



# 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 innovative financing in Renewable Energy & Energy Efficiency / Conservation and Environmental Technologies through efficient systems & processes for providing total satisfaction and transparency to its customers.

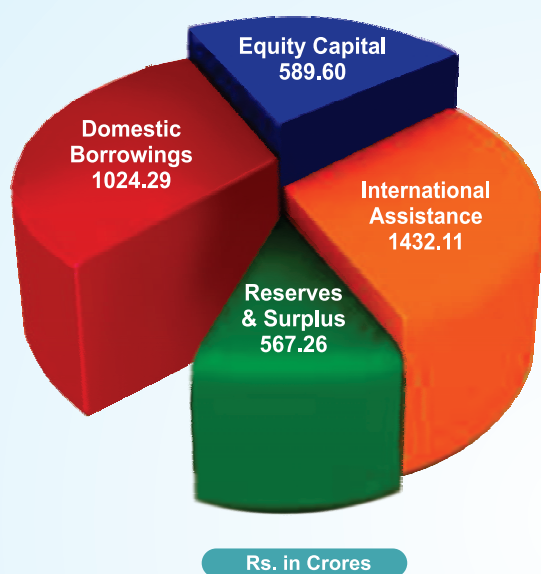
IREDA shall strive for continual improvement in the quality of services to its customers through effective quality management system.

## Quality Objectives

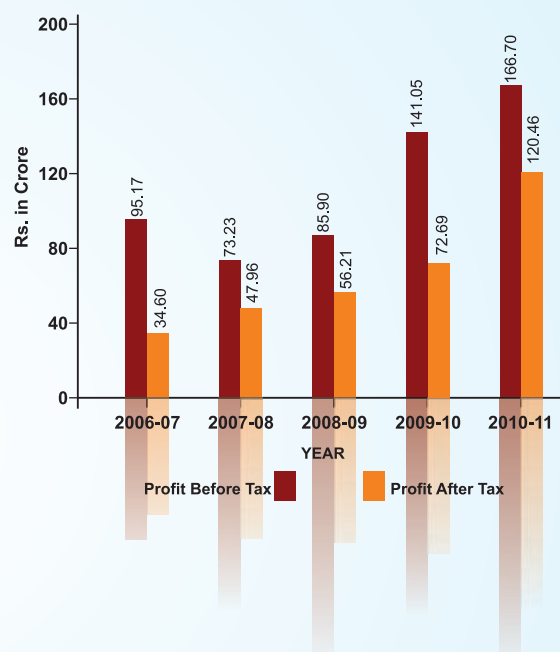
- Drive towards total customer satisfaction.
- Continual upgradation of capability and improvement in the professional skills of employees.
- Improvement in efficiency of services provided to customers.
- Continual improvement of systems, processes and services.

# Highlights of our Performance

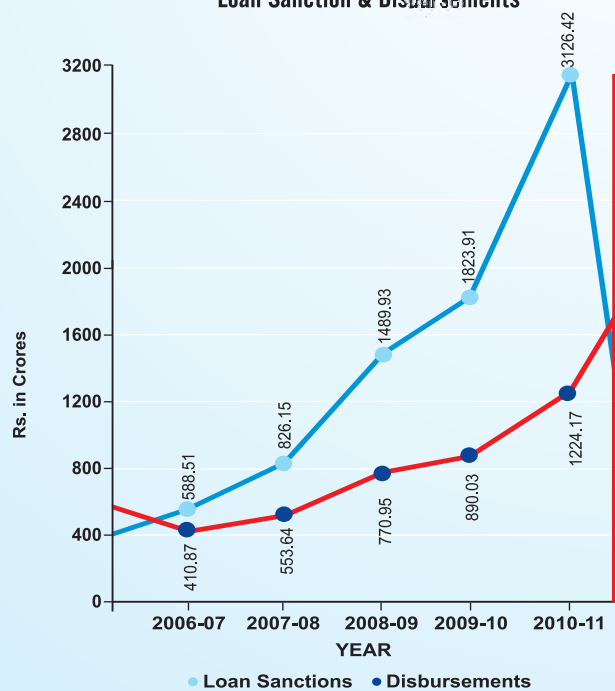
**IREDA's Resource Base  
2010-11**



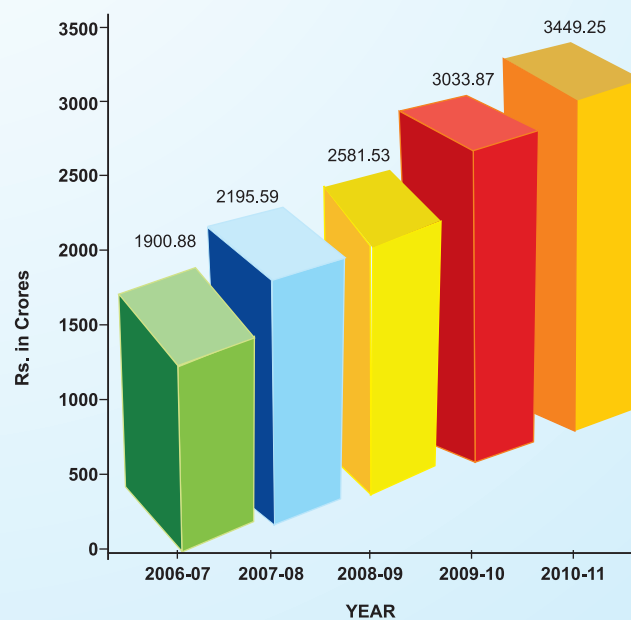
**IREDA's Working Results  
Profit before Tax & Profit after Tax**



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



**IREDA's Outstanding Loans**



(Rs.in Crores)

