requirements, apart from raising Rs.100 crore through issue of Long Term Taxable Bonds bearing "CARE AAA (SO)" rating. The rating is considered to be of the best credit quality offering highest safety for timely servicing of debt obligations.

DIVIDEND

Your Directors recommend a dividend of Rs.11.25 crore for the financial year 2008-09, which is 20% of the Profit after Tax.

ASSET QUALITY

Maintaining a constant vigil over our assets and looking for the right signals from the regulators gives us the necessary tools to set in place tight internal control systems.

The level of net NPA during the year 2008-09 was brought down to 3.27% as against the previous year figure of 8% (computed after adjustment of ad hoc provisioning). Your Company adopted various strategies during the year including One Time Settlement, action under SARFAESI Act, 2002, rescheduling and regular follow-up, to decrease the level of net NPAs.

Your Company could recover an aggregate amount of Rs.74.56 crore from NPA accounts which included an amount of Rs.12.24 crore recovered from written off assets.

An excess provision of Rs.25.63 crore has been retained in the books in addition to ad-hoc provision of Rs.70 crore created in earlier years as a prudent measure for meeting future eventualities.

POLICIES

During the year, your Company introduced a credit risk rating system for borrowers with differential lending rates. The lending rates and grade discounts were constantly being reviewed considering the present market conditions.

Your Company continued to implement the various schemes entrusted to it by MNRE. Moreover MNRE made your Company as fund manager for the Generation Based Incentive Scheme for 'Grid Interactive Solar PV Power Generation Projects' and its interest subsidy scheme on 'Accelerated Development and Deployment of Solar Water Heating Systems in Domestic Industrial and Commercial Sectors by Banks and other Financial Institutions'.

Your Company has prepared an Action Plan for adapting to the changing business environment. Your Company signed a Memorandum of Understanding with PTC India Ltd. and PTC India Financial Services Ltd., to provide a range of services for both fee and fund based activities. It also signed a Memorandum of Understanding with US Ex-Im Bank to facilitate IREDA to receive a Special Delegated Line of Credit upto US\$50 million under its newly created India Infrastructure Facility to support the purchase of US goods and services to be incorporated in infrastructure projects in India including RE technologies. In addition, IDFC Projects Ltd. entered into a Memorandum of Understanding with your Company to structure and implement a renewable energy development programme.

Your Company has undertaken various programmes for business development, and as part of its promotional efforts, your Company undertook five interactive seminars in the states of Chhattisgarh, Jammu & Kashmir, Nagaland, Sikkim and Uttarakhand where relatively less investment is made in renewable energy. In addition, as part of its awareness strategy, your Company has produced five short films on major sectors of renewable energy.

FINANCIAL INCLUSION

Your Company has been practicing a consistent policy of financial inclusion, to include projects that promote employment and development of infrastructure in rural areas. In addition, your Company continues to provide special concessions to assist the promoters belonging to SC/ST, Women, Ex-servicemen and Handicapped categories and also for the projects in North Eastern States, Sikkim, Uttarakhand, Jharkhand, Chhattisgarh, Islands and Estuaries. During the year, 39 projects with sanctioned loan assistance of Rs.1408.37 crore were located in the rural areas of the country, constituting around 94.52% of the total loan sanctions during the year.

HUMAN RESOURCES DEVELOPMENT

In order to update knowledge and skills of its employees your Company invested 299 man-days in technical and non-technical training of the employees during 2008-09. Your Company continued to nominate officials at various levels for the Seminars / Workshops on specialized subjects in India and abroad

RIGHT TO INFORMATION ACT, 2005

Your company has implemented the provisions of Right to Information Act, 2005 and designated its senior functionaries as Central Assistant Public Information Officer (CAPIO), Central Public Information Officer (CPIO) and Appellate Authority. It has also hosted on its website the information on its functions, duties, powers delegated to its officers, financing guidelines, directory of officers, etc.

INDUSTRIAL RELATIONS

Your Company continues to maintain extremely cordial personnel relations during the year. Grievances are redressed through dialogue and discussions by the Director (Grievances). No man-day was lost during FY 2008-09.

CUSTOMER RELATIONS

Your Company has conducted a study through a consultant to assess the level of customer satisfaction and accepted the recommendations made in the study report.

CORPORATE GOVERNANCE

Your Company has been committed to follow the tenets of good corporate governance, right from its inception. Your Company has progressively increased the use of Information Technology tools for greater transparency, professionalism, accountability and integrity apart from consistently complying with various requirements designed to meet and promote better corporate governance. Effective reporting systems under the Corporate Governance policy has been ensuring smooth business operations. Your company has complied with the RBI guidelines on Corporate Governance.



THE FUTURE

Institutions those are able to sense the direction of changes and attune their business processes in the right direction, stand to post good results and surge ahead. We are confident that, with our specialised expertise in the renewable energy space that we have painstakingly built so far, we would be able to steer clear of market uncertainties and take advantage of the many emerging opportunities that the ever changing economy is likely to provide.

ACKNOWLEDGEMENTS

Your Company places on record their appreciation with gratefulness to the Government of India, Ministry of New and Renewable Energy, Ministry of Finance, Planning Commission and other Ministries/Departments of the Government of India for their continued guidance, support and assistance.

I am thankful to the World Bank, Asian Development Bank, Kreditanstalt Fur Wiederaufbau (KfW), Germany, Nordic Investment Bank and other international financial institutions, agencies and investors for their co-operation, guidance and help. Your Company looks forward to their continued support and encouragement.

Special thanks are extended to the Bankers, Bond-holders and clients for their continued confidence and the trust reposed by them in your Company. I would like to place on record the valuable contribution made by my colleagues on the Board in the growth of your Company. I have always cherished and looked forward to

incisive advice and insight from my Directors, who not only are proficient in their own right but their forthrightness has also found my favour. I take this opportunity to thank my colleagues on the Board for their enlightened guidance and abundant support.

Needless to say, Reserve Bank of India and other Regulatory Authorities richly deserve my appreciation, for their timely and valuable counsel. Your Company is thankful to them as well our Bankers for their valued co-operation.

No words can convey the complete commitment, faith, loyalty and excellent teamwork of the employees of the Company at all levels, which helped us broaden our horizons and further our goals. I, on behalf of the Board and on your behalf, place on record the deep appreciation of all employees for their individual and collective efforts towards your Company's performance.

May I now request that the Directors' Report, the Audited Balance Sheet, the Profit and Loss Account and Auditors' Report for the year ended 31st March 2009, be adopted.

Thank you,

Place : New Delhi
Dated : 30.09.2009

(DEBASHISH MAJUMDAR)
Chairman & Managing Director



Business Meet in the State of Nagaland



IREDA financed 50.4 MW Wind Farm Project set up in the State of Karnataka



Directors' Report

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 22nd Annual Report together with the audited Statements of Accounts and the Auditor's Report for the year ended 31st March 2009.

RENEWABLE ENERGY SCENARIO

India's fast growing economy demands an equally fast growing energy sector to fulfil its diverse and growing requirements. Given the threat of global warming and climate change, in addition to a large dependence on imports; India's quest for energy security and sustainable development lies to a great extent in its ability to successfully harness energy from renewable sources.

Upto 31st March 2009, grid-interactive renewable power generation capacity of 14,485 MW has been established, which accounts for over 9% of the total installed capacity in the country. India is fifth in the world in terms of wind energy capacity and second in biogas installations. Further, the government is also giving a new impetus to research and development to cutting edge new and renewable technology such as next generation solar technologies, hydrogen and fuel cells, biofuels etc.

During the year, Venture capitalists and private equity investors have also shown considerable interest in the Renewable Sector. India has also achieved considerable success in registering projects under Clean Development Mechanism (CDM). In fact, India accounts for over 30% of the total registered projects worldwide.

On the policy front, fifteen states have published Renewable Energy Portfolio Standards(RPS) orders specifying renewable energy percentages ranging from 0.5% to 20%.

The importance of Energy Efficiency/Conservation(EEC) and Demand Side Management (DSM) is underlined by huge potential such projects have in improving viability of various energy intensive sector. There exists a substantial cost effective energy saving potential, estimated at 15% of total generation, through DSM alone.

Keeping in view XIth plan target of Renewable Energy capacity addition, IREDA has also geared up its programme for resource mobilisation from domestic borrowings and bi-lateral/multi-lateral agencies to meet the financial requirement for development of renewable energy sector.

OPERATIONS

SANCTIONS AND DISBURSEMENTS

The Company has been scaling up its lending operations. Loan sanctions increased from Rs. 826.15 crore in 2007-08 to Rs.1489.93 crore in 2008-09 registering an impressive growth of 80.35 %.

Disbursements during the year 2008-09 amounted to Rs.770.95 crore compared to Rs. 553.64 crore in the previous year

recording growth of 39.25 %.

The sector-wise details of the sanctions and disbursements during the year are as under:

(Rs. in crore)

Sectors	Sanctions	Disbursements
Wind Power	728.87	483.51
Hydro Power	343.40	147.55
Co-generation	319.85	76.36
Biomass Power Generation	16.25	1.13
Energy Efficiency & Conservation	40.20	5.80
Solar Photo Voltaics	33.36	26.25
Solar Thermal	8.00	27.55
Waste to Energy	0.00	2.80
TOTAL	1489.93	770.95

The cumulative sanctions and disbursements stood at Rs.10355.58 crore and Rs. 5754.05 crore respectively as on 31st March 2009. The Cumulative State-wise and Sector-wise sanctions and disbursements are indicated in **Annexure I to IV**.

CAPACITY SUPPORTED

The loan sanctions during the year 2008-09 will result in establishment of additional Renewable power generating capacity of about 403.75 MW. The sector-wise break-up of sanctioned capacity is indicated below:

Sectors	Capacity (MW)
Wind Power	218.30
Hydro Power	70.95
Cogeneration	91.00
Biomass Power Generation	10.00
Energy Efficiency & Conservation	13.50
TOTAL	403.75

FINANCIAL PERFORMANCE

WORKING RESULTS

The overall financial results of the Company for the year 2008-09 are very encouraging. These are summarized below:

(Rs. in crore)

	2007-08	2008-09
Gross Income	247.22	275.11
Profit before Tax (including prior period adjustment)	73.23	85.90
Provision for Income Tax	31.50	25.15
Deferred Tax Debit/ Credit	(-)6.44	4.39
Profit available for appropriation (after adjustment of excess provisions made in earlier years,	48.38	66.00

balance in Profit & Loss Account
brought forward, Fringe Benefit
Tax and interest paid to
Income Tax Department)

APPROPRIATIONS

Special Reserves u/s 36(1) (viii) of Income Tax Act 1961	17.36	15.31
Proposed Dividend	9.60	11.25
Dividend Tax	1.63	1.91
General Reserve	10.00	25.00
Surplus carried to Balance Sheet	9.79	12.53

The Profit and Loss Account takes care of the prudential norms regarding income recognition, asset classification and provisioning as approved by the Board of Directors in terms of Articles of Association of IREDA.

DIVIDEND

Your Directors recommend a dividend of Rs.11.25 crore for the financial year 2008-09, which is 20% of the Profit After Tax.

PRUDENTIAL NORMS

Your Company, a Non-Banking Financial Company (NBFC), registered with Reserve Bank of India (RBI) follows the Prudential Norms in respect of Income Recognition, Asset Classification, Provisioning as approved by Board of Directors of IREDA in terms of Articles of Association as per directions of MNRE.

STRESSED ASSETS MANAGEMENT

The level of net NPA during the year 2008-09 was brought down to 3.27% as against the previous year figure of 8% (computed after adjustment of ad hoc provisioning). The said decrease in the level of net NPAs was the result of recovery efforts made during the year through One Time Settlement, action under SARFAESI Act, 2002, reschedulement and regular follow up.

The Company could recover an aggregate amount of Rs.74.56 crore which included an amount of Rs.12.24 crore recovered from written off assets.

During the year, the Prudential Norms relating to Income Recognition, Asset Classification and Provisioning were amended in terms of Articles of Association of IREDA as per the directions of MNRE. The change in the Prudential Norms and concerted efforts for recovery of stressed assets resulted in excess provision for standard assets and NPAs amounting to Rs.25.63 crore. The said excess provision has been retained in the books in addition to Ad-hoc provision of Rs.70 crore created in earlier years as a prudent measure for meeting future eventualities.

DEBT EQUITY RATIO & NET WORTH

As During the year 2008-09, the Company's net worth increased to Rs.869.55 crore from Rs.797.13 crore in the previous year. As on 31st March 2009, the Company's net borrowing stood at Rs.1565.22 crore which is 1.80 times of its net worth.

RESOURCE MOBILISATION

SHARE CAPITAL

With the release of Government equity of Rs. 30 crore during 2008-09, the paid-up capital of the Company has risen to Rs. 520 crore as on 31st March 2009 against the authorized share capital of Rs.1000 crore.

DOMESTIC BORROWINGS

During the year 2008-09, the Company borrowed Rs. 384 crore from various banks to meet its financial requirements. In addition, it has raised resources to the tune of Rs.100 crore through issue of Long Term Taxable Bonds.

INTERNATIONAL ASSISTANCE

The Company signed loan agreement with KfW for line of credit for Euro 50 million and also with Nordic Investment Bank for US \$ 50 million. In order to meet the resource requirement in the next 2 to 3 years, discussion is underway to raise Euro 100 million from Agence Francaise de Developpement (AfD) and US\$ 100 million from Japan International Cooperation Agency (JICA).

CREDIT RATING

CARE assigned 'CARE AAA (SO)' [Triple A (Structured Obligation)] rating to the Long Term Bond Series-I Issue of Rs 100 crore of the Company. Instruments with this rating are considered to be of the best credit quality offering highest safety for timely servicing of debt obligations.

PROMOTIONAL EFFORTS

BUSINESS MEETS

The Company continued to sponsor Seminars, Workshops and Business Meets to promote renewable energy technologies. During the year 2008-09 the Company supported five programmes in the states that have relatively less investment in renewable energy.

DISSEMINATION OF INFORMATION

The Company continued to create awareness of its financing policies towards promotion of renewable energy technologies/energy efficiency and conservation (EEC) and also their potential benefits. In this direction, the Company has prepared 'Five Minutes Capsule Film' in the five major sectors namely Wind Energy, Hydro Energy, Bio-energy, Solar Energy and EEC. In addition, film for EEC in various industries like Cement, Sugar, Hotel, Glass etc were prepared for creation of awareness in Demand Side Management. Print and electronic media were used for sustained publicity.

DEVELOPMENT OF RURAL AREAS

During the year under report out of 47 project for Rs. 1489.93 crores sanctioned, 39 projects with loan assistance of Rs.1408.37 crore shall be implemented in rural areas. The loan amount sanctioned for these areas constitutes around 94.52% of the total sanctions during the year.

SPECIAL CONCESSIONS

The Company continued with its policy to provide concessions in





IREDA financed 1.90 MW Baragran Small Hydro Project set up in the State of Himachal Pradesh



its lending terms and conditions to the promoters belonging to SC/ST ,Women , Ex-service man and Handicapped categories and also for projects to be set up in North Eastern Region, Sikkim, Jharkhand, Chhattisgarh and Uttarakhand.

PROGRAMMES ENTRUSTED BY MNRE

The Company continued as implementing agency for various schemes entrusted to it by the MNRE. Moreover MNRE designated the Company as fund manager for its various interest subsidy schemes.

JOINT SECTOR COMPANY

M/s M. P. Wind Farms Limited (MPWL) 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 MPWL 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. Your Company has been receiving dividend consistently since the year 2006-07 onwards from the Joint Sector Company. MPWL is primarily involved in design and development of wind power estate to facilitate investment by small investors. Besides economising cost of infrastructure , MPWL also offers service for operation and maintenance of wind farms .

NETWORKING ARRANGEMENTS

IREDA has been networking with various technical and professional organisations through a scheme of Business

Development Associates (BDA) for generating more business. As on 31st March 2009, total number of BDAs stood at 52, comprising 16 Technical Consultancy Organisations, 12 State Nodal Agencies, 2 Local Productivity Councils, 15 Private Sector Enterprises and 7 NGOs and Technical Institutions.

PLANNING, MONITORING AND EVALUATION

PLANNING

The Company has drawn up its Annual Plan for the year 2009-10, which envisages ambitious targets for loan sanction of Rs. 1200 crore and disbursement of Rs. 710 crore.

MONITORING & EVALUATION

Project monitoring and evaluation are being carried out through direct inspections and physical verifications and through reports of Nominee Directors .Help of Concurrent Auditors / Concurrent Engineers is also taken for projects monitoring.

MEMORANDUM OF UNDERSTANDING

For the second consecutive year, the Company's performance in achieving the MoU targets is likely to be rated as "Excellent" . The Company has also signed a MoU with the Government for the year 2009-10.

HUMAN RESOURCE DEVELOPMENT

In the vibrant business environment , it is very much necessary to update knowledge and skill of the employees. Keeping this in view the Company invested 299 man-days in technical and non-



IREDA & IDFC join hands for Renewable Energy Development



technical training of the employees during 2008-09. The Company continued to nominate officials at various levels for the Seminars / Workshops on specialized subjects in India and abroad.

INSTITUTIONAL DEVELOPMENT

As a part of enlarging its outreach and national presence, the Company has decided to open two new camp Offices at Ahmedabad in Gujarat and Kolkata in West Bengal. The existing Camp Offices at Hyderabad and Chennai were upgraded and renamed as "Branch Offices".

ECOLOGY & ENVIRONMENT

The Company has been promoting the spread of eco-friendly renewable energy technologies which have a positive impact on environment besides reducing pollution. The RE projects to the tune of 184 MW commissioned during the year will result in annual saving of 0.15 million tons of oil equivalent (MTOE) and abatement of 0.5 million tons of carbon dioxide.

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 Scheduled Castes/ Scheduled Tribes/Other Backward Communities/ Physically Handicapped. Liaison officers for Scheduled Castes/ Scheduled Tribes/Other Backward Communities have also been nominated to cater the interests of these categories.

OFFICIAL LANGUAGE IMPLEMENTATION

The Company continued its efforts in the implementation of Official Language Policy of the Government of India and to encourage the employees for progressive use of Official Language. Workshops related to Official Language were organized to further educate and motivate IREDA employees. Review of progress of use of Hindi and implementation of Official Language Policy were done on regular basis through meetings of Rajbhasha Karyanvayan Samiti headed by Chairman and Managing Director, IREDA.

The Company organised Hindi Pakhwara in the first fortnight of September, 2008 during which various competitions were organised. 'Hasya Kavi Sammelan' was also organized on Hindi Diwas in which three reputed poets recited their poems. An Inter-PSU competition for Member Undertakings of Town Official Language Implementation Committee (Undertakings), Delhi was organised by IREDA.

AUDITS & INSPECTIONS OF ACCOUNTS

STATUTORY AUDITORS

M/s S C Vasudeva & 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 2008-09.

AUDIT REVIEW

The Comments of the Comptroller and Auditor General of India on



IREDA celebrated Hindi Fortnightly from 1st to 14th September, 2008



the accounts, Statutory Auditors' Report to the Members and the comments of the Management thereon are annexed (Annexure V).

INTERNAL AUDIT

M/s Ravi Rajan & Co., Chartered Accountants, New Delhi were appointed your Company's Internal auditors for the financial year 2008-09 and the Audit Reports and Action Taken Report were submitted to the Audit Committee for review.

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.3520.72 lakh and the outflow was Rs. 3180.14 lakh.

PERSONNEL AND INDUSTRIAL RELATIONS

Personnel relations continued to be extremely cordial and harmonious during the year. The grievance of the employees continued to be redressed through dialogues and discussions.

CUSTOMER RELATIONS

The Company believes in building and enhancing better customer relationship. The Company continued with its customer-friendly

approach in day-to-day dealings. The problems of borrowers are redressed by a response mechanism through effective and immediate hearing by senior executives. Regular feedback is obtained from the borrowers. A study was also conducted through consultant to know the level of customers satisfaction and the recommendations made in the report were accepted by the Company. A Grievance Redressal Committee (GRC) is already in place to look into the grievances of the customers / borrowers.

VIGILANCE

During the year 2008-09, Vigilance Department of the Company suggested corrective measures for improving control systems, setting up of adequate checks and balances, enforcing compliance of laid down procedures and carrying out investigation into complaints.

The company observed Vigilance Awareness Week during 3rd November to 7th November, 2008. The vigilance awareness week was utilised, inter alia, to publicize the procedure for making complaints under Public Interest Disclosures and Protection of Informer (PIDPI).

CORPORATE GOVERNANCE

The Company is committed to follow best practice of principles of good Corporate Governance. The Board lays strong emphasis on transparency, professionalism, accountability and integrity.

The Company has always endeavored to implement and maintain



IREDA celebrated Vigilance Awareness Week in 2008



high standards of Corporate Governance norms and has been practicing the principles of good Corporate Governance even when they were not mandatory by legislation. The Company's philosophy of Corporate Governance stems from its belief that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in preserving shareholder trust while maximizing long-term shareholder value.

A certificate from practicing Company Secretaries – M/s B. Mathur & Co., Company Secretaries, confirming compliance of conditions of Corporate Governance in line with the DPE Guidelines is annexed at **Annexure-VI**.

A report in line with the DPE Guidelines on compliance of provisions of Corporate Governance is given below :

BOARD OF DIRECTORS

The Board of Directors of IREDA provide leadership and strategic guidance, objective judgement independent of management and exercises control over the Company while remaining at all times accountable to the shareholders.

Composition

The Board of Directors presently comprise of eight members. The composition of Board of Directors as on the date of the report is as follows :

Whole-time Directors

- i) Shri Debashish Majumdar : Chairman and Managing Director
- ii) Shri S. P. Reddi : Director (Finance)
- iii) Shri K. S. Popli : Director (Technical)

Government Directors

- iv) Shri K. P. Sukumaran : Director
- v) Shri Hari Kumar : Director

Part-time Non-Official Director

- vi) Shri A. Prasad : Director
- vii) Dr. Raj Kishore Prasad : Director
- viii) Prof. S. Sadagopan : Director

NUMBER OF BOARD MEETINGS

There were 08 meetings of the Board of Directors held during the year 2008-09 on 30.5.2008, 31.7.2008, 14.8.2008, 13.10.2008, 5.12.2008, 24.12.2008, 28.1.2009 and 13.3.2009. Detailed agenda along with explanatory notes were circulated in advance to the Board.



IREDA & PTC India Financial Services entered into a MOU



View of IREDA financed 25 MW Middle Kolab Small Hydro Project set up in the State of Orissa





View of IREDA financed 16 MW Co-generation Project set up at Bagalkot, Karnataka



The Composition of the Board , Directors' attendance at the Board meetings during the year and also at the last Annual General Meeting, number of directorships in other Companies and membership in other Committees etc are as under :

Name & Designation	Board Meetings		No of other Directorship*	Membership in the Committees of other Companies **		Attendance at the last AGM (26.09.08)
	Held during the tenure	Attended		As Member	As Chairman	
Shri Debashish Majumdar Chairman & Managing Director IREDA	08	08	Nil.	04	-	Attended
Shri S.P. Reddi Director (Finance), IREDA	08	08	Nil	-	-	Attended
Shri K.S. Popli Director (Technical), IREDA	08	08	Nil	01	-	Attended
Shri K.P. Sukumaran Director, IREDA & Adviser, MNRE	08	08	Nil	-	-	Attended
Shri Hari Kumar Director, IREDA & Joint Secretary, MNRE	08	06	Nil	-	-	N/A
Shri A. Prasad Director, IREDA	08	08	02	-	-	N/A
Dr. Raj Kishore Prasad Director, IREDA	08	08	Nil	-	-	Attended
Prof. S. Sadagopan Director, IREDA & Director, IIT, Bangalore	08	02	04	-	-	N/A

* Does not include Directorship in Private Companies, Section 25 Companies and Foreign Companies

** Does not include Chairmanship/Membership in Board Committees other than Audit Committee etc.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 3 Committees, across all the companies in which he is a Director.

INFORMATION AVAILABLE TO THE BOARD

The Board has complete access to all the relevant information within the Company. The information regularly supplied to the Board specifically includes :

- Annual operating plans, budgets and any updates therein.
- Capital budgets and any updates therein.
- Quarterly MOU Achievement results for the Company and its operating divisions or business segments.
- Minutes of meeting of the Audit Committee and other Committee of the Board.



- Information on recruitment/ remuneration of senior officers given below :
below the Board level.
- Material show cause, demand, prosecution notices and penalty notices, if any.
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company.
- Details of any joint venture or collaboration agreement.
- Investments.
- Quarterly foreign exchange exposures and steps taken by the Management to limit the risk of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature.

All the members of the Board and Senior Management Personnel have affirmed compliance of code of Conduct for the financial year ended on 31st March, 2009.

(Debashish Majumdar)
Chairman & Managing Director

CODE OF CONDUCT

The Board of Directors has laid down the Code of Business Conduct and Ethics for the Board members and Senior Management of the Company. It is in alignment with Company's vision and values to achieve the Mission and Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Conduct has been displayed on the Company's website.

Based on the affirmations received from Board Members and Senior Management Personnel declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is

AUDIT COMMITTEE

In compliance to the provisions of Section 292 'A' of the Companies Act, 1956 (the 'Act'), IREDA had constituted a Committee of the Board known as "Audit Committee". Terms of the reference of the Audit Committee is as under:

- To appoint Internal Auditors and fix payment of fees.
- To discuss the scope of work of the Internal Auditors and review / modify the same.
- To discuss with the Auditors periodically about the internal control system, progress of the work and compliance/action taken by IREDA.
- To discuss the observations of the Statutory Auditors, Internal Auditors, action taken by IREDA and review the same.
- To review the half-yearly and annual financial statements before submission to the Board.



IREDA sponsored Business Meet in the State of Jammu & Kashmir

- (vi) To review the Internal Audit Reports and action taken/ compliance report thereon, internal control systems and all matters of financial management having direct impact on the functioning of the Company.
- (vii) To review the Company's financial and risk management policy.
- (viii) To investigate into the matters referred to the Committee by the Board.

NUMBER OF AUDIT COMMITTEE MEETINGS

There were 5 meetings of the Audit Committee held during the year 2008-09 on 30.6.2008, 25.7.2008, 29.9.2008, 24.12.2008 and 13.3.2009. Detailed agenda along with explanatory notes were circulated in advance to the Committee.

The Audit Committee was reconstituted by the Board of Directors vide their approval for agenda item No. 180.3.2 at its Meeting held on 31st July, 2008. The Composition of the Audit Committee, Members' attendance at the Audit Committee meetings during the year are as following:

Names of Members	Designation	No. of meeting attended during the year 2008-09
Shri K.P. Sukumaran (upto 25.7.2008)	Ex-officio Part-time Director	02
Shri Hari Kumar (upto 25.7.2008)	Ex-officio Part-time Director	02
Shri K.S. Popli	Director (Technical)	05
Shri A. Prasad	Part-time Non-Official Director	03
Dr. Raj Kishore Prasad	Part-time Non-Official Director	03

The minutes of the Audit Committee were placed before the Board for information.

The Chairman of the Audit Committee was present at the AGM held on 26.9.2008.

COMMITTEE OF DIRECTORS

In terms of provisions contained in IREDA's Articles of Association, the Board of Directors at its 180th Meeting held on 31st July, 2008 reconstituted the Committee of Directors (COD) keeping in view the delegation structure and the work requirement.

Terms of Reference of Committee of Directors

- (i) To consider sanction of loans for "Projects (other than relating to Briquetting and hybrid technologies) involving IREDA's loan beyond Rs.7.50 crores and upto 20 crores in each case subject to a ceiling of Rs.400 crores in a financial year."
- (ii) Any other matter which the Board of Directors may prescribe for consideration of the COD.

Number of Meetings

There were 3 meetings of the Committee of Directors (COD) held during the year 2008-09 on 13.10.2008, 24.12.2008 and 28.1.2009. Detailed agenda along with explanatory notes were circulated in advance to the Committee. The Composition of the Committee of Directors, Members' attendance at COD meetings during the year are as following:

Names of Members	Designation	No. of meeting attended during the year 2008-09
Shri Debashish Majumdar	Chairman & Managing Director	3
Shri S.P. Reddi	Director (Finance)	3
Shri K.S. Popli	Director (Technical)	3
Shri K.P. Sukumaran	Ex-officio Part-time Director	3
Shri A. Prasad	Part-time Non-Official Director	3
Dr. Raj Kishore Prasad	Part-time Non-Official Director	3

The Chairman of the COD was present at the AGM held on 26.9.2008.

The minutes of the Committee of Directors (COD) were placed before the Board for information.

REMUNERATION COMMITTEE

The appointment of Directors and payment of their remuneration are decided by President of India as per the Articles of Association of the Company. As such the Company has no Remuneration Committee.

GENERAL BODY MEETING

The details of Date, Time and Location of the last three Annual General Meetings held are as under :

Financial Year	Date	Time	Location
2005-06	31.10.2006	11.30 A.M.	Registered Office:
2006-07	31.10.2007	12.30 P.M.	India Habitat Centre
2007-08	26.09.2008	12.30 P.M.	Lodhi Road, New Delhi

In addition to above , following Extra-Ordinary General Meetings of the Shareholders were held to transact the Special Business during the last 3 financial years.

Financial Year	Date	Time	Location
2006-07	Nil	Nil	Registered Office:
2007-08	22.06.2007	1.00 P.M.	India Habitat Centre
	31.01.2008	3.00 P.M.	Lodhi Road,
2008-09	04.02.2009	12.30 P.M.	New Delhi



DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to the requirement under section 217(2 AA) of the Companies Act 1956 with respect to the Directors Responsibility Statement the Board of Directors of the Company hereby confirm

- That in the preparation of the annual accounts for the financial year ended on 31st March, 2009, the applicable accounting standards have been followed;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Companies as at the end of 31st March, 2009 and of the Profit and Loss Account of the Company for the period ended 31st March, 2009;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the Annual Accounts for the financial year ended on 31st March, 2009 on a going concern basis.

ACKNOWLEDGMENTS

The Board of Directors place on record their appreciation of the continued guidance, co-operation and support provided by the

Ministry of New and Renewable Energy, Ministry of Finance, Planning Commission and other Ministries/ Departments of the Government of India. The Company is thankful to the World Bank, Asian Development Bank, Kreditanstalt Fur Wiederaufbau (KfW), Germany, Nordic Investment Bank, European Investment Bank, Agence Francaise de Developpement (Afd), Japan International Cooperation Agency (JICA) and other international financial institutions / agencies and investors for their co-operation, guidance and help.

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

Special thanks are extended to the Bankers, 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 of their individual and collective valuable contribution towards the Company's growth.

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.