## RESOURCES

	2006-07	2007-08	2008-09	2009-10	2010-11
Equity Capital	440.00	490.00	520.00	539.60	589.60
Reserves & Surplus	178.00	214.47	257.51	313.24	567.26
International Assistance	966.68	959.13	1040.82	1154.43	1432.11
Domestic Borrowings	537.86	473.60	773.36	1193.98	1024.29
<b>Total</b>	<b>2122.54</b>	<b>2137.20</b>	<b>2591.69</b>	<b>3201.25</b>	<b>3613.26</b>

(Rs.in Crores)

## OPERATIONS

	2006-07	2007-08	2008-09	2009-10	2010-11
Loan Sanctions	588.51	826.15	1489.93	1823.91	3126.42
Loan Disbursements	410.87	553.64	770.95	890.03	1224.17
Repayment by Borrowers	266.00	262.00	361.42	437.17	816.93
Outstanding Loans (IREDA only)	1900.88	2195.59	2581.53	3033.87	3449.25

## WORKING RESULTS

Gross Income	232.78	247.22*	275.11	345.25	402.46
Profit before Tax	95.17	73.23	85.90	141.05	166.70
Profit after Tax	34.60	47.96	56.21	72.69	120.46
Earning per Share (Rs.)	85.79	103.91	110.30	136.88	209.20

\* Figure Regrouped

# ENERGY FOR EVER

## Renewable Energy



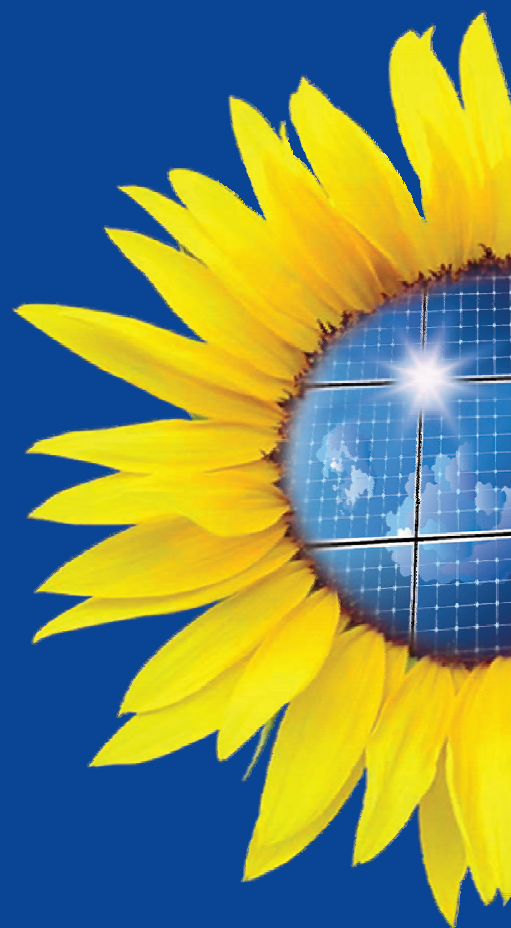
Dr. Farooq Abdullah  
Hon'ble Minister for New & Renewable Energy

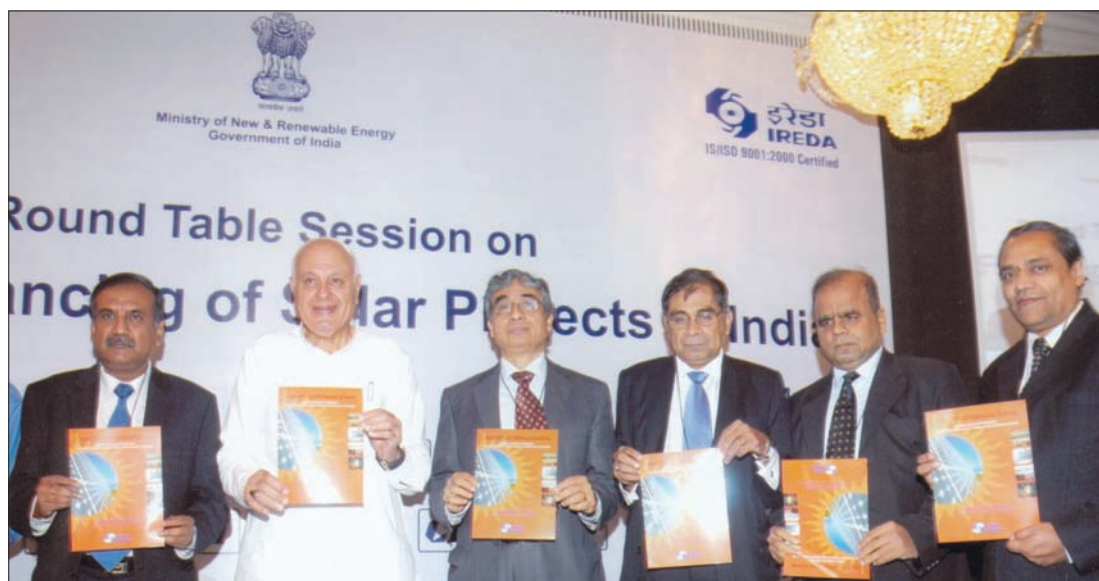




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Dr. Farooq Abdullah, Hon'ble Union Minister of New & Renewable Energy, Sh. Deepak Gupta, Secretary, MNRE and Sh. Debashish Majumdar, CMD, IREDA and other dignitaries are in Round Table Session on Financing of Solar Projects in India.



## Board of Directors'

<b>Chairman &amp; Managing Director</b>	Debashish Majumdar
<b>Directors</b>	<p>S.P.Reddi  K.S. Popli  Hari Kumar (upto 31.07.2010)  Dr. Praveen Saxena ( w.e.f. 01.08.2010)  Shri A.K.Kaushik  A. Prasad ( upto 26.03.2011)  Dr. R.K. Prasad ( upto 26.03.2011)  Prof. S. Sadagopan ( upto 26.03.2011)</p>
<b>Company Secretary</b>	S.K. Bhargava
<b>Registered Office</b>	<p>India Habitat Centre  East Court, Core 4 'A' 1st Floor,  Lodhi Road  New Delhi – 110003</p>
<b>Corporate Office</b>	<p>3rd Floor  August Kranti Bhavan  Bhikaiji Cama Place  New Delhi – 110066</p>
<b>Auditors</b>	<p>M/s. Gianender &amp; Associates.  Chartered Accountants  Plot No-6, Site no-21,  Geeta Mandir Marg,  New Rajinder Nagar  New Delhi – 110060</p>
<b>Bankers</b>	<p>Vijaya Bank  Union Bank of India  State Bank of Hyderabad  Bank of Baroda  Canara Bank  State Bank of India</p>





IREDA 23rd Annual General Meeting of Shareholders



Sh. Debashish Majumdar, CMD, IREDA and Sh. Deepak Gupta, Secretary, MNRE presenting the dividend cheque to Dr. Farooq Abdullah, Hon'ble Union Minister of New & Renewable Energy at New Delhi



## NOTICE

**NOTICE** is hereby given that the Twenty-Fourth Annual General Meeting of the Shareholders of Indian Renewable Energy Development Agency Limited (IREDA) will be held on **28th September, 2011 at 12.30 p.m.** at Suite No-292/3, The Ashok Hotel, Chanakayapuri, New Delhi 110021 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended as on that date, Auditors' Report and Comments of Comptroller and Auditor General of India thereon.

2. To declare a Dividend.

The meeting has been convened by giving a shorter notice than required under the Companies Act, 1956. The consent from all the Shareholders has been obtained.

### BY ORDER OF THE BOARD OF DIRECTORS

(S.K. BHARGAVA)  
Company Secretary

New Delhi

Date: 23<sup>rd</sup> September, 2011

1. All Shareholders
2. The Chairman & Managing Director and Directors.
3. M/s. Gianender & Associates,  
Chartered Accountants  
Plot No-6, Site no-21, Geeta Mandir Marg,  
New Rajinder Nagar, New Delhi – 110060

### 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: India Habitat Centre, Core-4A, East Court, 1st Floor, Lodhi Road, New Delhi – 110 003

Corporate Office: August Kranti Bhawan, 3rd Floor, 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 of or failing him/her.....of.....in the  
district of .....as my proxy to vote for me and on my behalf at the **24th ANNUAL GENERAL MEETING** of the Company to be held on the **28th** day of September, 2011 and at any adjournment thereof.

Signed this ..... day of \_\_\_\_\_, 2011.

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(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.







Sh. Debashish Majumdar, CMD, IREDA addressing a Conference on Wind Energy at New Delhi



IREDA Supported Investor Meet on Small Hydro Power Development in the State of Madhya Pradesh

## CHAIRMAN'S SPEECH



### Ladies and Gentlemen,

It gives me great pleasure in extending a warm welcome to all of you at the 24th Annual General Meeting of the Indian Renewable Energy Development Agency Limited. It is a privilege to address this august gathering.

The Directors' Report and the Audited Statements of Accounts for the year ended March 31, 2011, 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.

You will be happy to note that your Company posted a robust all-round performance during the financial year 2010-11, recording its highest ever profit after tax of ₹120.46 crores.

Before I take up in detail the Company's performance during the last financial year, let me briefly review the current economic and market scenario.

### ECONOMIC SCENARIO

The Gross Domestic Product (GDP) of the Indian economy in the 1st quarter of 2010-11 grew by 9.3 per cent. Agricultural growth was above trend, following a good monsoon. The Index of Industrial Production (IIP), which grew by 10.7 per cent during the first half of last year, however, moderated subsequently bringing

down the overall growth for 2010-11 to 7.8 per cent.

Particularly significant were the slowdown in capital goods production and investment spending. Decline was seen in performance of the core sector.

As inflation stayed above the indicated projections during 2010-11, monetary policy was continually tightened through the year. Interest rates firmed up responding to monetary policy signals. Banks progressively passed on the increased costs in the form of higher lending rates.

The inflation in the economy continues to be a cause for concern. Despite large scale tightening of the monetary policy by the RBI and other steps taken by the government, inflation continues to remain close to the double digit mark. Near term outlook for inflation is not too encouraging and there are chances of inflation jumping further.

Going forward, high oil and other commodity prices and the impact of the Reserve Bank's anti-inflationary monetary stance will moderate growth. Risks to growth also arise from input cost pressures.

### ENERGY SCENARIO & OPPORTUNITIES

The energy sector has undergone a drastic change over the past few years. While initial concerns were largely over volatile oil prices, newer issues such as energy security, energy intensity, climate change and energy access have now taken center stage.

India's primary energy demands are largely being met by fossil fuels, with more than three quarters of its annual oil consumption coming from imports. India's energy security concerns are for real and cannot be wished away. The



consumption of petroleum products has grown at a compounded annual growth rate of around 4% in the last seven years. By 2030, it is estimated the country will import 90% of its oil requirement.

The Planning Commission estimates that the energy sector would need to grow at a rate of around 7% per annum for achieving GDP growth of 9%. The power generation capacity has not kept pace with the requirements, resulting in demand- supply imbalance. The electricity sector faced peak deficits of as high as 9.8% and energy deficits of about 8.5%. Even though there are ambitious plans to increase capacity, new challenges are emerging both in upstream and downstream linkages in terms of availability of fuel and the financial health of DISCOMs.

As on 31st March 2011, the gross installed power generation capacity of the country stood at 174 GW including installed renewable energy (RE) capacity of 18.5 GW. The National Action Plan for Climate Change envisages contribution of Renewable Energy in the Indian power mix to increase by 1% every year to reach 15% by 2020. Considering the ambitious plans of capacity addition in the conventional power sector, meeting this target would require cumulative installed capacity of more than 80 GW from renewable sources by 2020.