Place : New Delhi
Dated : 29.09.2009

(DEBASHISH MAJUMDAR)
Chairman & Managing Director



Interaction Meet of Solar Water Heating Systems with various Banks at Ludhiana, Punjab



IREDA financed 50.4 MW Wind Farm Project set up in the State of Karnataka





STATEWISE SANCTIONS DURING LAST FIVE YEARS

Annexure - I (Rs. in Crores)

S.No.	Name of State /Union Territory	2004-05		2005-06		2006-07		2007-08		2008-09		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	3	77.05	3	12.87	2	10.87	1	4.47	2	114.41	247	1,411.82
2	Assam	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4	9.40
3	Bihar	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	8	3.17
4	Chhattisgarh*	2	34.65	1	24.64	0	0.00	0	0.00	1	15.84	6	76.31
5	Gujarat	2	4.75	0	0.00	2	11.44	5	183.15	4	236.10	97	593.87
6	Goa	0	0.00	1	0.13	0	0.00	0	0.00	0	0.00	8	0.62
7	Haryana	0	0.00	1	6.00	0	0.00	0	0.00	1	0.86	22	29.04
8	Himachal Pradesh	7	93.19	1	17.30	2	13.42	1	14.20	4	35.40	40	417.58
9	Jammu & Kashmir	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	0.67
10	Jharkhand *	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	0.33
11	Karnataka	11	135.72	7	118.78	6	89.60	10	418.47	18	775.16	275	3,107.81
12	Kerala	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	31	125.11
13	Madhya Pradesh	0	0.00	1	20.00	1	16.07	1	8.15	1	12.22	74	233.42
14	Maharashtra	8	54.82	19	139.52	9	215.31	2	35.65	6	100.25	329	1,518.91
15	Manipur	0	0.00	0	0.00	0	0.00	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	0	0.00	0	0.00	0	0.00	1	0.82
18	National Capital Territory of Delhi	0	0.00	0	0.00	0	0.00	1	1.00	0	0.00	61	47.63
19	Orissa	0	0.00	1	40.00	1	32.02	2	77.51	0	0.00	12	243.19
20	Punjab	0	1.85	0	0.00	0	0.00	0	0.00	0	0.00	31	83.32
21	Rajasthan	5	23.14	3	42.48	2	2.05	0	0.00	2	18.45	67	234.74
22	Tamil Nadu	11	87.97	6	32.61	5	21.32	5	15.25	3	97.78	415	1,309.52
23	Uttar Pradesh	1	11.41	1	0.94	1	60.98	1	68.30	0	0.00	80	413.77
24	Uttarakhand *	5	41.34	0	0.00	2	115.43	0	0.00	4	59.96	12	218.95
25	West Bengal	1	33.84	1	50.56	0	0.00	0	0.00	1	23.50	56	265.34
	TOTAL "A"	56	599.73	46	505.83	33	588.51	29	826.15	47	1,489.93	1887	10,345.96
B.	UNION TERRITORY												
1	Andaman Nicobar	0	0	0	0	0	0	0	0	0	0	1	0.11
2	Daman	0	0	0	0	0	0	0	0	0	0	2	8.13
3	Pondicherry	0	0	0	0	0	0	0	0	0	0	2	1.38
	TOTAL "B"	0	0	0	0	0	0	0	0	0	0	5	9.62
	TOTAL 'A' + 'B'	56	599.73	46	505.83	33	588.51	29	826.15	47	1489.93	1892	10,355.58

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



View of IREDA financed 3 MW Chandni Small Hydro Project set up in the State of Himachal Pradesh





IREDA financed 50.4 MW Wind Farm Project set up in the State of Gujarat

Annexure- II

SECTORWISE SANCTIONS DURING LAST FIVE YEARS

(Rs. in Crore)

S No.	Sectors	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative since 1987
1	Wind Power	204.25	261.41	266.19	426.97	728.87	3970.10
2	Hydro Power	176.73	17.30	160.87	226.23	343.40	2438.56
3	Cogeneration	77.46	0.00	116.28	68.30	319.85	1639.42
4	Biomass Power	32.20	89.30	0.00	0.00	16.25	722.89
5	Energy Efficiency & Conservation	96.73	123.32	21.30	53.73	40.20	573.41
6	Solar Photovoltaics	0.00	0.00	0.00	0.00	33.36	619.31
7	Solar Thermal	12.36	7.00	13.00	50.92	8.00	196.03
8	Waste to Energy	0.00	0.00	9.19	0.00	0.00	58.33
9	Biomass Briquetting	0.00	0.00	0.00	0.00	0.00	19.47
10	Biomass Gasification	0.00	0.00	1.68	0.00	0.00	12.43
11	Biomethanation from Industrial Effluents	0.00	0.00	0.00	0.00	0.00	72.47
12	Miscellaneous	0.00	7.50	0.00	0.00	0.00	33.16
	TOTAL	599.73	505.83	588.51	826.15	1489.93	10355.58



A Poultry Litter Waste 3.66 MW Waste to Energy Project in Andhra Pradesh



STATEWISE DISBURSEMENT DURING LAST FIVE YEARS

(Rs./Crores)

S. No.	Name of State/Union Territory	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative since 1987
A.	STATES						
1	Andhra Pradesh	26.00	37.49	6.01	25.21	32.32	1020.49
2	Assam	0.00	0.00	0.00	0.00	0.00	0.21
3	Bihar	0.00	0.00	0.00	0.00	0.00	0.62
4	Chhattisgarh*	0.00	35.72	21.56	0.00	0.00	61.92
5	Goa	0.00	0.00	0.00	0.13	0.00	0.22
6	Gujarat	3.16	0.00	3.99	77.75	177.96	388.216
7	Haryana	0.00	0.40	0.00	0.00	0.00	4.6
8	Himachal Pradesh	20.49	27.30	37.74	46.99	5.65	209.88
9	Jharkhand*	0.00	0.00	0.00	0.00	0.00	0.05
10	Karnataka	118.14	115.87	86.69	118.00	435.27	1524.95
11	Kerala	0.00	0.00	0.00	0.00	0.00	44.43
12	Madhya Pradesh	3.11	0.65	0.87	0.00	20.79	137.977
13	Maharashtra	12.35	26.04	162.45	137.41	15.49	869.53
14	National Capital Territory of Delhi	0.14	0.00	0.00	0.00	0.00	12.55
15	Nagaland	0.54	0.04	0.07	0.00	0.00	0.65
16	Orissa	14.95	28.37	31.75	14.22	3.02	123.27
17	Punjab	33.68	4.13	0.51	0.00	0.00	80.51
18	Rajasthan	34.55	2.34	41.14	1.00	6.41	159.11
19	Tamil Nadu	18.95	20.19	17.15	17.30	18.10	798.15
20	Uttar Pradesh	0.00	0.44	0.40	68.30	0.00	159.13
21	Uttarakhand *	1.08	0.00	0.00	46.79	55.94	105.22
22	West Bengal	2.84	3.53	0.54	0.54	0.00	49.744
	TOTAL 'A'	289.98	302.51	410.87	553.64	770.95	5751.427
B.	UNION TERRITORY						
1	Daman	0	0	0	0	0	1.49
2	Pondicherry	0	0	0	0	0	1.13
	TOTAL 'B'	0	0	0	0	0	2.62
	GRAND TOTAL A+B	289.98	302.51	410.87	553.64	770.95	5754.05

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

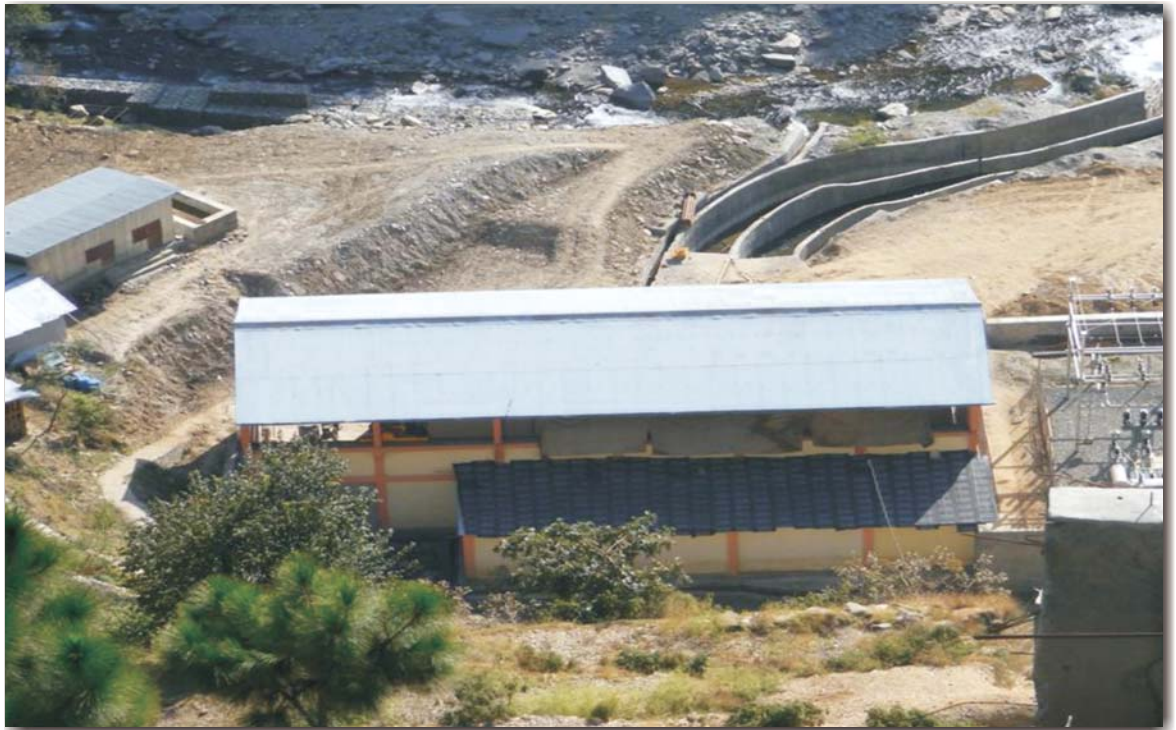
Annexure IV

SECTORWISE DISBURSEMENT DURING LAST FIVE YEARS

(Rs. in crore)

SNo.	Sectors	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative Since 1987
1	Wind Power	102.47	134.82	258.19	271.02	483.51	2515.02
2	Hydro Power	90.04	64.73	58.36	119.39	147.55	1064.30
3	Cogeneration	26.57	18.44	19.68	103.88	76.36	891.53
4	Biomass Power	45.67	36.74	38.99	9.81	1.13	524.41
5	Energy Efficiency & Conservation	0.65	41.44	29.40	13.57	5.80	176.79
6	Solar Photovoltaics	5.57	0.11	0.00	0.00	26.25	314.51
7	Solar Thermal	17.25	5.93	5.00	29.82	27.55	142.99
8	Waste to Energy	1.64	0.30	0.00	6.15	2.80	48.55
9	Biomethanation from Industrial Effluents	0.00	0.00	0.00	0.00	0.00	57.60
10	Biomass Briquetting	0.00	0.00	0.00	0.00	0.00	9.99
11	Biomass Gasification	0	0	1.25	0	0.00	5.12
12	Miscellaneous	0.12	0	0	0	0.00	3.24
	TOTAL	289.98	302.51	410.87	553.64	770.95	5754.05





View of IREDA financed 5 MW Sahu Small Hydro Project set up in the State of Himachal Pradesh

Annexure V
(Part-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, 2009**

The preparation of financial statements of **Indian Renewable Energy Development Agency Limited** for the year ended 31st March, 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 13th August, 2009.

I on behalf of Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of **Indian Renewable Energy Development Agency Limited** for the year ended 31st March, 2009. This supplementary audit has been carried out independently without access to the working papers of

the statutory auditors and is limited primarily to the inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

**For and on behalf of the Comptroller
and Auditor General of India**

(Naina A. Kumar)
**Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-II
New Delhi**

Place: New Delhi

Date: 17th September, 2009



Annexure-V (Part-II)

Management Reply to Statutory Auditor's Report (Required under Section 217 (3) of the Companies Act, 1956) for the Financial Year 2008-09

S.No.	Auditors Report	Management Reply
(f) of Auditor's Report	<p>The company is carrying a provision of Rs. 6.98 crores in respect of Standard Assets and a provision for bad and doubtful debts of Rs. 265.88 crores in respect of Sub-standard and Doubtful Assets in its books of account which exceeds the provision that the company is required to make in accordance with the prudential norms framed by the Board by an amount of Rs. 97.10 crores. The excess amount of provision has not been shown as 'Reserve' as required by Part III of Schedule VI to the Companies Act, 1956. Had the said amount been shown as a 'Reserve' as against the amount being presently shown as a 'Provision', the figure of Reserves and Surplus would have been Rs. 469.03 crores as against the reported figure of Rs. 371.93 crores, the figure of Provisions would have been Rs. 175.76 crores as against the reported figure of Rs. 272.86 crores.</p>	<p>As per Part III of Schedule VI of the Companies Act, 1956 where any amount is written off or retained by providing for depreciation, renewals or diminution in value of assets and retained by way of providing for any known liability, is in excess of the amount which in the opinion of the directors is reasonably necessary for the purpose, the excess shall be treated for the purposes of the schedule as a reserve and not as a provision.</p> <p>IREDA is making provision for Non Performing Assets and Standard Assets as per the guidelines, approved by Board of Directors of IREDA in terms of Articles of Associations. During the FY 2008-09, IREDA has changed the accounting policy with regard to income recognition, asset classification and provisioning with respect to loan & advances in terms of Article No.: 84(26) of Articles of Association of the company. Due to change in accounting policy, the provision has been reduced as under:-</p> <ul style="list-style-type: none"> • Provision for NPAs reduced by Rs. 17.30 crores. • Provision for standard assets reduced by Rs. 1.48 crores <p>Due to high recovery of NPAs and change in Accounting Policy, the provision required for Non Performing Assets worked out to Rs.170.25 Crores as against the provision of Rs.195.88 Crores already created till 31.3.2008.</p> <p>However, said excess provision created in earlier years is retained in books as a prudent measure. Further, an adhoc provision of Rs.70 Crores has been created in earlier years i.e. FY 2003-04 to FY 2006-07 to meet future contingencies which may adversely affect the quality of loan assets.</p> <p>As per Master Circular No. DBOD.No.BP.BC. 17/21.04.048/2009-10 dated 1.7.2009 applicable to all commercial banks, the regulatory norms for provisioning represent the minimum requirement. A bank may voluntarily make specific provisions for advances at rates which are higher than the rates prescribed under existing regulations, to provide for estimated actual loss in collectible amount, provided such higher rates are approved by the Board of Directors and consistently adopted from year to year. Such additional provisions for NPA may be netted off from gross NPA's to arrive at net NPA. In our case the provision was made and retained in the books with the specific approval of Board of Directors.</p> <p>It is to conclude that excess provision arose on account of change in prudential norms, improved recovery and include ad-hoc provision of Rs. 70 crores made in earlier years. The said excess provision is not made towards any known liability. The excess provision is retained only with the aim of meeting any future eventuality. The additional provisions of NPAs, like the minimum regulatory provisions on NPAs, has been netted off from gross NPAs to arrive at the net NPAs.</p> <p>In view of the above, the excess provisions of Rs. 97.10 crores is not a reserve in terms of Part III of Schedule VI of the Companies Act, 1956 and hence, has been correctly reflected in provisions.</p>



Annexure VI

B Mathur & Co.

Company Secretaries

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CIN Number : U40108DL1987GOI027265
Nominal Capital : Rs.1000,00,00,000 (Rupees One Thousand Crore)

To
The Members
Indian Renewable Energy Development Agency Limited

We have examined all relevant records of Indian Renewable Energy Development Agency Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance Guidelines issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India on 22nd June, 2007 for the financial year ended on 31st March, 2009.

The compliance of the conditions of Corporate Governance in accordance with the Guidelines issued by the Department of Public Enterprises (DPE) is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the said **DPE Guidelines except** with regard to the presence of independent Directors in two Audit Committee meetings out of five Audit Committee meetings held during the financial year ended on 31st March 2009.

For B Mathur & Co.
Company Secretaries

Date : 18.08.2009
Place: New Delhi

Brijeshwar Dayal Mathur
Company Secretary
C.P. No. 5334



Statutory Auditors' Report

**To the Members of
Indian Renewable Energy Development Agency Limited,
New Delhi**

We have audited the attached Balance Sheet of **Indian Renewable Energy Development Agency Limited**, as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement 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, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.

Further to our comments in the annexure referred to above, we report that: -

- we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion, proper books of account, as required by law have been kept by the Company so far, as appears from our examination of the books;
- the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- in our opinion, the Balance Sheet, Profit and 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 these are applicable to the Company.

e) the provision of Section 274(1)(g) of the Companies Act, 1956 are not applicable to the Company in view of the Notification no. GSR 829 (e) dated 21/10/2003 issued by Government of India.

f) **The company is carrying a provision of Rs. 6.98 crores in respect of Standard Assets and a provision for bad and doubtful debts of Rs. 265.88 crores in respect of Sub-standard and Doubtful Assets in its books of account which exceeds the provision that the company is required to make in accordance with the prudential norms framed by the Board by an amount of Rs. 97.10 crores. The excess amount of provision has not been shown as 'Reserve' as required by Part III of Schedule VI to the Companies Act, 1956. Had the said amount been shown as a 'Reserve' as against the amount being presently shown as a 'Provision', the figure of Reserves and Surplus would have been Rs. 469.03 crores as against the reported figure of Rs. 371.93 crores, the figure of Provisions would have been Rs. 175.76 crores as against the reported figure of Rs. 272.86 crores.**

Subject to the above, in our opinion and to the best of our information and according to explanations given to us, the said accounts, read together with the Significant Accounting Policies and Notes on Accounts (As per Schedule - P) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of Company as at 31st March, 09;
- In the case of the Profit and Loss Account, of the profit for the year ended on that date, and,
- In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S. C. Vasudeva & Co.
Chartered Accountants

(R. C. Luthra)
PARTNER
M. No. 81052

Place : New Delhi
Date : 13.08.2009

Annexure to the Auditors' Report

Annexure referred in paragraph 3 of our report to the members of **Indian Renewable Energy Development Agency Limited**, on accounts for the financial year ended 31st March 2009.