Achieving the above targets would require sustained policy & regulatory support through mandate of progressively greater Renewable Purchase Obligations (RPOs) and strengthening of innovative instruments like the Renewable Energy Certificates (RECs) introduced by the Central Electricity Regulatory Commission (CERC) as an alternate market mechanism for promotion and mainstreaming of RE Power. During the year, 2010-11, trading of RECs has commenced successfully on Power Exchanges.

Wind power which contributes almost 70% of total installed RE capacity has acquired critical mass both in terms of manufacturing capacity and technology. During the year 2010-11, for

the first time the annual wind power generation capacity crossed 2000 MW and the momentum of growth in installation of wind projects could sustain during coming years, given continued policy support for large Independent Power Producers (IPPs).

The successful launch of the Jawaharlal Nehru National Solar Mission and price discovery by reverse bidding process has resulted in significant reduction in offered tariffs. Further, the bundling of solar power with coal based power contributed to increased acceptability of solar power among utilities. With gradual mainstreaming of wind and increased acceptability of solar projects, the canvas of renewables would witness a sea change.

This provides a tremendous opportunity for your company as a Financial Institution dedicated to renewable energy.

## CHALLENGES

While tremendous opportunities for financing the renewable energy sector exist, this is not without challenges. With the Indian Electricity Grid Code being made applicable for the wind sector from 01.12.2012, it will be mandatory for the project developers to forecast and accordingly schedule power generation from wind farms with its inherent infirm characteristics.

The Renewable Energy sector is characterized by high costs in terms of initial investment as also high generation costs, which can impact viability. While technology may help achieve cost reduction in due course, lower cost of funds is critical to the sector. This is more so, because regulated tariffs preclude passing on increases in funding costs to power purchasers. While Government has been extending support through subsidies and fiscal incentives, it is vital to achieve reduction in the funding costs.

Another critical area is the challenge of asset liability mismatch. RE projects typically require funding for terms much longer than the resources

normally available to the lenders. Mobilising resources for matching terms at affordable costs is one of the major challenges for lenders.

While most lenders have their assets spread over a wide portfolio with sector specific exposure ceilings, your company, being dedicated Financial institution for the Renewable Energy sector, is required to deal with the impact of various sector specific challenges.

Notwithstanding this, your company has continued to be a profit making entity and is confident of contributing to the sustained growth of the sector.

### PERFORMANCE HIGHLIGHTS

I am happy to share with you that Your Company has made noteworthy progress over the years. Loan sanctions were ₹3126.42 crores in this fiscal compared to ₹1823.91 crores in the previous fiscal, registering a growth of 71.41 per cent. Disbursements during the year 2010-11 amounted to ₹1224.17 crores compared to 890.03 crores in the previous year recording a growth of 37.54 per cent. The principal sectors funded during this fiscal were Wind, Hydro, Cogeneration & Biomass Power including Bagasse Cogeneration.

Your Company has recorded 18.19 per cent rise in Profit Before Tax to reach all-time high of ₹166.70 crores and has recorded its highest ever Profit After Tax of ₹120.46 crores compared to ₹72.69 crores in FY 2009-10.

### RESOURCE MOBILISATION

The Government of India raised its equity in the company by ₹50.00 crores, during the year taking the paid-up capital of your Company to ₹589.60 crores. Your Company has also mobilised ₹405.55 crores by way of bank borrowings and Long Term Taxable Bonds. The bonds issue was rated AAA (SO) by two independent credit rating agencies.

Besides these, funds to the extent of a further ₹304.56 crores were mobilised under lines of credit from Kreditanstalt für Wiederaufbau (KfW) and Nordic Investment Bank (NIB).

### DIVIDEND

Your Directors recommend a dividend of ₹20.00 crores this year as against ₹14.54 crores in the previous year.

### ASSET QUALITY

Your Company has adopted various strategies to achieve reduction in the level of gross NPAs from 8.44% on 31st March 2010 to 5.31% as on 31st March 2011. The level of net NPAs was 0.79% as on 31st March 2011.

### CORPORATE SOCIAL RESPONSIBILITY

Your Company has been following a consistent approach in financing Renewable Energy (RE) Projects. RE projects, promote employment and development of infrastructure in rural areas. In addition, your Company continues with the policy to provide special concessions to assist the promoters belonging to SC/ST, Women, Ex-servicemen and Handicapped categories and also to the projects in North Eastern States, Sikkim, Uttarakhand, Jharkhand, Chhattisgarh, Jammu & Kashmir, Islands and Estuaries.

### HUMAN RESOURCES DEVELOPMENT

Your company continues to update knowledge and skills of its employees and invested 489 person-days in technical and non-technical training of the employees during 2010-11. The Company nominated officials at various levels for the Seminars/ Workshops on specialized subjects in India and abroad. Efforts to achieve employee satisfaction were made through various measures like job rotation, welfare measures and introduction of new schemes, etc.





## 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. as required under the provisions of the Act.

## INDUSTRIAL RELATIONS

Your Company continues to maintain extremely cordial personnel relations during the year. Grievances policy provides for redressal of grievances through dialogue and discussions by the Director (Grievances). No man-day was lost during FY 2010-11.

## CUSTOMER RELATIONS

Your Company commissioned a study to assess the level of customer satisfaction and scored well on overall satisfaction level of customers.

## CORPORATE GOVERNANCE

Your Company is 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 governance. Your company is compliant with the DPE guidelines on Corporate Governance.

## THE FUTURE

Given the global and domestic concerns on climate change and the depleting oil and coal reserves, the prospects for the Renewable

Energy industry are very promising. With the continued support of the Ministry of New & Renewable Energy, your company is committed to significantly increase its contribution to the growth of Renewable Energy.

## ACKNOWLEDGEMENTS

I place on record my personal and your company's gratitude to the Ministry of New & Renewable Energy, Government of India, the Ministry of Finance, Government of India, The Planning Commission, other ministries and departments, the Reserve Bank of India and other Regulatory Authorities for their continued guidance and support.