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed.
- (c) According to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year.
- (ii) Provisions of Paragraph 4(ii) (a) to 4(ii) (c) of the Order are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of Paragraph 4 (iii) (b), (iii) (c) and (iii) (d) of the Order are not applicable to the Company.
- (c) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from any companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (d) As the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of Paragraph 4 (iii) (f) and (iii) (g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of fixed assets

and for rendering of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

- (v) (a) According to the information and explanations given to us, there are no particulars of contracts or arrangement during the year which are required to be entered in a register maintained pursuant to Section 301 of the Companies Act, 1956.
- (b) Paragraph 4(v)(b) of the Order is not applicable during the year
- (vi) According to the information and explanations given to us the Company has not accepted any deposits from the public. Therefore, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and relevant rules framed there under are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) The company is generally regular in depositing all undisputed statutory dues including Provident Fund, Income Tax and other statutory dues with appropriate authorities.
- (b) According to records of the Company, the disputed statutory dues in respect of Income-tax aggregating to Rs.1178 lakhs that have not been deposited on account of matters pending before the Commissioner of Income-tax (Appeals), the details of which are given below:

NAME OF STATUTE	NATURE OF DUES	DISPUTED AMOUNT (Rs. In Lakhs)
The Income-tax Act 1961	Demand raised for Asstt. year 2004-05	517
The Income-tax Act 1961	Demand raised for Asstt. year 2005-06	661
		1178



According to the information and explanations given to us, there are no disputed statutory dues pending in respect of sales tax, service tax, custom duty, wealth tax, excise duty and cess.

- (x) In our opinion, the Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (xii) 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.
- (xiii) The Company is not a chit fund Company or nidhi /mutual benefit fund/society. Therefore, the provisions of Paragraph 4 (xiii), First part and Second part; sub clauses (a) to (d) of the said Order are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of paragraph 4(xiv) of the said Order are not applicable to the Company
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us and on the basis of the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that the term loans raised

have been utilized for the purpose for which the loans were obtained

- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments by the Company.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and Companies covered in register maintained under Section 301 of the Companies Act, 1956
- (xix) According to the information and explanations given to us the Company has issued tax free bonds and taxable bonds in the nature of debentures which are secured by negative lien on the assets of the Company. This is as per the agreement entered with the Trustees.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year. Therefore, the provisions of paragraph 4 (xx) of the said Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the year.

For S. C. Vasudeva & Co.
Chartered Accountants

(R. C. Luthra)
PARTNER
M. No. 81052

Place : New Delhi
Date : 13.8.2009



S.C. Vasudeva & Co.

Chartered Accountants

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

**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, 2009 and report that:

- 1) 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 23rd January, 2008.
- 2) The Board of Directors has passed a resolution by circulation on 24.04.2008 that the Company will not accept any public deposit during the financial year 2008-09 without the approval of the Reserve Bank of India;
- 3) The Company has not accepted any public deposit during the year ended 31st March, 2009;
- 4) The Company has complied with the prudential norms relating to income recognition, asset classification and provisioning for the bad and doubtful debts as approved by the Board of Directors of IREDA in terms of Articles of Association. The company has also complied with the Accounting Standards as per the Companies (Accounting Standard) Rules, 2006.

**For S. C. Vasudeva & Co.
Chartered Accountants**

**Place : New Delhi
Dated : 28.08.2009**

**(R. C. Luthra)
Partner
Membership No. 81052**





Comments of CAG u/s 619(4) of Companies Act, 1956

No. MAB-II/CAD-I/15-10/09-10/263

**INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-II**

Date: 17.09.2009

To,

The Managing Director,
Indian Renewable Energy Development Agency Limited
India Habitat Centre, Core-4 'A', East Court,
1st Floor, Lodhi Road,
New Delhi-110 003

Subject: 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 2009.

Sir,

I forward Nil Comments of 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, 2009. These Nil Comments may be published in the Annual Report of the Company.

Yours faithfully

(Naina A. Kumar)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-II
New Delhi

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 2009.

The preparation of financial statements of Indian Renewable Energy Development Agency Limited for the year ended on 31st March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 13th August 2009.

I on behalf of Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Indian Renewable Energy Development Agency Limited for the year ended 31st March 2009. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

**For and on behalf of the
Comptroller and Auditor General of India**

**(Naina A. Kumar)
Principal Director of Commercial Audit
& Ex-officio Member Audit Board-II
New Delhi**

**Place : New Delhi
Dated : 17.09.2009**



Balance Sheet

As at 31st March, 2009

	SCHEDULE	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	A	5,200,000,000	4,900,000,000
Reserves and Surplus	B	3,719,291,075	3,289,867,162
Loan Funds			
Secured loans	C	13,305,784,187	9,988,485,464
Unsecured loans	D	9,263,951,166	8,446,037,157
		31,489,026,428	26,624,389,783
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		568,705,761	486,893,308
Less : Depreciation		120,776,848	97,502,628
Net Block		447,928,913	389,390,680
Capital work-in-progress		2,338,158	2,261,620
Investments	F	1,200,000	1
Deferred Tax Assets		310,624,441	354,521,441
Current Assets, Loans and Advances			
Cash and Bank Balances	G	7,628,366,109	6,928,953,403
Other Current Assets	G	75,119,674	107,861,102
Loans and Advances	H	25,455,636,739	21,766,323,356
		33,159,122,522	28,803,137,861
Less : Current Liabilities and Provisions			
Liabilities	I	619,828,203	737,063,970
Provisions	J	1,820,486,857	2,191,232,850
		2,440,315,060	2,928,296,820
Net Current Assets		30,718,807,462	25,874,841,041
Miscellaneous Expenditure to the extent not written off or adjusted		8,127,454	3,375,000
		31,489,026,428	26,624,389,783
Accounting Policies and Notes on Accounts	P		

As per our Report of even date
For S. C. Vasudeva & Co
Chartered Accountants

R. C. Luthra
Partner, M No. 81052

S. P. Reddi
Director (Finance)

Debashish Majumdar
Chairman and Managing Director

Place : New Delhi
Date : 13.8.2009

S K Bhargava
Company Secretary

Profit and Loss Account

for the year ended 31st March, 2009

	SCHEDULE	Year ended 31.3.2009 Rs.	Year ended 31.3.2008 Rs.
INCOME			
Income from operations	K	2,375,104,990	1,972,707,403
Other Income	L	375,998,219	499,506,622
		2,751,103,209	2,472,214,025
EXPENDITURE			
Personnel	M	130,045,894	88,187,830
Administrative and Others	N	34,454,990	29,450,110
Depreciation		24,102,232	25,318,937
Finance Charges	O	1,273,609,644	1,197,293,046
Bad debts written off		429,621,626	27,884
Provision for Bad and Doubtful debts		-	385,697,740
General Provision for Standard Assets		-	10,127,001
		1,891,834,386	1,736,102,548
PROFIT FOR THE YEAR		859,268,823	736,111,477
Prior Period Adjustments (Net)		-253,785	-3,829,057
PROFIT BEFORE TAX		859,015,038	732,282,420
PROVISION FOR TAXATION			
Income Tax		251,500,000	315,000,000
Deferred Tax		43,897,000	(64,360,000)
Fringe Benefit Tax		1,500,000	2,000,000
PROFIT AFTER TAX		562,118,038	479,642,420
Add : Balance of Profit brought forward		97,923,443	4,205,223
PROFIT AVAILABLE FOR APPROPRIATION		660,041,481	483,847,643
APPROPRIATIONS			
Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		153,136,000	173,609,000
Proposed Dividend		112,500,000	96,000,000
Corporate Dividend Tax		19,119,375	16,315,200
General Reserve		250,000,000	100,000,000
Surplus carried to Balance sheet		125,286,106	97,923,443
		660,041,481	483,847,643
Earning Per Share of Rs 1000/- each (Basic & Diluted)		110.30	103.91
Accounting Policies and Notes on Accounts	P		
<p>As per our Report of even date For S. C. Vasudeva & Co Chartered Accountants</p> <p>R. C. Luthra Partner, M No. 81052</p> <p>S. P. Reddi Director (Finance)</p> <p>Debashish Majumdar Chairman and Managing Director</p> <p>Place : New Delhi Date : 13.8.2009</p> <p>S K Bhargava Company Secretary</p>			



Schedules

SCHEDULE-'A' SHARE CAPITAL

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Authorised 100,00,000 (Previous year 100,00,000) Equity Shares of Rs. 1,000 each	10,000,000,000	10,000,000,000
Issued, Subscribed & Paid up 52,00,000 (Previous Year 49,00,000) Equity Shares of Rs. 1,000 each fully paid up	5,200,000,000	4,900,000,000

SCHEDULE-'B' RESERVES & SURPLUS

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
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	13,519,396	15,165,339
Balance from Previous year	2,281,879	3,117,089
Received during the year	15,801,275	18,282,428
Less : Transferred to Miscellaneous Income	3,813,415	4,763,032
UNDP Hilly Hydro Capital Grant	11,987,860	13,519,396
Sub Total (II)	124,833,710	124,376,924
Total (I)+(II)	1,132,176,791	1,131,719,005
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	1,528,547,000	1,354,938,000
Balance up to last year	1,648,120,145	1,474,511,145
Addition During the Year	153,136,000	173,609,000
	1,801,256,145	1,648,120,145
NBFC Reserve	67,933,276	67,933,276
General Reserve		
Balance from Previous year	330,650,897	233,314,655
Less: Provision For Employee Benefits	-	2,663,758
Add: Transfer From Profit and Loss Account	250,000,000	100,000,000
	580,650,897	330,650,897
Surplus i.e. balance as per annexed Profit and Loss Account	125,286,106	97,923,443
	3,719,291,075	3,289,867,162

SCHEDULE-'C' SECURED LOANS

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
<u>A. Tax Free Bonds</u> (Secured by negative lien on assets of the company)		
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 Tranche II on 15.12.2008* * Put/call option is available at the end of 5th year.	- -	100,000,000 300,000,000
8.50% Tax free Secured Redeemable Energy Bonds (Series IX- 2001-02) Redeemable at par after the expiry of 7 years ie on 20.11.2008 Put/call option is available at the end of 5th year.	-	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 7th year	500,000,000	500,000,000
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 7th year	500,000,000	500,000,000
<u>B. Taxable Bonds</u> (Secured by negative lien on assets of the company)		
9.60% Coupon Bearing Bonds in the nature of Debentures (Series I- 2008-09) Redeemable at par after the expiry of 10 years on 24.2.2019	1,000,000,000	-
<u>C. Loans and Advances from Banks</u> (Secured by US\$ deposit, Euro deposit and by pari-passu charge on the book debts) (Due for repayment within one year Rs 1,099,740,892/- (Previous year Rs 1,050,033,431/-)	11,305,784,187	8,488,485,464
	13,305,784,187	9,988,485,464



SCHEDULE-'D' UNSECURED LOANS

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Other Loans and advances		
A. From Banks		
(Loans Guaranteed by the Government of India)		
From		
Asian Development Bank (ADB)	1,834,193,339	1,500,591,079
(Due for repayment within one year Rs 69,845,122/- (Previous year Rs 56,276,324 /-)		
Kreditanstalt Fur Wiederaufbau-(KfW)-Germany	2,728,830,297	2,860,254,981
(Due for repayment within one year Rs 273,744,298/- (Previous year Rs 294,899,736/-)		
International Bank for Reconstruction and Development (IBRD)	2,282,427,530	1,666,691,097
(Due for repayment within one year Rs 131,498,472/- (Previous year Rs 106,394,228/-)		
B. From Others		
(Government Loans)		
Against		
International Development Agency (IDA) - Second Renewable Energy Project	2,418,500,000	2,418,500,000
(Due for repayment within one year Rs Nil (Previous year Rs Nil))		
	9,263,951,166	8,446,037,157

SCHEDULE-'E' FIXED ASSETS



AMOUNT IN RS.

Particulars	GROSS BLOCK				Depreciation				NET BLOCK			
	up to 1.4.2008	Additions during the year	Disposals during the year	Adjustments during the year	As at 31.03.2009	up to 1.4.2008	for the year	Disposal during the year	Adjustments during the year	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
Tangible Assets*												
Buildings-residential-leasehold	4,143,149	-		-	4,143,149	2,098,454	102,235			2,200,689	1,942,460	2,044,695
Buildings-office-leasehold-IHC	26,410,058	-		-	26,410,058	13,115,557	664,725			13,780,282	12,629,776	13,294,501
leasehold-AKB	376,755,950	40,996,073		-	417,752,023	20,504,814	17,885,564			38,390,378	379,361,645	356,251,136
Office Equipments	11,609,344	20,750,887	7,414		32,352,817	7,968,768	637,489	4,447	27,299	8,629,109	23,723,708	3,640,576
Computers	49,158,413	98,228			49,256,641	38,689,138	3,589,840		(8,338)	42,270,640	6,986,001	10,469,275
Furniture and Fittings	8,937,643	19,604,891			28,542,534	7,381,690	502,021		95,393	7,979,104	20,563,430	1,555,953
Vehicles	2,239,333	1,364,722	1,000,154		2,603,901	1,373,288	253,998	935,076	(2,842)	689,367	1,914,533	866,045
Library	1,689,392			-	1,689,392					1,689,392	-	-
Total A	480,943,282	82,814,801	1,007,568	-	562,750,515	92,821,101	23,635,872	939,523	111,512	115,628,961	447,121,553	388,122,181
Previous year	477,383,290	3,559,992		-	480,943,282	68,582,280	24,853,532	-	(614,711)	921,821,101	388,122,181	408,801,010
Intangible Assets**												
Software	5,950,026	5,220	-	-	5,955,246	4,681,527	466,360	-	-	5,147,887	807,359	1,268,499
Total B	5,950,026	5,220	-	-	5,955,246	4,681,527	466,360	-	-	5,147,887	807,359	1,268,499
Previous year	4,628,202	1,321,824	-	-	5,950,026	4,216,122	465,405	-	-	4,681,527	1,268,499	-
Total A+B	486,893,308	82,820,021	1,007,568	-	568,705,761	97,502,628	24,102,232	939,523	111,512	120,776,848	447,928,913	389,390,680
Previous year	482,011,492	4,881,816	-	-	486,893,308	72,798,402	25,318,937	-	(614,711)	926,502,628	389,390,680	408,801,010
Capital Work In Progress												
Building	768,370	80,477,888	-	(81,246,258)	-	-	-		-	-	-	768,370
Software under Installation	1,493,250	874,908		(30,000)	2,338,158						2,338,158	1,493,250
Total C	2,261,620	81,352,796	-	(81,276,258)	2,338,158	-	-	-	-	-	2,338,158	2,261,620
Previous year	-	2,261,620			2,261,620						2,261,620	-
Total A+B+C	489,154,928	164,172,817	1,007,568	(81,276,258)	571,043,919	97,502,628	24,102,232	939,523	111,512	120,776,848	450,267,071	391,652,300
Previous year	482,011,492	7,143,436		-	489,154,928	72,798,402	25,318,937	-	(614,711)	97,502,628	391,652,300	409,213,090

*Includes Assets worth Rs 5,10,41,676/- procured out of Grants from The World Bank (Computer Rs 4,25,81,095/-, Furniture & Fittings Rs 32,03,868/- and Office Equipment Rs 52,56,913/-)

**Includes Assets worth Rs 50,91,501/- procured out of Grants from The World Bank



SCHEDULE-'F' INVESTMENTS

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Long Term Investment (Unquoted) (other than trade) (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) (Refer note No. 11)	1,200,000	1
	1,200,000	1

SCHEDULE-'G' CURRENT ASSETS

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
1. Cash and Bank balances		
Postage Imprest	87,406	22,690
Bank balances with Scheduled Banks		
A) In Current Account		
- IREDA	638,793,795	415,635,838
- MNRE	1,246,566	3,905,269
- UNDP	6,177,100	6,336,903
- National Hydrogen Energy Board	358,244	346,028
B) In Deposit Account		
a) INR-Short term Deposit		
- MNRE	-	85,000,000
- DRT No lien Account	15,474,637	15,372,905
b) Foreign Currency Deposits		
- Dollar Deposit	4,119,468,209	3,169,375,453
- Euro Deposit	2,798,050,835	2,889,888,358
C) Cheques Under Collection/DD In hand	48,709,317	343,069,959
	7,628,366,109	6,928,953,403
Other Current Assets		
2. Interest accrued but not due on Loans and Deposits		
- On Loans	30,487,084	32,927,569
- On deposit with banks	44,632,590	74,933,533
	75,119,674	107,861,102
	7,703,485,783	7,036,814,505



SCHEDULE-'H' LOANS & ADVANCES

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
A.Term Loans to Constituents of IREDA	25,815,285,640	21,955,914,241
Interest Accrued and due on Loans	165,311,801	53,389,881
Loans to Employees	19,175,991	5,441,110
Sub Total -I	25,999,773,432	22,014,745,232
B.Advances (Unsecured, considered good)		
Advances Recoverable in cash or in kind or for value to be received		
Security Deposits	941,390	260,930
Staff Advances (Not bearing interest)	1,400,905	1,075,677
Advance Tax & Other Tax Recoverable	1,970,320,909	1,564,579,072
Others	10,375,199	21,903,823
Sub Total -II	1,983,038,403	1,587,819,502
III=(I+II)	27,982,811,835	23,602,564,734
Less: Provisions for Bad and doubtful debts*	2,658,826,018	1,958,826,018
Total Loans & Advances of IREDA**	25,323,985,817	21,643,738,716
Loans to constituents of MNRE	60,448,720	64,665,931
Interest Accrued and due on MNRE Loans	71,202,202	57,918,709
Total Loans & Advances to constituents of MNRE	131,650,922	122,584,640
Total Loans to constituents of IREDA & MNRE	25,455,636,739	21,766,323,356
Particulars of loan & Advances :		
IREDA		
- Considered good in respect of which company is fully secured	22,191,169,305	17,598,053,674
- Considered good in respect of which company holds no security other than personal security of the borrower**	1,109,897,733	1,286,146,875
- Others	1,983,038,403	1,587,819,502
- Considered doubtful	2,698,706,394	3,130,544,683
	27,982,811,835	23,602,564,734
Less: Provision for bad and doubtful debts (IREDA only)	2,658,826,018	1,958,826,018
	25,323,985,817	21,643,738,716
MNRE		
- Considered good in respect of which company is fully secured	3,390,849	5,932,160
- Considered good in respect of which company holds no security other than personal security of the borrower	-	-
- Considered doubtful	128,260,073	116,652,480
	131,650,922	122,584,640
GRAND TOTAL	25,455,636,739	21,766,323,356
- Due from Directors of the Company	147,866	29,400
- Due from other officers of the Company @	1,377,220	-
- Maximum amount due at any time during the year from directors of the company	663,511	365,416
- Maximum amount due at any time during the year from officers of the company @	1,541,035	19,228

* Include Ad-hoc provision of Rs.700,000,000 (Previous year : Included in Provision for Standard Assets Rs.700,000,000)

** Includes interest funded Rs.418,303,776 (Previous year : 334,989,140)

@ The figures are in respect of officers of the Company i.e. Secretary as per the Companies Act, 1956



**SCHEDULE-'I'
CURRENT LIABILITIES**

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Sundry Creditors		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	77,225,534	3,821,357
Provident Fund Payable	881,482	716,071
MNRE Programme Funds	258,472,963	432,757,104
MNRE Co Generation Specific Grant	2,790,182	7,280,304
National Hydrogen Energy Board	358,244	346,028
UNDP Programme Funds	6,177,100	6,336,903
Interest accrued but not due	191,973,048	205,442,736
Other Liabilities	81,949,650	80,363,467
	619,828,203	737,063,970

**SCHEDULE-'J'
PROVISIONS**

PARTICULARS	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Standard Assets	69,768,575	769,768,575
Income-tax	1,513,000,000	1,261,500,000
Fringe Benefit Tax	5,505,815	4,005,815
Proposed Dividend	112,500,000	96,000,000
Corporate Dividend Tax	19,119,375	16,315,200
Leave encashment	9,096,735	5,171,189
Gratuity	10,485,512	5,422,277
Post Retirement Medical	4,947,865	4,428,986
Baggage Allowance	222,718	-
Sick Leave	9,362,674	5,786,604
Leave Travel Concession	2,273,770	1,994,760
Pay Revision Arrears	34,800,000	6,300,000
Other Provisions	29,403,818	14,539,444
	1,820,486,857	2,191,232,850

SCHEDULE-'K' INCOME FROM OPERATIONS

PARTICULARS	For the Year ended 31.03.2009 Rs.	For the Year ended 31.03.2008 Rs.
Interest on Loans	2,138,776,829	1,838,146,775
Less : Rebate on Prompt Payment	13,000,542	9,925,868
	2,125,776,287	1,828,220,907
Front end Fee	141,772,992	75,879,764
Less: Service Tax	21,709,848	8,333,364
	120,063,144	67,546,400
Application Fee	3,793,975	2,784,334
Less: Service Tax	464,995	305,948
	3,328,980	2,478,386
Recovery out of Bad Debts written off	121,867,340	70,764,260
MNRE Service Charges	5,032,604	4,121,221
Less: Service Tax	963,365	423,771
	4,069,239	3,697,450
	2,375,104,990	1,972,707,403

SCHEDULE-'L' OTHER INCOME

PARTICULARS	For the Year ended 31.03.2009 Rs.	For the Year ended 31.03.2008 Rs.
<u>Interest on Deposits with Banks</u>		
-Short Term Deposit	95,216,871	202,342,421
-US\$ Deposit	128,822,885	166,043,147
- EURO Deposit	135,609,005	122,077,029
- GEFII	597,906	403,928
	360,246,667	490,866,525
<u>Other Interest</u>		
-on Staff Loan	1,098,117	488,268
<u>Service Charges</u>		
- UNDP Programme Fund	270,219	309,718
Less Service Tax	-	61,186
	270,219	248,532
Dividend from Long Term Investment (other than trade)	84,000	84,000
Consultancy fee	1,295,250	-
Profit on Sale of Assets	122,923	-
Investment Written Back	1,199,999	-
Difference in Exchange	6,703,124	2,879,532
Miscellaneous income- Transfer from Capital Grant	3,813,415	4,763,032
- Others	1,164,505	176,733
	375,998,219	499,506,622



SCHEDULE-'M' PERSONNEL EXPENSES

PARTICULARS	For the Year ended 31.03.2009 Rs.	For the Year ended 31.03.2008 Rs.
Salaries,Wages and other amenities	95,284,128	63,874,363
Contribution to Provident Fund	4,135,315	3,334,186
Provident Fund Inspection Charges	62,424	54,339
Contribution to Benevolent fund	60,130	58,260
Contribution to Gratuity fund	6,754,861	1,820,011
Staff Welfare	22,943,629	18,172,077
Human Resource Development	799,425	135,700
Recruitment	5,982	738,894
	130,045,894	88,187,830

SCHEDULE-'N' ADMINISTRATIVE EXPENSES

PARTICULARS	For the Year ended 31.03.2009 Rs.	For the Year ended 31.03.2008 Rs.
Business Promotion	1,947,476	1,705,311
Travelling and Conveyance	6,037,000	4,772,281
Electricity and Water Charges	1,027,194	608,496
Information and Dissemination	1,086,715	579,649
Insurance	396,697	261,304
Legal and Professional	4,467,503	3,404,910
Newspapers and Periodicals	557,928	545,343
Office Maintenance	3,183,739	2,964,275
Office rent	6,871,295	7,117,325
Advance Written Off	320,000	-
Postage Telegram and Telephone	1,678,616	1,672,660
Printing and Stationery	1,578,208	1,776,554
Rates and Taxes	1,611,368	1,565,010
Director Sitting Fees	143,000	-
Repairs and Maintenance-Others	2,062,594	816,809
Credit Rating Expenses	225,000	-
Filing Fee	2,650	9,000
Miscellaneous Expenses	1,258,007	1,651,183
	34,454,990	29,450,110

SCHEDULE-'O' FINANCE CHARGES

PARTICULARS	For the Year ended 31.03.2009 Rs.	For the Year ended 31.03.2008 Rs.
Finance Charges		
Interest on Borrowings		
- on Bonds	87,066,515	119,343,494
- on Loans	962,734,599	976,288,063
	1,049,801,114	1,095,631,557
Other Finance Charges		
Miscellaneous Expenditure written off	803,275	1,285,756
Bond Trusteeship fee	122,768	136,315
Bank Charges	65,259	26,601
Commitment fee -International Bank for Reconstruction and Development (IBRD)	11,560	893,167
Commitment fee -KFW-II	492,042	-
GOI Guarantee Fee		
-Asian Development Bank (ADB)	11,098,121	9,102,094
-Kreditanstalt Fur Wiederaufbau (KFW)	31,796,256	32,712,488
-Kreditanstalt Fur Wiederaufbau (KFW-II)	9,561,205	-
-International Bank for Reconstruction and Development (IBRD)	27,650,335	18,966,005
	81,600,821	63,122,426
Interest Rate Swap (IRS)	46,532,259	37,539,063
Contribution to ERAF	87,849,100	-
Management Fee(KFW)	7,826,350	-
Others	-	1,000,000
	1,273,609,644	1,197,293,046



ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

(1) General

The financial statements are prepared on accrual basis of accounting under the historical cost convention in accordance with the generally accepted accounting principles in India, the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

(2) Revenue and Expense Recognition

- (i) Income and expenses are accounted for on accrual basis with the exception of income on Non-Performing Assets where interest and/or loan installments of principal remain overdue for more than two quarters on the Balance Sheet date. The said interest income is recognised as and when actually realised.
- (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) Prepaid expenses and prior period expenses/income upto Rs.5,000/- per item are charged as and when incurred/adjusted/received.

(3) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities are re-stated at the exchange rate prevailing at the year end. The difference between the year end rate 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 Accounting Standard (AS)-11 on The Effects of Changes in Foreign Exchange Rates (revised 2003) issued under The Companies (Accounting Standards) Rules, 2006.

(4) Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation.

(5) Intangible Assets

Intangible assets are recognized when it is probable that future economic benefit attributable to the assets will flow to the company and the cost of the assets can be measured reliably. Such assets are stated at cost less accumulated amortization.

(6) Depreciation/amortization

- (i) Depreciation on fixed assets (including leasehold properties) other than on library books is provided on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- (ii) Depreciation on Library books is provided @ 100% in the year of purchase.
- (iii) Intangible assets are amortized over their estimated useful life. The estimated useful life does not exceed 10 years.

(7) Insurance Claims

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

(8) Investments

Long term investments are carried at cost. Provision for diminution in the value of such investments is made to recognize the decline other than temporary, in the value of the investments.

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

IREDA is a Non Banking Financial Company registered with Reserve Bank of India and follows the guidelines in case of income recognition, asset classification and provisioning as approved by Board of Directors of IREDA in terms of Articles of Association and complies with the disclosure requirements as per RBI guidelines pertaining to Financial Institutions and other requirements as per NBFCs, as amended from time to time.

(10) **Loans**

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

(11) **Grants**

- (i) Grants for acquisition of eligible fixed assets are accounted for as capital grants. Such grants are allocated to income over the periods and in the proportions in which the depreciation on those assets is charged.
- (ii) Grant-in-aid for financing projects in specified sectors of New and Renewable Sources of Energy (NRSE) is treated and accounted for as Capital Reserve/Grant.
- (iii) The expenditure incurred under Technical Assistance Programme (TAP) is accounted for as recoverable and shown under the head 'Current Assets'. The assistance reimbursed from The World Bank is credited to the said account.

(12) **Employee Benefits**

(A) **Short Term Employee Benefits**

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the Profit & Loss Account of the year in which the related service is rendered.

(B) **Post Employment Benefits**

- (i) Defined Contribution Plans
 - (a) Contribution to provident fund is made in accordance with the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is recognized as an expense and charged to the Profit & Loss Account.
 - (b) Contribution to benevolent fund is made in accordance with IREDA Employees Benevolent Fund Scheme and is recognized as an expense and charged to Profit & Loss Account.
- (ii) Defined Benefit Plans
 - (a) Gratuity

The employees Gratuity Fund Scheme is funded by IREDA and managed by LIC through a separate trust. The present value of IREDA's obligations under Gratuity is recognized on the basis of an actuarial valuation as at the year end and the fair value of the Plan assets is reduced from the gross obligations to recognize the obligation on a net basis.
 - (b) Other Long Term Benefits

Other Long Term Benefits such as Leave Encashment, Sick Leave, Post Retirement Medical Benefit and Leave Travel Concession are recognized on the basis of an actuarial valuation made as at the end of the year.

(13) **Impairment of Assets**

At each Balance Sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss i.e. the amount by which the carrying amount of an asset exceeds, its recoverable amount and the same is provided in the books of account.

(14) **Provisions and Contingent Liabilities**

- (i) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:-
 - (a) the Company has a present obligation as a result of a past event;
 - (b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - (c) the amount of the obligation can be reliably estimated
- (ii) Contingent liability is disclosed in the case of:-
 - (a) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;
 - (b) a possible obligation, unless the probability of outflow in settlement is remote;



- (iii) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

B. NOTES TO ACCOUNTS :

- (1) As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued under the Companies (Accounting Standards) Rules, 2006, the details of Provisions, Contingent Liabilities as on 31st March, 2009 are disclosed as under:-

a) Details of Provisions

(Amount in Rupees)

Sl. No.	Nature of the liability for which provision is made	Opening balance at the beginning of the financial year	Additions made during the financial year	Amount incurred and charged against the provision during the financial year	Closing balance at the end of the financial year
1	Standard assets	76,97,68,575 (75,96,41,574)	0 (1,01,27,000)	70,00,00,000 (0)	69,76 8,575 (76,97,68,575)
2	Income tax	1,26,15,00,000 (94,65,00,000)	25,15,00,000 (31,50,00,000)	0 (0)	1,51,30,00,000 (126,15,00,000)
3	Fringe Benefit Tax	40,05,815 (20,05,815)	15,00,000 (20,00,000)	0 (0)	55,05,815 (40,05,815)
4	Proposed dividend	9,60,00,000 (7,00,00,000)	11,25,00,000 (9,60,00,000)	9,60,00,000 (7,00,00,000)	11,25,00,000 (9,60,00,000)
5	Dividend tax	1,63,15,200 (1,18,96,500)	1,91,19,375 (1,63,15,200)	1,63,15,200 (1,18,96,500)	1,91,19,375 (1,63,15,200)
6	Leave encashment	51,71,189 (45,81,857)	52,31,754 (12,03,815)	13,06,208 (6,14,483)	90,96,735 (51,71,189)
7	Gratuity	54,22,277 (0)	50,63,235 (54,22,277)	0 (0)	1,04,85,512 (54,22,277)
8	Post retirement medical benefit	44,28,986 (0)	6,07,803 (44,28,986)	88,924 (0)	49,47,865 (44,28,986)
9	Sick leave	57,86,604 (0)	35,76,070 (57,86,604)	0 (0)	93,62,674 (57,86,604)
10	Leave Travel Concession	19,94,760 (0)	2,79,010 (19,94,760)	0 (0)	22,73,770 (19,94,760)
11	Baggage Allowance	0 (0)	2,22,718 (0)	0 (0)	2,22,718 (0)
12	Pay Revision Arrear	63,00,000 (0)	2,85,00,000 (63,00,000)	0 (0)	3,48,00,000 (63,00,000)
13	Other Provisions	1,45,39,444 (76,74,633)	5,32,64,551 (1,95,98,906)	3,84,00,177 (1,27,34,095)	2,94,03,818 (1,45,39,444)
	Total	2,19,12,32,849 (180,23,00,379)	48,13,64,516 (48,41,77,548)	85,21,10,509 (9,52,45,078)	1,82,04,86,857 (219,12,32,849)

Previous year figures shown within bracket

b) Capital Commitment

Estimated value of contract to be executed on Capital Account and not provided for Rs. 21,70,000 (Previous year : Rs. Nil)

c) Contingent Liabilities not provided for:-

Income tax demand for Assessment Years 2003-04, 2004-05, 2005-06 and 2006-07 aggregating to Rs. 40.70 Crores (Previous year : Rs. 23.59 crores) is outstanding. The company has filed appeals against the orders of the Income Tax Department for the respective assessment years and based upon the decision of the Hon'ble ITAT on similar issues for assessment years 1998-99 to 2002-03 and on opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India on provision for disputed income tax/interest demands raised by Income Tax Authorities in respect

of which appeals are filed with higher authorities, no provision for the said demands has been made during the year.

(2) **MNRE Programme Funds**

- a) The Company besides its own activities implements Programmes on behalf of Ministry for New & Renewable Energy on the basis of Memorandum of Understanding entered into with the said Ministry. In terms of stipulations of each of the MoUs, MNRE has placed an agreed sum in respect of each Programme with the company for programme implementation. Interest on MNRE loans are accounted on due basis. As the income generated by the MNRE programme loans is not the income of the company and also the loan assets belong to MNRE, the same is not considered for asset classification and provisioning purposes. On closure of the respective Programmes, the company is required to transfer the amount standing to the credit of MNRE (inclusive of interest accrued thereon) to MNRE after deducting the Service charges, irrecoverable defaults and other dues as stipulated in the MoU. The amount due to MNRE on account of the above at the close of year, along with interest on unutilized funds kept in separate bank account with Nationalized Banks as short-term deposits, is shown under the head Current Liabilities in the Balance Sheet.
- b) MNRE has created a Revolving Fund out of UNDP GEF sources with an initial contribution of US \$ 1.40 million for the development of Small Hydro Project in Hilly Areas. The initial contribution to the company has been treated as a capital grant and interest accrued is credited to the said fund.