I am thankful to the Kreditanstalt fur Wiederaufbau (KfW), Agence Française de Developpement (AFD), Nordic Investment Bank, European Investment Bank, Japan International Cooperation Agency (JICA), World Bank, Asian Development Bank and other international financial institutions, agencies and investors for their co-operation and help. Your Company looks forward to their continued support and encouragement.

I wish to convey my special thanks to the bankers, bond-holders and clients for their continued confidence and the trust reposed by them in your Company.

For their valuable and useful advice in taking critical decisions, I would like to place on record my appreciation for my colleagues on the Board. Our biggest asset - our employees, have helped take the company forward with their commitment, faith, loyalty and teamwork. I, on behalf of the Board of Directors and on behalf of all Shareholders, place on record the deep appreciation of all employees for their individual and collective efforts towards your Company's performance and look forward to their continued cooperation.



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 2011, be adopted.

Thank you,

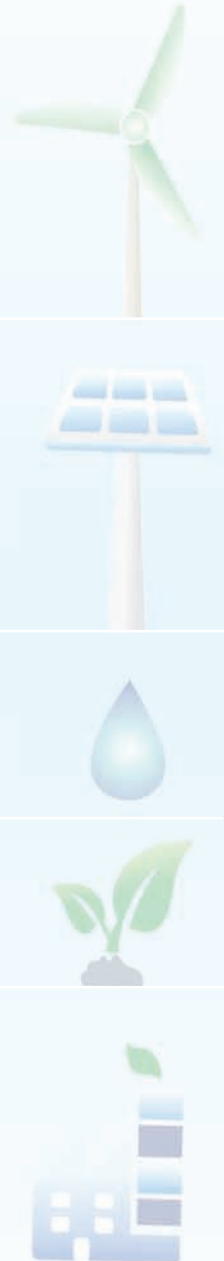
(DEBASHISH MAJUMDAR)  
Chairman & Managing Director

Place: New Delhi

Dated: 28<sup>th</sup> September, 2011



IREDA Signed Loan Agreement with KfW for IV Line of Credit



IREDA funded 22 MW Bagasse based Co-generation project in the State of Tamil Nadu



## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 24th Annual Report together with the audited Statements of Accounts and the Auditor's Report for the year ended 31st March 2011.

### RENEWABLE ENERGY SCENARIO

India today faces significant challenges in terms of meeting the energy needs of its growing economy in the coming years. The increasing energy requirements coupled with greater exposure to the volatile international fuel markets necessitates development and deployment of locally available resources. Moreover, being amongst the top five Greenhouse Gas (GHG) emitters globally, India has a responsibility to grow in an environmentally responsible manner for meeting its energy requirement through increased use of Renewable Energy in the energy mix.

Starting with the 9th plan period (1997-2002), India accelerated the pace of Renewable Energy development recording an impressive annual growth rate of 23%. From about 3.9 GW in 2002-03, Renewable Energy capacity grew to about 20 GW in March 2011, accounting for around 4% share in the country's power mix. With over 20 GW of installed renewable capacity, India today is placed among the top 5 countries in the world in terms of overall installed capacity. India has also been ranked as the 4th best renewable investment market globally as per the Ernst & Young Renewable Attractiveness Index-2010.

In the above backdrop, the Government of India has been assiduously working towards adopting a long term strategy for enabling accelerated development of Renewable Energy in the country. As a result, Renewable Energy today finds an important place in our national energy

planning process.

The primary reason for large-scale development and commercialization of Renewable Energy in India has been a sustained support from policy makers, planners and regulators. Further, the National Action Plan on Climate Change (NAPCC), announced in 2008, envisaged 15% share from renewable sources in the country's power mix by 2020.

The trading of Renewable Energy Certificates (RECs) from March 2011 for meeting Renewable Purchase Obligations (RPO) will further attract greater investments to this sector.

As a result, the country's Renewable Energy scenario is undergoing a change at an accelerated pace. For the first time in the year 2010-11, renewable capacity addition of more than 3000 MW was achieved. Further successful implementation of the projects under Jawaharlal Nehru National Solar Mission (JNNSM) will contribute to this.

With this backdrop and given IREDA's strong footprint in renewable energy financing, IREDA would continue to play a significant role in RE financing.

### OPERATIONS

### SANCTIONS AND DISBURSEMENTS

The achievement of loan sanctions and disbursement surpassed the MoU targets of ₹1900 crores and ₹900 crores respectively, set for the year 2010-11. The company's performance in lending operations during the year was excellent, with loan sanctions of ₹3126.42 crores in 2010-11 registering an increase of 71.41 % over the previous year and disbursement of ₹1224.17 crores during 2010-11 showing increase of 37.54 % over the previous year. The sector-wise details





of the sanctions and disbursements during the year are as under:

(₹ in crores)

Sectors	Sanctions	Disbursements
Wind Power	1495.63	644.34
Hydro Power	984.51 <sup>@</sup>	340.49
Co-generation	279.15	180.47
Biomass Power Generation	49.20	45.81
Energy Efficiency & Conservation	261.56	08.00
Solar Energy	39.39	00.00
Waste to Energy	16.98	5.06
<b>TOTAL</b>	<b>3126.42</b>	<b>1224.17</b>

@ includes ₹500 crores for hydro project above 25 MW

The cumulative sanctions and disbursements as on 31st March 2011 stood at ₹15305.91 crores and ₹7868.25 crores respectively. The Cumulative state-wise and sector-wise sanctions and disbursements are at **Annexures I to IV**.