(3) **Subsidy**

(a) **Interest Subsidy**

As per the Government policy, MNRE 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 1-4-2008 was Rs. 28,91,65,275 (Previous year : Rs.29,44,62,294) and the company received during the year Rs. 9,64,65,050 (Previous year : Rs. 22,12,88,536). Out of this, a sum of Rs.23,74,76,598 (Previous year: Rs.23,34,28,919) 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.1,13,97,530 (Previous year : Rs. Nil) has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-3-2009 stands at Rs. 14,14,90,088 (Previous year: Rs.28,91,65,275).

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2009 are as under:-

(i) **Interest subsidy on NPV basis:-**

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2008	Interest Subsidy received during 2008-09	Amount refunded during 2008-09	Interest Subsidy passed on during 2008-09	Closing Balance as on 31.3.2009
1	Bio-mass Co-generation	12,17,77,726 (15,80,48,162)	0 (2,77,26,000)	0 (0)	5,08,16,628 (6,39,96,436)	7,09,61,098 (12,17,77,726)
2	Bio Methanation	0 (1,86,378)	0 (0)	0 (0)	0 (1,86,378)	0 (0)
3	Biomass Briquetting	0 (3,73,472)	0 (0)	0 (0)	0 (3,73,472)	0 (0)
4	Small Hydro	6,36,76,021 (10,40,80,984)	0 (0)	0 (0)	2,59,42,110 (4,04,04,963)	3,77,33,911 (6,36,76,021)
5	Waste to Energy	1,98,08,299 (1,98,08,299)	0 (0)	1,13,97,530 (0)	51,20,832 (0)	32,89,937 (1,98,08,299)
	Sub Total....A	20,52,62,046 (28,24,97,295)	0 (2,77,26,000)	1,13,97,530 (0)	8,18,79,570 (10,49,61,249)	11,19,84,946 (20,52,62,046)



(ii) **Interest subsidy on actual basis:-**

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2008	Interest Subsidy received during 2008-09	Amount refunded during 2008-09	Interest received on FDR	Subsidy passed on during 2008-09	Closing Balance as on 31.3.2009
1	Solar Thermal Sector	44,10,444 (1,71,05,090)	0 (0)	0 (0)	0 (0)	44,06,492 (1,26,94,646)	3952 (44,10,444)
2	SPV WP 2000-01	(-) 68,49,086 (-) (85,77,722)	1,19,75,032 (85,77,722)	0 (0)	0 (0)	51,25,946 (68,49,086)	0 (-) (68,49,086)
3	SPV WP 2001-02	0 (0)	65,18,041 (1,02,47,513)	0 (0)	0 (0)	81,40,005 (1,02,47,513)	(-)16,21,964 (0)
4	SPV WP 2002-03	0 (-) (45,90,782)	32,96,750 (85,33,397)	0 (0)	0 (0)	32,96,750 (39,42,615)	0 (0)
5	SPV WP 1999-00	0 (-) (29,29,336)	14,33,070 (51,10,539)	0 (0)	0 (0)	14,33,070 (21,81,203)	0 (0)
6	SPV WP Manufacturing	(-) 18,18,996 (-) (48,17,761)	46,92,357 (50,00,000)	0 (0)	0 (0)	28,73,361 (20,01,235)	0 (-) (18,18,996)
7	Accelerated SWH System	8,81,60,867 (1,57,75,510)	6,85,49,800 (15,60,93,365)	0 (0)	47,33,891 (68,43,364)	13,03,21,404 (9,05,51,372)	3,11,23,154 (8,81,60,867)
	Sub Total.....B	8,39,03,229 (1,19,64,999)	9,64,65,050 (19,35,62,536)	0 (0)	47,33,891 (68,43,364)	15,55,97,028 (12,84,67,670)	2,95,05,142 (8,39,03,229)
	Grand Total (A + B)	28,91,65,275 (29,44,62,294)	9,64,65,050 (22,12,88,536)	1,13,97,530 (0)	47,33,891 (68,43,364)	23,74,76,598 (23,34,28,919)	14,14,90,088 (28,91,65,275)

Previous year figures shown within bracket

(b) **Capital subsidy**

The un-disbursed capital subsidy as on 1.4.2008 was Rs. 36,90,822/- (Previous year : Rs.3,52,80,822) 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. NIL (Previous year: Rs.2,65,43,750) was received from MNRE. Out of the total capital subsidy amount available, Rs. NIL (Previous year: Rs.5,81,33,750) 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 31-3-2009 are as under:-

(Amount in Rupees)

Name of the sector	Opening balance as on 1.4.2008	Received during the year	Passed on during the year	Amount refunded to MNRE during the year	Adjustment	Closing balance as on 31.3.2009
Co - gen-eration	36,90,822 (3,52,80,822)	0 (0)	0 (3,15,90,000)	0 (0)	0 (0)	36,90,822 (36,90,822)
Small hydro	0 (0)	0 (2,65,43,750)	0 (2,65,43,750)	0 (0)	0 (0)	0 (0)
Total	36,90,822 (3,52,80,822)	0 (2,65,43,750)	0 (5,81,33,750)	0 (0)	0 (0)	36,90,822 (36,90,822)

Previous year figures shown within bracket

- (4) Bank Balances under the head "Current Assets, Loan & Advances" include a sum of Rs. 61,77,100 (Previous year : Rs.63,36,903) in Current Account with Scheduled Banks on account of unutilized funds received from UNDP/MNRE for implementation of "Green House Gases Emission". The equivalent amount is shown under the head Current Liabilities.
- (5) (a) 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 of 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 to the Companies Act, 1956.
- (b) The property tax in respect of office premises for the period upto 31st March, 2004 has been paid as per the demand raised by India Habitat Centre which was based on cost of the building. Municipal Corporation of Delhi has raised an issue with India Habitat Centre to include license fee received from the facilities area for the purpose of calculating rateable value.



This matter is now pending with the Hon'ble Delhi High Court. In case the Hon'ble Delhi High Court decides against the company, the liability on account of municipal tax will have to be reworked which is not ascertainable at this stage.

- (6) The scales of pay of Executives (including Board level appointees)/Non-unionized Supervisors and Non-executives of the company are due for revision w.e.f. 1st January, 2007 and 1st August, 2007 respectively. The Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India vide Office Memorandums No.2(70)/08-DPE(WC)-GL-XVI/08 dated 26th November, 2008, No.2(70)/08-DPE(WC)-GL-IV/09 dated 9th February, 2009 and No. 2(70)/08-DPE (WC)-GL-VII/09 dated 2nd April, 2009 has conveyed revision of scales of pay and allowances in respect of Board level and below Board level executives and Non-unionised Supervisors w.e.f. 1.1.2007. The Department of Public Enterprises has also issued guidelines vide Office Memorandum No. 2(7)/2006-DPE(WC)-GL-XIV dated 9th November, 2006 for holding 7th Round of Wage Negotiations with unionized workers. In terms of the above referred Office Memorandums issued by the Department of Public Enterprises, provision of Rs.285 lakhs (Previous Year: Rs.63 Lakhs) has been made in respect of Board level and below Board level Executives, Non-unionized Supervisors and Non-executives w.e.f. 1st January, 2007 on account of pay revision arrears. A further provision for Performance Incentive of Rs.122 lakhs (Previous year : Rs. 84 lakhs) has been made in terms the said office memorandum of Department of Public Enterprises.
- (7) While making provision 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.
- (8) IREDA is a Non Banking Financial Company registered with Reserve Bank of India and follows the guidelines in case of income recognition, asset classification and provisioning as approved by Board of Directors of IREDA in terms of Articles of Association and complies with the disclosure requirements as per RBI guidelines pertaining to Financial Institutions and other requirements as per NBFCs, as amended from time to time. Accordingly, the unrealized interest amounting to Rs. 97,91,18,836/- (Previous year : Rs.118,58,35,976) on accounts classified as Non-Performing Asset (NPAs) has not been recognized as income for the year. Further, a sum of Rs. NIL/- (Previous year : Rs.2,02,19,151) being the amount of unrealized interest upto 2007-08 has been reversed in respect of those accounts which have been classified as NPA for the first time during the year. An amount of Rs. 27,95,99,951/- (Previous year : Rs.28,11,85,342) has been recognized as income being interest realized during the year from NPA accounts.
- (9) The company 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. The company has made a provision for an amount of Rs. 87,849,100/- (Previous year Nil) equivalent to liability of International Development Agency (IDA) credit Second Renewable Energy Project on Rupee basis. Books of account of ERAF are prepared and maintained separately.
- (10) 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 Accounting Standard (AS) -17 on Segment Reporting issued under the Companies (Accounting Standards) Rules, 2006.
- (11) The company had made an investment in 1,68,000 equity shares of Rs.10 each, including 48,000 equity shares allotted as bonus shares in M/s M.P. Wind Farms Ltd., a joint sector company promoted by M/s Consolidated Energy Consultants Ltd., M/s M.P.Urja Vikas Nigam Ltd. and Indian Renewable Energy Development Agency Ltd. The face value of equity shares invested was Rs.12.00 lakhs. The company had subsequently sanctioned two loans to M/s M.P.Wind Farms Ltd., for their wind projects which were classified as Non Performing Assets (NPA) since 2000-01 and 100% provision was made against the said investment in the year 2004-05 in terms of RBI Circular No.:REF.DBS.FID.No.C-5/01.02.00/2004-05 dated 9th August 2004 applicable to financial institutions and the investment was written off in the books of account during the financial year 2004-05 after retaining a nominal value of Rs.1.

During the year 2008-09, M/s M. P. Wind Farms Ltd has repaid the dues as per the One Time Settlement and the loan account has been closed. Therefore the investment has been reinstated in the books to the original value of Rs. 12 Lakhs. The difference of Rs.11,99,999 has been credited to Investment Written Back.

(12) **Employee Benefits**

- (i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard 15 (Revised) are as under:-



(a) Change in the present value of the obligation

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Allowance	Post Retirement Medical Benefit (Un funded)
Present value of obligation as at the beginning of the year	1,42,02,352 (1,20,46,002)	51,71,189 (45,81,857)	19,94,760 (0)	57,86,604 (50,18,576)		44,28,986 -
Interest cost	11,36,188 (9,63,680)	4,13,695 (3,66,549)	-	4,62,928 (4,01,486)	-	3,54,319
Current service cost	17,73,887 (11,83,444)	8,81,712 (4,88,456)	-	8,05,238 (4,99,189)	-	3,53,088 (3,16,119)
Benefits paid	(-) 11,88,726 (-) (3,99,036)	-13,06,208 (-) (6,14,483)	-	-	-	(-) 71,625 (-) (1,02,295)
Actuarial loss/(gain) on obligations	56,07,756 (4,08,262)	39,36,347 (3,48,810)	2,79,010 -	23,07,904 (-) (1,32,647)	2,22,718 (Nil)	(-) 1,16,903 (42,15,162)
Present value of obligation at year end	2,15,31,457 (1,42,02,352)	90,96,735 (51,71,189)	22,73,770 (19,94,760)	93,62,674 (57,86,604)	2,22,718 (Nil)	49,47,865 (44,28,986)

(b) Change in fair value of plan asset

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Unfunded)	Sick Leave (Unfunded)	Baggage Allowance	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	87,80,075 (80,10,617)	-	-	-	-	-
Expected return on plan assets	8,03,377 (6,40,849)	-	-	-	-	-
Employer's contribution	25,63,278 (4,33,119)	-	-	-	-	-
Benefits paid	(-) 11,88,726 (-) (3,99,036)	-	-	-	-	-
Actuarial loss/(gain) on obligations	87,941 (94,526)	-	-	-	-	-
Fair value of plan asset at the end of the year	1,10,45,945 (87,80,075)	-	-	-	-	-

c) Amount recognized in balance sheet

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Unfunded)	Baggage Allowance	Post Retirement Medical Benefit (Un funded)
Estimated present value of obligations as at the end of the year	2,15,31,457 (1,42,02,352)	90,96,735 (51,71,189)	22,73,770 (19,94,760)	93,62,674 (57,86,604)	2,22,718 (Nil)	49,47,865 (44,28,986)
Fair value of plan assets as at the end of the year	1,10,45,945 (87,80,075)	-	-	-	-	-
Unfunded net liability recognized in balance sheet	1,04,85,512 (54,22,277)	90,96,735 (51,71,189)	22,73,770 (19,94,760)	93,62,674 (57,86,604)	2,22,718 (Nil)	49,47,865 (44,28,986)

(d) Expense recognized in the statement of Profit & Loss Account

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Unfunded)	Baggage Allowance	Post Retirement Medical Benefit (Un-funded)
Current service cost	17,73,887 (11,83,444)	8,81,712 (4,88,456)	2,79,010 (19,94,760)	8,05,238 (4,99,189)	2,22,718 (Nil)	3,53,088 (3,16,119)
Interest cost	11,36,188 (9,63,680)	4,13,695 (3,66,549)	-	4,62,928 (4,01,486)	-	3,54,319 -
Expected return on plan asset	(-) 8,03,377 (-) (6,40,849)	-	-	-	-	-
Net actuarial (Gain)/Loss recognized in the year	55,19,815 (3,13,736)	39,36,347 (3,48,810)	-	23,07,904 (-) (132,647)	2,22,718 (Nil)	(-) 1,16,903 (42,15,162)
Total expenses recognized in Profit & Loss Account	76,26,513 (18,20,011)	52,31,754 (12,03,815)	2,79,010 (19,94,760)	35,76,070 (7,68,028)	2,22,718 (Nil)	5,90,504 (45,31,281)



(e) Principal actuarial assumption as expressed as weighted average

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Unfunded)	Baggage Allowance	Post Retirement Medical Benefit (Unfunded)
Discount rate	8%	8%	8%	8%	8%	8%
Expected rate of return on plan assets	8%	-	-	-	-	-
Expected rate of salary increase	7%	7%	7%	7%	7%	7%
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

(f) Investment details of fund

Particulars	Gratuity (Funded investment)	
	In %	Amount in Rupees
Central Government securities	25% (25%)	Figures not available
State Government securities	15% (15%)	
Investment in PSUs	40% (40%)	Figures not available
Other investments (mixed in above 3 categories)	20% (20%)	

(g) Defined Contribution Plan

During the year, the company has recognized an expense of Rs. 41,35,315 (Previous year : Rs.33,34,186) in respect of contribution to provident fund and Rs.60,130/- (Previous year : Rs.58,260) in respect of contribution to benevolent fund.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in employee market.

(13) **Change in Accounting Policy**

During the year ended 31st March, 2009, the company has changed the accounting policy with regard to income recognition, asset classification and provisioning with respect to loans and advances in terms of Article No : 84(26) of Articles of Association of the company.

- Interest amounting to Rs. 2.81 Crores has been accounted for as income in the statement of profit and loss account. Had the accounting policy not been changed, the said amount of interest would not be recognized as income.
- The impact of the change in policy has resulted in reduction of provision for NPAs during the year by Rs.17.30 Crores. However, the company has decided not to reverse such excess provision and to retain the same in its books of account as a prudent measure. Thereby the aforesaid change in the policy has no impact on the Profit & Loss Account for the year ended 31st March, 2009.

(14) **Related Party Disclosure**

Details of transactions entered into with the related parties during the year as required by Accounting Standard (AS) 18 on "Related Party Disclosures" issued under the Companies (Accounting Standards) Rules, 2006 are as under:-

(Amount in Rupees)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	31,39,976 (18,47,061)
Borrowings (interest accrued)	
• Opening balance	0 (20,37 4)
• Less Repaid during the year	0 (20,37 4)
• Closing balance	0 (0.00)

(ii) Disclosure of Related Parties with whom Business transactions took place during the year:-

Key Management Personnel : (i) Shri Debashish Majumdar
: (ii) Shri S P Reddi
: (iii) Shri K S Popli

(iii) The Chairman and Managing Director, Director (Finance) and Director (Technical) have also been allowed staff car including private journey upto a ceiling of 1000 Kms. per month on payment of monthly charges as per Department of Public Enterprises guidelines.

(15) **Impairment of Assets**

The company has assessed on the Balance Sheet date that whether there are any indication (listed in the paragraph 8 to 10 of the Accounting Standards-28) with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, final estimate of the recoverable amount has not been made. Accordingly, no impairment loss has been provided for in the Books of Account.

(16) **Deferred Taxes**

- In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued under the Companies (Accounting Standards) Rules, 2006, the company has taken debit in the Profit & Loss Account towards deferred tax asset (net) on account of timing differences. After giving due consideration, deferred tax assets/liabilities are measured using the applicable current rates of Income Tax. In accordance with the provisions of AS-22, the current year deferred tax debit of Rs. 438.97 lakhs (Previous year : credit Rs. 643.60 lakhs) has been debited to the profit and loss account.
- The details of deferred tax assets (net) as on 31st March, 2009 is given below:-



A Deferred Tax Assets (+)		(Rs. in lakhs)	
	Arising on account of timing differences:	As at 31/3/2009	As at 31/3/2008
	<ul style="list-style-type: none"> ● Provision for Leave Salary, Gratuity, Sick Leave, LTC and Post Retirement Medical Benefit 	123.69	77.51
	<ul style="list-style-type: none"> ● Provision for doubtful debts and advances 	9274.49	9110.81
	<ul style="list-style-type: none"> ● Provision for Performance Incentive 	0.00	28.55
	<ul style="list-style-type: none"> ● Provision for Pay Revision 	0.00	21.41
	<ul style="list-style-type: none"> ● Stamp duty debited to P&L A/c but not paid 	0.00	1.11
	Total – A	9398.18	9239.39
B Deferred Tax Liabilities(-)			
	<ul style="list-style-type: none"> ● Depreciation 	162.91	123.00
	<ul style="list-style-type: none"> ● Stamp duty paid but not debited to P&L A/c 	6.55	0.00
	<ul style="list-style-type: none"> ● Special Reserve 	6122.47	5601.94
	Total – B	6291.93	5724.94
	Deferred Tax Asset(+)/Liability (-) (A-B)	3106.25	3514.44
	Deferred Tax Asset on account of AS-15 –		
	<ul style="list-style-type: none"> ● General Reserve 	0.00	13.72
	<ul style="list-style-type: none"> ● Prior period 	0.00	17.06
	Deferred Tax Asset	3106.25	3545.2

(17) In terms of Accounting Standard (AS) 20 on Earnings Per Share issued under the Companies (Accounting Standards) Rules, 2006, the Earnings Per Share (Basic & Diluted) is worked out as under:-

	As at 31/3/2009	As at 31/3/2008
Nominal value of Equity share (Rs.per share)	1000	1000
Numerator		
Profit after Tax as per Profit & Loss A/c(Rs. in lakhs)	5621.18	4796.42
Denominator		
◆ Number of equity shares (49+3) (in lakhs)	52.00	49.00
◆ Number of equity shares pending allotment (in lakhs)	0.00	0.00
◆ Weighted average number of Equity shares for calculating Basic and Diluted Earning per share (in lakhs)	50.96 **	46.16*
◆ Basic & Diluted Earning per share (Rs. per share)	110.30	103.91

* weighted average (44 x 12/12 + 5 x 158/366 = 46.16)

** weighted average (49 x 12/12 + 3 x 239/365 = 50.96)

(18) Loan to constituents of IREDA include a sum of Rs. NIL (Previous year : Rs.43,78,59,375) 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.

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

(20) The amount payable to enterprises falling under The Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil (Previous year : Rs. Nil). Accordingly, no disclosure is being made as required by the said Act.

(21) The Current Asset, Loans & Advances of the company have a value on their realization in the ordinary course of the business equivalent to the amount stated in the Balance Sheet.

(22) Legal and professional charges include remuneration (excluding service tax) paid to Statutory Auditors of the Company as under:-

- For Statutory Audit : Rs. 1,90,000 (Previous year : Rs.1,90,000*)
- For Tax Audit : Rs. 60,000 (Previous year : Rs.60,000)
- For Limited Review : Rs. 47,500 (Previous year : Rs. Nil)
- For Certification : Rs. 1,05,000 (Previous year : Rs.1,25,500)

* As approved in AGM held on 26.09.2008

(23) Remuneration paid to the Chairman and Managing Director, Director (Finance) and Director (Technical) excluding staff car which is not a taxable perquisite in salary, are as under:-

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)*
Salary & allowances	9,32,319 (6,65,588)	8,56,068 (6,50,870)	7,31,110 (1,09,129)
Medical allowance	57,546 (46,615)	54,683 (44,650)	55,720 (11,937)
Provident Fund	78,380 (64,523)	74,677 (62,095)	64,888 (12,824)
Value of perquisite as per Income Tax Act, 1961	1,14,848 (75,238)	67,411 (42,801)	52,326 (60,791)
Total	11,83,093 (8,51,964)	10,52,839 (8,00,416)	9,04,044 (1,94,681)

Previous year figures shown within bracket

* Previous year figures shown in bracket are for the period 4.12.2007 to 31.3.2008 since Director (Technical) joined IREDA on 4th December, 2007

(24) (i) For the assessment year 2004-05, income tax demand of Rs.1034 lakhs was raised out of which 50% was paid during 2006-07. No provision has been made in respect of the aforesaid amount as the Company had filed an appeal to the CIT(A) against the order of the Assessing Officer. The CIT(A) has granted partial relief. Further, the company has filed an appeal with ITAT against the order of CIT(A) which is pending.

(ii) For the assessment year 2005-06, income tax demand of Rs.1444 lakhs was raised out of which Rs.783 lakhs was paid during 2007-08. No provision has been made in respect of the aforesaid amount as the Company had filed an appeal to the CIT(A) against the order of the Assessing Officer.

(iii) Interest tax assessment have been completed upto the assessment year 2001-02. In respect of tax recoverable amounting to Rs.22.11 lakhs (Previous year : Rs.22.11 lakhs) from the assessment years 1996-97 to 2000-01, the company is taking the necessary steps for its recovery.

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

a) Expenditure in Foreign Currency:

- On Traveling Rs. 2,29,697 (Previous year : Rs.90,868)
- Others Rs. 31,77,84,159 (Previous year : Rs.34,22,30,119)

b) Earnings in Foreign Exchange:

- Interest Rs. 35,20,72,189 (Previous year : Rs.37,04,00,399)

c) Revenue Grant Rs. 1,08,71,354 (Previous year : Rs. 4,96,99,565) (GEF)

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

- (i) On CRAR, NPAs, Exposure, Liquidity etc.



SI No	Particulars		Status			
A)	Capital					
a	CRAR, core CRAR and supplementary CRAR		31.80% (34.31%)			
b	The amount of subordinated debt raised and outstanding as Tier–II capital		Nil (Nil)			
c	Risk weighted assets <ul style="list-style-type: none">On balance sheet itemsOff balance sheet items		2784.10 (2374.91) 20.35 (11.80)			
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		3.27% (11.28%)			
f	Amount and % of net NPAs under the prescribed asset classification categories (excluding incidental charges)	Category	Amount			% age
			Gross	NPA provision	Net	Net
		S. Std	69.84 (104.52)	10.45 (10.45)	59.39 (94.07)	2.61% (4.79%)
		Doubtful	268.68 (311.37)	253.71 (183.73)	14.97 (127.64)	0.66% (6.49%)
		Loss	0.05 (0.03)	0.05 (0.03)	0.00 (0.00)	0.00% (0.00%)
		Total NPA	338.57 (415.92)	264.21 (194.21)	74.36 (221.71)	3.27% (11.28%)
		Standard Asset	2199.63 (1744.21)	6.98 (0.00)	2192.65 (1744.21)	-
		Total loan outstanding	2538.20 (2160.13)	271.18 (194.21)	2267.02 (1965.92)	-
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			2008-09	2007-08	
	General provision for standard assets			-	1.01	
	Adhoc provision for standard assets			-	0	
	NPAs (including incidental charges)					
	Against loan outstanding			-	38.11	
	Against incidental charges			-	0.46	
				-	38.57	
	Investments			-	0.00	
	Income Tax including Fringe Benefit Tax			25.30	31.70	
	Total			25.30	71.28	

h	Movement in net NPAs			
	Particulars	2008-09	2007-08	
	Net NPA as on 1 st April	221.71	213.39	
	Add: Additions during the year	0.59	108.56	
	Less: Reduction during the year	34.38	62.13	
	Less: Provision made during the year (excluding incidental charges)	-	38.11	
	Less: Adhoc Provision Adjusted	70.00	0.00	
	Less: NPA Loans Upgraded	1.19	0.00	
	Less: Assets written off	42.37	0.00	
	Net NPA as on 31 st March	74.36	221.71	
i	Credit exposure as % to net worth and as % to total assets in respect of:		% to Net worth	% to total loan assets
	Loan		869.55 (797.13)	2538.20 (2160.13)
♦	The largest single borrower	359.04 (108.76)	41.29% (13.64%)	14.15 % (5.03%)
♦	The largest borrower group	362.84 (130.09)	41.73% (16.32%)	37.29 % (6.02%)
♦	The 10 largest single borrowers:			
	No. 1	359.04 (108.76)	41.29 % (13.64%)	14.15 % (5.03%)
	No. 2	115.67 (91.35)	13.30 % (11.46%)	4.56 % (4.23%)
	No. 3	81.26 (74.22)	9.35 % (9.31%)	3.20 % (3.44%)
	No. 4	77.24 (70.87)	8.88 % (8.89%)	3.04 % (3.28%)
	No. 5	69.95 (68.30)	8.04 % (8.57%)	2.76 % (3.16%)
	No. 6	66.50 (48.40)	7.65 % (6.07%)	2.62 % (2.24%)
	No. 7	55.00 (47.07)	6.33 % (5.90%)	2.17 % (2.18%)
	No. 8	53.06 (47.03)	6.10 % (5.90%)	5.45 % (2.18%)
	No. 9	48.40 (46.54)	5.57 % (5.84%)	1.91 % (2.15%)
	No. 10	47.03 (44.42)	5.41 % (5.57%)	1.85 % (2.06%)
	Total	973.15 (646.96)	111.91% (81.16%)	38.34% (29.95%)
♦	The 10 largest borrower groups:			
	No. 1	362.84 (130.09)	41.73 % (16.32%)	37.29 % (6.02%)
	No. 2	155.53 (97.51)	17.89% (12.23%)	15.98 % (4.51%)
	No. 3	115.67 (63.04)	13.30 % (7.91%)	11.89 % (2.92%)
	No. 4	95.50 (46.96)	10.98% (5.89%)	9.81 % (2.17%)
	No. 5	85.03 (43.67)	9.78 % (5.48%)	8.74 % (2.02%)
	No. 6	79.31 (40.46)	9.12 % (5.08%)	8.15 % (1.87%)



No. 7	77.24 (32.57)	8.88% (4.09%)	7.94 % (1.51%)
No. 8	66.50 (24.47)	7.65% (3.07%)	6.83 % (1.13%)
No. 9	63.04 (22.35)	7.25% (2.80%)	6.48 % (1.03%)
No. 10	48.60 (19.85)	5.59% (2.49%)	4.99 % (0.92%)
Total	1149.26 (520.97)	132.17% (65.36%)	45.28% (24.12%)

j)	Credit exposure to the 5 largest Industrial sectors as % to total loan assets	Industries	Loan O/S	% to total loan
	No. 1	Power	1508.48 (1100.15)	59.43 % (50.93%)
	No. 2	Sugar	329.64 (325.51)	12.99 % (15.07%)
	No. 3	FIs/NBFCs	129.68 (195.49)	5.11 % (9.05%)
	No. 4	Steel	103.70 (100.76)	4.09 % (4.66%)
	No. 5	Agriculture	89.55 (60.04)	3.53 % (2.78%)

C) Liquidity

k) Maturity pattern of rupee assets and liabilities;

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

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	398.08 (505.66)	697.98 (615.11)	591.76 (475.48)	383.11 (296.05)	630.25 (457.05)	2701.18 (2349.35)
Foreign currency assets	47.51 (45.99)	57.17 (76.95)	64.21 (56.86)	72.46 (63.51)	450.39 (362.61)	691.74 (605.92)
Total Assets	445.59 (551.65)	755.15 (692.06)	655.97 (532.34)	455.57 (359.56)	1080.64 (819.66)	3392.93 (2955.27)
Rupee liabilities*	354.00 (447.84)	250.43 (211.49)	372.16 (215.85)	157.51 (153.14)	1574.29 (1324.19)	2708.39 (2352.51)
Foreign currency liabilities	47.50 (45.76)	57.17 (76.95)	64.22 (56.86)	72.46 (63.52)	443.19 (359.67)	684.54 (602.76)
Total liabilities	401.50 (493.60)	307.60 (288.44)	436.38 (272.71)	229.97 (216.66)	2017.48 (1683.86)	3392.93 (2955.27)

* includes IDA - 2nd loan received from MNRE 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 9.57% (9.30%)
n	Non-operating income as % to average capital employed 0.01% (0.02%)
o	Operating profit as a percentage to average capital employed 4.56% (4.35%)
p	Return on average assets 1.93% (1.79%)
q	Net profit per employee/Rs. in lakhs 48.88 (41.71)

E)	Movement in Provisions			
I)	Provisions for Non Performing Assets comprising loans (excluding provisions for standard assets)			
	Particulars		2008-09	2007-08
	Opening balance as at the beginning of the financial year		195.88	157.31
	Add: Provisions made during the year		-	62.63
	Add: Adjustment of Adhoc provision		70.00	-
	Less:			
	• Write off during the year including incidental charges		-	0
	• Write back during the year		-	24.06
	Closing balance at the close of the financial year		265.88	195.88
	Net charged to P&L A/c for NPA loans		-	38.57
	Provisions for Non Performing Assets comprising bonds and debentures in the nature of advance and inter-corporate deposits		-	Nil
	II)	Provisions for depreciation in investments		
Opening balance as at the beginning of the financial year		0.00*	0.00	
Add: Provisions made during the year		0	0.00	
Less:				
• Write off during the year		0	0.00	
• Write back during the year		0.12	0.00	
Closing balance at the close of the financial year		0.00	0.00*	
* Notional value of Re.1 is kept for investment in the books of accounts.				
F)	Restructured Accounts			
	Sl. No	Particulars	31.3.2009	31.3.2008
	1	Total amount of loan assets subjected to restructuring	177.26	108.97
	2	Restructured installment of principal in the total amount of loan assets indicated out of 1 above subjected to restructuring	32.55	43.44



	3	Amount of standard assets subjected to restructuring	104.99	59.05
	4	Amount of sub standard/doubtful assets subjected to restructuring	72.27	49.92
G)	Assets Sold to Securitisation Company/Reconstruction Company			
		Particulars	2008-09	2007-08
		Number of accounts	Nil	Nil
		Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
		Aggregate consideration	Nil	Nil
		Additional consideration realized 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			
		<ul style="list-style-type: none"> The notional principal of swap agreements 	<ul style="list-style-type: none"> 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 3.75% 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 4.25%. Another similar swap arrangement was entered with Canara Bank for foreign exchange risk management of IBRD-II line of credit for IBRD portion of US\$2.25 million. As per arrangement, the loan drawn from IBRD 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 4.25% p.a. Further, after negotiation, another similar swap arrangement was entered with Bank of Baroda for foreign exchange risk management for balance amount of US\$ 77.75 million of IBRD-II line of credit for IBRD portion. As per the arrangement, the loan drawn from IBRD will be kept in \$ deposit with Bank of Baroda, London which earns interest at 6 monthly LIBOR + 0.30% p.a. Against this deposit, INR loan will be drawn from Bank of Baroda, New Delhi at PLR less 3.75%. 	