### CAPACITY SANCTIONED

The loan sanctions during the year 2010-11, including co-financed projects, will result in the establishment of additional renewable power generating capacity of over 800 MW. The sector-wise break-up of sanctioned capacity is indicated below:

Sectors	Capacity (MW)
Wind Power	588.7
Small Hydro	90.8
Cogeneration	79.8
Biomass Power Generation	19.9
Energy Efficiency & Conservation	20.0
SPV Power	4.0
Waste to energy	2.23
<b>TOTAL</b>	<b>804.63*</b>

\*Besides, IREDA has also participated in financing a Hydro project above 25 MW.

### CAPACITY COMMISSIONED

During the year 2010-11, a total capacity of 270.1 MW was commissioned. IREDA's share in value terms in financing of these projects amounted to ₹905.86 crores.

### NEW INITIATIVES

To give impetus to the development of renewable energy and energy efficiency, your Company introduced several new schemes. IREDA has sanctioned term loans (i) for implementation of Energy Efficiency measures in co-operative sugar mills (ii) for setting up of manufacturing, testing & supply facilities for bulk production of LED luminaires, (iii) for co-financing of large Hydro project and (iv) grid connected solar PV power plant.

### FINANCIAL PERFORMANCE

The overall financial performance of the Company for the year 2010-11 is highlighted below:

(₹ in crores)

	2009-10	2010-11
Gross Income	345.25	402.46
Profit before Tax (including prior period adjustment)	141.05	166.70
Provision for Income Tax	63.85	51.78
Deferred Tax Debit/(Credit)	4.51	(5.54)
Profit after tax	72.69	120.46
Add: Reversal of Deferred Tax Asset/Liability-Earlier Years (net)	00.00	26.29
Add: Profit brought forward	12.53	13.73
Profit available for appropriation	85.22	160.48
<b>APPROPRIATIONS</b>		
Special Reserves u/s 36(1) (viii) of Income Tax Act 1961	29.54	33.49
Proposed Dividend	14.54	20.00
Dividend Tax	2.41	3.24
General Reserve	25.00	100.00
Surplus carried to Balance Sheet	13.73	3.75



A part of IREDA co-financed 202.40 MW Wind Power Project setup in the State of Andhra Pradesh.





## DIVIDEND

Your company has been paying dividend consistently since 1997-98. Keeping in view the overall performance during this financial year, your Directors are pleased to recommend a dividend of ₹20 crores as against ₹14.54 crores in the previous year representing an increase of over 37%.

## STRESSED ASSETS MANAGEMENT

Significant progress in management of stressed assets was made during the financial year 2010-11. The company recovered an aggregate amount of ₹ 63.64 crores from NPAs including an amount of ₹16.41 crores recovered from written off assets.

Your Company adopted various strategies during the year such as regular follow-up, reschedulement, One Time Settlement, action under SARFAESI Act, 2002 and recovery through the Debt Recovery Tribunal (DRT), etc. to reduce the level of NPAs. As a result gross NPAs declined from 8.44 % on 31st March 2010 to 5.31 % as on 31st March 2011.

The level of net NPAs was 0.79% as on 31st March 2011.

## DEBT EQUITY RATIO & NET WORTH

During the year 2010-11, the Company's net worth increased to ₹1240.49 crores from ₹950.25 crores in the previous year. As on 31st March 2011, the company's net borrowing stood at ₹2277.95 crores which is 1.84 times its net worth.

## RESOURCE MOBILISATION

### SHARE CAPITAL

The Government of India contributed equity of ₹50.00 crores during the year raising paid-up capital of the Company from ₹539.60 crores as on 31st March 2010 to ₹589.60 crores as on 31st March 2011 against the authorized share

capital of ₹1000 crores. For the financial year 2011-12 also the Government of India has allocated equity of ₹50.00 crores to the Company.

## DOMESTIC BORROWINGS

During the year 2010-11, the Company mobilised resources of ₹405.55 crores through borrowings from banks and issue of Long Term Taxable Bonds.

## OVERSEAS BORROWINGS

Your company has mobilised Euro 30.48 million from Kreditanstalt Fur Wiederaufbau (KfW) and US \$ 24.91 million from Nordic Investment Bank (NIB) against existing Line of Credits. Further, IREDA has also been sanctioned line of credits of Euro 200 million by KfW and Euro 70 million by Agence Francaise de Development (AFD).

## CREDIT RATING

The long Term Taxable Bond issue of ₹400 crores of the company was rated AAA (SO) by two independent credit rating agencies.

## CORPORATE SOCIAL RESPONSIBILITY

As a part of its Corporate Social Responsibility (CSR), IREDA has taken the initiative for planting trees in 5 projects funded by it.

The Company continued with its policy to provide concessions in 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, Uttarakhand, Jammu & Kashmir, Islands & Estuaries.

## CUSTOMER RELATIONS

Your Company endeavours to achieve and maintain fair and cordial relationship with its customers. The citizen charter has been placed on its website to provide information relating

to its services and products. A “Customer Facilitation Centre” has been set up in its office, which also obtains feedback from clients to gauge their level of satisfaction. IREDA has also conducted a study through consultant to assess the level of customer satisfaction and scored well on an overall satisfaction level of customers. A Grievance Redressal Committee (GRC) is already in place to look into the grievances of the customers / borrowers.

### ECOLOGY & ENVIRONMENT

The Company has been supporting 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 270.1 MW commissioned during the year will result in annual saving of 0.23 million tons of oil equivalents (MTOE) and abatement of 0.80 million tons of carbon dioxide.

### PROMOTIONAL EFFORTS

#### BUSINESS MEETS

The Company continued to sponsor Seminars, Workshops and Business Meets to promote renewable energy & energy. During the year 2010-11 the Company supported 17 such events in different states like Punjab, Haryana, Himachal Pradesh, Chhattisgarh, Maharashtra, Delhi, West Bengal, etc.

### DISSEMINATION OF INFORMATION

The company continued to create awareness of renewable energy technologies, energy efficiency and conservation (EEC) and also the financing schemes of IREDA. Your company has also brought out compendiums of “Regulations and Tariff orders Issued by Central Electricity Regulatory Commission (CERC) & State Electricity Regulatory Commissions(SERC), and policies of state governments on Renewable Energy Sector in India” which have been hosted on its website for wider dissemination. Besides, your company has commissioned an

independent user friendly Web portal on Green Buildings, conducted research studies on (1) “Barriers Study for Small Hydro Projects in India : A Snapshot” (2) “Repowering of MNRE funded Wind Energy Projects” and (3) “MNRE’s Incentive Schemes for the development of Solar Off-grid Energy Applications”.

### PROGRAMMES ENTRUSTED BY MNRE

The Company continued as implementing agency for various schemes entrusted to it by the MNRE. MNRE has identified IREDA for channelizing all credit linked assistance under its Guidelines for Off-Grid and Decentralised Solar Applications under the Jawaharlal Nehru National Solar Mission, through refinance / bulk finance schemes as also direct project finance. IREDA has also been designated by MNRE as the Program Administrator for implementation of “Rooftop PV & Small Solar Power Generation Programme” (RPSSGP) launched by them. Registration and selection of applicants under the scheme was successfully achieved by IREDA through its transparent on line system. IREDA is also the Implementing Agency “under Generation Based Incentive Schemes for Wind and Solar Energy.

### JOINT SECTOR COMPANY

M/s M. P. Wind Farms Limited (MPWL) is the Joint Sector Company promoted by your Company in collaboration with the Government of Madhya Pradesh and a private sector company with shareholding of 24%, 25% and 51% respectively. The paid-up capital of M/s MPWL stood at ₹70 lakhs including your Company’s initial subscription of ₹12 lakhs and bonus share of ₹4.80 lakhs against the authorized share capital of ₹100 lakhs. 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.

## PLANNING, MONITORING AND EVALUATION

### PLANNING

The Company has drawn up its Annual target for the year 2011-12, with loan sanctions of ₹2625 crores and disbursement of ₹1218 crores.

### MONITORING & EVALUATION

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

### MEMORANDUM OF UNDERSTANDING

The Company's performance in achieving the MoU targets for the year 2010-11 is expected to be rated "Excellent".

### HUMAN RESOURCE DEVELOPMENT

Your Company has continued to give due importance to Human Resource Development by deputing its officials to various seminars / workshops / symposia, both in India and abroad, for a total of 489 man-days. The motivational level of the employees continued to remain high during the year, facilitating smooth working of the Company and contributing to the achievement of its goals. Employee satisfaction was achieved through various welfare measures.

### RESERVATION FOR SC/ST/OBCs/PWD

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/Persons with Disabilities (PWD). Liaison officers for Scheduled Castes/ Scheduled Tribes/Other Backward Communities & PWDs have also been nominated to cater the interests of these categories.

### OFFICIAL LANGUAGE IMPLEMENTATION

The Company continued to promote the use of Official Language Hindi as per Government directives. For effective implementation of Official Language Policy of the Government of India , a system of Planning, Execution, Review of implementation and its impact has been adopted. All facilities including Personal Computer / Bilingual Keyboard / Laptop / Hindi Software/s / Glossaries etc. have been provided to employees for speedy work in Hindi. Software to prepare computerised Hindi letters has been developed in-house. With these efforts the use of Hindi, particularly the original correspondence in Hindi has increased qualitatively and quantitatively. To further create awareness and environment conducive for implementation of Official Language policy, various events such as workshops, competitions with cash prizes, Hindi Pakhwara & Hindi Diwas were organised during the year. In addition, the employees and departments were also encouraged and motivated to work more and more in Hindi through various annual incentive schemes of awards and cash prizes.

### PARTICULARS OF EMPLOYEES

Information with regard to the particulars of the employees as required under Section 217 (2A) of the Companies Act, 1956 is NIL.

### COMPUTERISATION

During the year, the Company continued to take a number of steps for office automation. The Company has set up a web portal for generation





IREDA Celebrating Hindi Fortnight from 1-14 September, 2010



IREDA Employees Participating in the Hindi competitions during Hindi Fortnight Celebrations





IREDA Celebrating Vigilance Awareness Week



IREDA Employees Participating in the competitions during Vigilance Awareness Week



based incentives in wind power sector. IREDA has also set up a special “Data Centre” at its office under the ‘Disaster Management System’. Computerized generation of sanction letters has been introduced, besides, introduction of online leave applications, outdoor slips, etc. for the employees.

### QUALITY MANAGEMENT SYSTEM

The company has been striving for continual improvement in its Quality Management System. During the year 2010-11, your Company has been awarded the revised Licence on the renewal Audit conducted by BIS for further period of 3 years i.e. from 29th December, 2010 to 28th December, 2013.

### AUDITS & INSPECTIONS OF ACCOUNTS

#### STATUTORY AUDITORS

M/s Gianender & Associates, Chartered Accountants, New Delhi was appointed as Statutory Auditors of the Company by the Comptroller and Auditor General of India for the financial year 2010-11.

#### AUDIT REVIEW

The Comments of the Statutory Auditors’ Report to the Members and the comments of the Management thereon are annexed (**Annexure V**). However, there are **NIL** comments on the accounts from Comptroller and Auditor General of India.

#### INTERNAL AUDIT

M/s Ravi Rajan & Co., Chartered Accountants, New Delhi were appointed your Company’s Internal auditors for the financial year 2010-11 and the Audit Reports and Action Taken Report were submitted to the Audit Committee for review.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the earnings in foreign exchange were equivalent to ₹6.44 crores and the outflow was ₹29.58 crores.

### VIGILANCE

During the year 2010-11, Vigilance Department of the Company suggested measures for improving control systems, setting up of checks & balances and investigating complaints.

In accordance with the directives of the CVC, the Company observed Vigilance Awareness Week from 25th October to 1st November, 2010 during which essay, quiz, debate competitions and a lecture programme on “Preventive Vigilance” were organised.