•	Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps	<ul style="list-style-type: none"> • Nature and terms of swap is indicated above. • All foreign currency liabilities and assets have been translated at 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/million)	Amount (Rs./Cr)
		<u>Liabilities</u>		
		BOB Rupee Term Loan against US\$ deposit -ADB	Nil (Nil)	140.74 (147.07)
		Canara Bank Rupee Term Loan against Euro deposit-KfW	Nil (Nil)	211.43 (235.73)
		Bank of Baroda term loan against US\$ deposit-IBRD	Nil (Nil)	205.06 (142.44)
		<u>Assets</u>		
		BOB \$ Deposit-ADB	US\$ 35.94 (US\$ 37.34)	183.11 (149.81)
		Canara Bank Euro Deposit-KfW	Euro 41.46 (Euro 45.55)	279.81 (288.99)
		BOB \$ Deposit-IBRD	US\$ 43.97 (US\$ 40.66)	224.05 (163.12)
		Canara Bank US\$ Deposit (including Special Account-IBRD)	US\$ 0.94 (US\$ 0.94)	4.79 (3.77)



I)	Interest Rate Derivatives During the financial year 2004-05, the company has finalized the interest rate swap for KfW loan with Standard Chartered Bank with effect from 12-1-2005 for 5 years. The status as on 31 st March, 2009 are as under:-		
	Sl. No.	Particulars	Amount (Euro million)
	1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	Nil (Nil)
	2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March, 2009 (instrument-wise)	40.44 (45.08)
	3	Notional principal amount of exchange traded interest rate derivatives and not "highly effective" (instrument-wise)	40.44 (45.08)
	4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.31 (-) (1.01)

Previous year figures shown within bracket

(27) **Disclosure on risk exposure in derivatives**

In terms of RBI Circular No. RBI/2004-05/436/DBOD. No. FID.FIC-I/01.02.00/2004-05 dated 26-4-2005, the qualitative and quantitative disclosures in respect of risk exposure are as under:-

A) **Qualitative Disclosure:-**

- (i) The company recognized various market risks including interest rate, foreign exchange fluctuation and other assets liability mismatches;
- (ii) In order to protect the company from foreign exchange fluctuation risk, the company has entered into long term agreements with nationalized banks with adequate flexibility which enable the company to re-negotiate the term to get advantage of the interest rate regime.
- (iii) The company has also established Exchange Risk Administration Fund (ERAF) to protect itself against the exchange risk arising out of INR borrowings repayable in US\$ terms.
- (iv) The company is taking active action for protection against interest rate risk by adopting hedging instrument on case to case basis. In this regard, during the financial year 2004-05, an interest rate swap has been finalized with Standard Chartered Bank for KfW loan. As per the swap, the company hedged variable interest rate receivable by fixed interest rate receivable against fixed interest rate liability.

B) Quantitative Disclosures:-

(Rupees in Crores)

Sl. No.	Particular	Currency Derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount)		
	a) For hedging	-	398.34
	b) For trading	-	-
2	Marked to Market Positions(1)		
	a) Asset (+)/Receivables	-	-
	b) Liability (-)/Payable	-	2.12
3	Credit Exposure (2)	-	-
4	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	0.01
	b) on trading derivatives	-	-
5	Maximum and Minimum of 100*PV01 observed during the year		
	a) on hedging	-	0.01
	b) on trading	-	-

(28) 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.

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

As per our Report of even date
For S. C. Vasudeva & Co
Chartered Accountants

R. C. Luthra
Partner, M No. 81052

S. P. Reddi
Director (Finance)

Debashish Majumdar
Chairman and Managing Director

Place : New Delhi
Date : 13.8.2009

S K Bhargava
Company Secretary



Cash Flow Statement For the Year Ended 31st March, 2009

(Amount In Rupees)

Particulars	For the year ended		For the year ended	
	March 31, 2009		March 31, 2008	
A Cash Flow from Operating Activities:				
Net Profit Before Tax and Extraordinary / Prior period	859268823		736111477	
Adjustment for:				
1 Depreciation	24102232		25318937	
2 Provision for Non Performing Assets	-		385697740	
3 General Provision for Standard Assets	-		10127001	
4 Miscellaneous Expenses written off	803275		1285756	
5 Prior Period Expenses/Income	-253785		-3829057	
6 Foreign Exchange Fluctuations	-6703124		-3466284	
7 Investment written back	-1199999		-	
8 Amortization of Capital Grant	-3813415		-	
9 Fixed Assets write off/adjustment	-8443		-614711	
10 Deferred tax-gratuity and others	-		-3077441	
11 Dividend on investment	-84000		-84000	
12 Provisions for employees benefits	-		-2663758	
Operating profit before Working Capital Changes	872111564		1144805660	
Increase / Decrease in				
1 Loans and Advances	-3974505264		-2954177739	
2 MNRE loan	-9066282		35451650	
3 Other Current Assets	32741428		-23385144	
4 Current Liabilities	-73871393		-232652612	
5 Provision for Employee Benefits	13585458		18221959	
	-4011116053		-3156541887	
Cash Generated from Operations	-3139004489		-2011736227	
Income Tax & Fringe Benefit Tax	405741837		474561586	
Net Cash Generated from Operations		-3544746326		-2486297813
B Cash Flow From Investing Activities				
1 Purchase of Fixed Assets	-82896560		-7143436	
2 Sale of Fixed Assets	188000		-	
3 Dividend on Investment	84000		84000	
Net Cash flow from Investing Activities		-82624560		-7059436
C Cash Flow from Financial Activities				
1 Equity Contribution	300000000		500000000	
2 Capital Grants	2738665		938256	
3 Revenue Grant	4101602		-	
4 Redemption of Bonds	-500000000		-500000000	
5 Bond Issue Expenses	-5555729		-	
6 Dividend paid	-96000000		-70000000	
7 Dividend Tax paid	-16315200		-11896500	
8 Increase /Decrease in Secured Loans	3817298723		-691839831	
9 Increase /Decrease in Un-secured Loans	820515531		-54105853	
Net Cash flow from Financing Activities		4326783592		-826903928
Net Increase in Cash and Cash Equivalents	699412706		-3320261177	
Cash and Cash Equivalents at the beginning of the year	6928953403		10249214580	
Cash and Cash Equivalents at the end of the year	7628366109		6928953403	
Net Increase in Cash and Cash Equivalents	699412706		-3320261177	

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 per our Report of even date

For S. C. Vasudeva & Co
Chartered Accountants

R. C. Luthra
Partner, M No. 81052

S. P. Reddi
Director (Finance)

Debashish Majumdar
Chairman and Managing Director

Place : New Delhi
Date : 13.8.2009

S K Bhargava
Company Secretary



Annexure to be enclosed with Balance Sheet (As prescribed by RBI)

(Particulars as required in terms of Paragraph 13 of Non-Banking (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, in so far as they are applicable to the company)

(Rupees in crores)

Particulars	Amount Outstanding	Amount Overdue
LIABILITY SIDE:		
Loans and advances availed by NBFCs inclusive of interest accrued thereon but not paid		
(a) Debentures		
(ii) Secured (Tax Free Bonds)	100.00	Nil
(iii) Secured (Taxable Bonds)	100.00	Nil
(iv) Unsecured	Nil	
(b) Term Loans from Govt. of India	241.85	Nil
(c) Term Loan from International Financial Institution	684.55	Nil
(d) Term Loan from Banks	1130.58	Nil
(e) Overdrafts from Bank	Nil	Nil
(f) Cash Credit from Banks	Nil	Nil
Total	2256.98	Nil

Particulars	Amount Outstanding
ASSET SIDE:	
Break up of loans and advances including bills receivable	
(a) Secured loan	2434.57
(b) Unsecured loan	110.99
(c) Foreign currency deposit	691.75
(d) INR deposit	Nil
Total	3237.31

Borrower Group-wise classification of all leased assets, stock-on-hire and loans and advances:

Particulars	Amount Net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same Group	Nil	Nil	Nil
(c) Other related Parties	Nil	Nil	Nil
2. Other than Related Parties	3126.32	110.99	3237.31
Total	3126.32	110.99	3237.31

Other Information

Particulars		Amount	
(i) Gross Non-Performing Assets			
(a) Related Parties	-	-	-
(b) Other than related Parties	-	338.57	-
(ii) Net Non-Performing Assets			
(a) Related Parties	-	-	-
(b) Other than related Parties	-	74.36	-
(iii) Asset acquired in satisfaction of debts	-	-	-

As per our report of even date

For S. C. Vasudeva & Co.
Chartered Accountants

R C Luthra
Partner
Membership No. 81052

S P Reddi
Director (Finance)

Debashish Majumdar
Chairman and Managing Director

Place: New Delhi
Date : 13.08.09

S K Bhargava
Company Secretary



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration No. State Code (Refer Code List)

Balance Sheet Date
Date Month Year

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

Public Issue
Right Issue
Bonus Issue
Private Placement (Govt. Contribution)

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

Total Liabilities
Total Assets
Source of Funds
Paid-up Capital
Reserves & Surplus
Secured loans
Unsecured loans
Application of Funds
Net Fixed Assets
Investment
Deferred Tax Assets
Net Current Assets
Misc. Expenditure & Others
Accumulated Losses
IV Performance of Company (Amount in Rs. Thousand)

Turnover (Gross Income)
Total Expenditure (including PPA)
Profit before tax
Profit after tax
(Please tick Appropriate box (+) for Profit (-) for Loss)
Basic and diluted Earnings per share in Rs. (PAT)
Dividend Rate %
V Generic names of Three Principal Products/Services of Company (as per monetary terms)
Item Code No. (ITC Code)
Product Description

S P REDDI
Director (Finance)

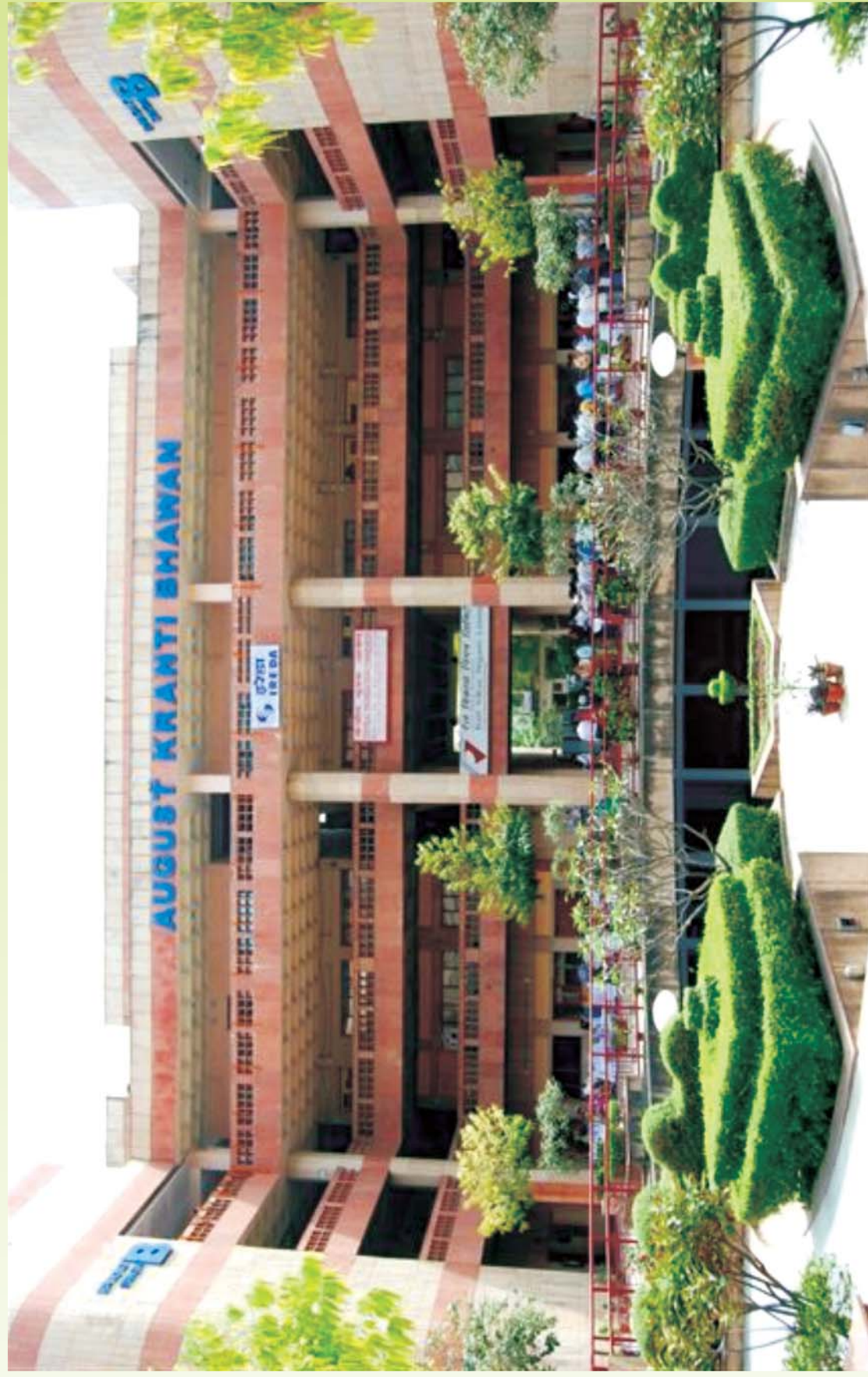
DEBASHISH MAJUMDAR
Chairman and Managing Director

STATUS OF MNRE FUNDS AS ON 31.03.2009



Sl No.	PROGRAMME	BALANCE AS ON 1.4.2008	GRANT RECEIVED DURING THE YEAR	INTEREST ON LOAN	SERVICE CHARGES RECOVERABLE	AMOUNT REFUNDED	AMOUNT / SUBSIDY DISBURSED	TOTAL FUNDS AS ON 31.03.2009	LOANS OUTSTANDING AS ON 31.03.2009	INTEREST OUTSTANDING AS ON 31.03.2009	BALANCE WITH BANK	BALANCE WITH IREDA	TOTAL FUNDS
	S E C T O R												
1	SPV. MFG. LOAN-(32046)	41624665	0	5239262	0	0	0	46863927	15732000	35281061	16196	(4165331)	46863927
2	SPV. USER LOAN (32290+32425+32045)	156319352	0	6978411	109349	2611001	0	160577413	41651457	30761250	1099461	87065245	160577413
3	SPV. USER'S SUBSIDY(32424+32044)	(65366724)	0	0	0	0	0	(65366724)	0	0	0	(65366724)	(65366724)
4	SPV. MARKET-(32142)	12000	0	0	0	0	0	12000	0	0	0	12000	12000
5	SOLAR THERMAL-(32081)	12135969	0	1221330	0	0	0	13357329	3065263	5159891	58944	5073231	13357329
6	MICRO HYDEL GRANT	7159879	0	0	0	0	0	7159879	0	0	0	7159879	7159879
7	SPV PUMPING PUBLICITY GRANT 94-95	163590	0	0	0	0	0	163590	0	0	0	163590	163590
8	SOLAR THERMAL GRANT-93-94	21025	0	0	0	0	0	21025	0	0	0	21025	21025
9	MNES SPV MGT PROM REIMBURNT	972201	0	0	0	0	0	972201	0	0	0	972201	972201
10	MNES SPV PUMPING FLIM GRANT	93100	0	0	0	0	0	93100	0	0	0	93100	93100
11	CAPITAL SUBSIDY	3690822	0	0	0	0	0	3690822	0	0	0	3690822	3690822
12	CO GENERATION INTT SUBSIDY	12177726	0	0	0	0	0	70961098	0	0	0	70961098	70961098
13	SPV. USER'S SUBSIDY-2001-2002-(32745)	525717	0	0	0	0	0	525717	0	0	0	525717	525717
14	SPV. USER'S SUBSIDY-2002-2003-(32869)	(973)	0	0	0	0	0	(973)	0	0	34568	(35541)	(973)
15	SPV. USER'S SUBSIDY-2003-2004-(32968)	36722	0	0	0	0	0	36722	0	0	37397	(675)	36722
16	INTEREST SUBSIDY ON SOLAR THERMAL	4410444	0	0	0	0	0	3952	0	0	0	3952	3952
17	INTEREST SUBSIDY ON SPV USER LOAN 2000-01-(32636)	(6849066)	11975032	0	0	0	0	5125946	0	0	0	0	0
18	INTEREST SUBSIDY ON SPV USER LOAN 2001-02	0	6518041	0	0	0	0	8140005	(1621964)			(1621964)	(1621964)
19	INTEREST SUBSIDY ON SPV MFG-(32591)	(1816956)	4692357	0	0	0	0	2873361	0	0	0	0	0
20	INTEREST SUB ON SMALL HYDRO	63676021	0	0	0	0	0	25942110	0	0	0	37733911	37733911
21	INTEREST SUB ON WASTE TO ENERGY	19808299	0	0	0	11397530	0	3289937	0	0	0	3289937	3289937
22	SOLAR WATE HEATING SYSTEMS 2005-06	88160867		0	0	0	0	88160867	0	0	0	0	0
	TOTAL	426552649	23165430	13439003	109349	14008531	190586241	258472961	60448720	71202202	1246566	125575473	258472961





ENERGY FOR EVER



IS/ISO 9001:2000 Certified

Indian Renewable Energy Development Agency Ltd.

(A Government of India Enterprise)

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

Tel: 24682214, Fax: 91-11-24682202 Email: cmd@ireda.in

Corporate Office: 3rd Floor, August Kranti Bhawan, Bhikaiji Cama Place, New Delhi-110 066

Ph.: 011-26717400-13, Fax.: 011-26717416

Website: www.ireda.in