### PERSONNEL AND INDUSTRIAL RELATIONS

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

### CORPORATE GOVERNANCE

A detailed report on corporate governance and certificate of practicing Company Secretary regarding compliance of Corporate Governance guidelines form part of Director’s Report as per **Annexure-VI & VII** respectively.

### DIRECTORS’ RESPONSIBILITIES STATEMENT

Pursuant to the requirement under section 217 (2AA) 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, 2011, 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, 2011 and of the Profit and Loss Account of the Company for the period ended 31st March, 2011;
- 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, 2011 on a going concern basis.

### ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for continued guidance, co-operation and support received from 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 (WB), Asian Development Bank (ADB), Kreditanstalt Fur Wiederaufbau (KfW), Germany, Nordic

Investment Bank (NIB), 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 and 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.

Your Directors would also like to take this opportunity to express their appreciation for the hard work and dedicated efforts put in by the outgoing Board of Directors.

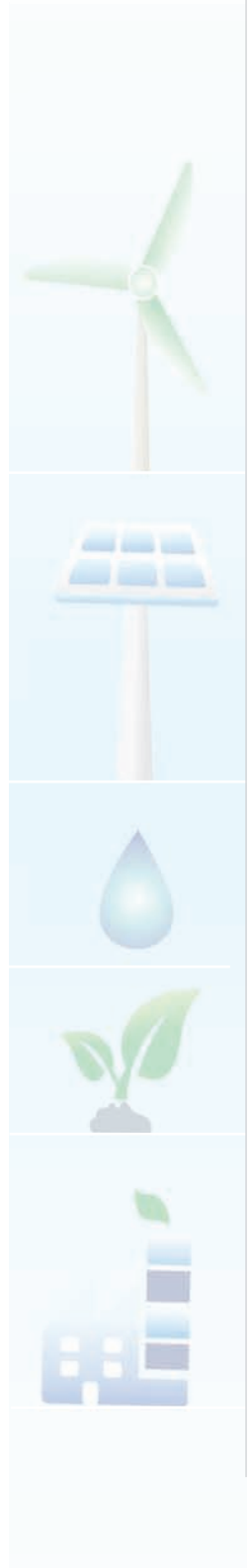
Last but not the least, the Board of Directors wish to express their heartfelt thanks to the Employees of the Company and look forward to their continued contribution to the progress of the institution and wish to record their gratitude to the Shareholders for their continued trust and confidence reposed in them.

For and on behalf of the Board of Directors.

**(DEBASHISH MAJUMDAR)**  
**Chairman & Managing Director**

**Place: New Delhi**

**Dated : 22<sup>nd</sup> September, 2011**



IREDA funded 3 MW Small Hydro Project in the State of Himachal Pradesh.

## STATEWISE SANCTIONS DURING LAST FIVE YEARS

Sl. No.	Name of States/ Union territory	2006-07		2007-08		2008-09		2009-10		2010-11		Cumulative since 1987	
		No. of Projects	IREDA's Loan Amount	No. of Projects	IREDA's Loan Amount	No. of Projects	IREDA's Loan Amount	No. of Projects	IREDA's Loan Amount	No. of Projects	IREDA's Loan Amount	No. of Projects	IREDA's Loan Amount
A.	STATES												
1.	Andhra Pradesh	2	10.87	1	4.47	2	114.41	0	20.9	2	376.51	249	1809.23
2.	Arunachal Pradesh	0	0	0	0	0	0	0	0	2	555	2	555
3.	Assam	0	0	0	0	0	0	0	0	0	0	4	9.4
4.	Bihar	0	0	0	0	0	0	0	0	1	8.5	9	11.67
5.	Chhattisgarh	0	0	0	0	1	15.84	0	0	1	90.5	68	96.81
6.	Gujarat	2	11.44	5	183.15	4	236.1	1	17.25	6	247.55	103	858.67
7.	Goa	0	0	0	0	0	0	0	0	0	0	8	0.62
8.	Haryana	0	0	0	0	1	0.86	0	0	0	0	22	29.04
9.	Himachal Pradesh	2	13.42	1	14.2	4	35.4	9	340.35	5	282.7	45	1040.63
10.	Jammu & Kashmir	0	0	0	0	0	0	0	0	0	0	2	0.67
11.	Jharkhand	0	0	0	0	0	0	0	0	1	69	3	69.33
12.	Karnataka	6	89.6	1	418.47	18	775.16	5	414.62	4	283.88	279	3806.31
13.	Kerala	0	0	0	0	0	0	0	0	0	0	31	125.11
14.	Madhya Pradesh	1	16.07	1	8.15	1	12.22	0	0	1	7.28	75	240.7
15.	Maharashtra	9	215.31	2	35.65	6	100.25	2	189.8	4	501.27	333	2209.98
16.	Manipur	0	0	0	0	0	0	0	0	0	0	3	0.46
17.	Mizoram	0	0	0	0	0	0	0	0	0	0	1	0.16
18.	Nagaland	0	0	0	0	0	0	0	0	0	0	1	0.82
19.	NCT of Delhi	0	0	1	1	0	0	0	0	0	0	6	147.63
20.	Orissa	1	32.02	2	77.51	0	0	0	0	0	0	12	243.19
21.	Punjab	0	0	0	0	0	0	0	0	0	0	3	183.32
22.	Rajasthan	2	2.05	0	0	2	18.45	1	14.92	2	138.13	69	387.79
23.	Tamilnadu	5	21.32	5	15.25	3	97.78	10	706.07	4	543.85	419	2559.44
24.	Uttar Pradesh	1	60.98	1	68.3	0	0	0	0	0	0	80	413.77
25.	Uttarakhand	2	115.43	0	0	4	59.96	1	120	1	22.25	13	361.2
26.	West Bengal	0	0	0	0	1	23.5	0	0	0	0	56	265.34
	TOTAL -A	33	588.51	29	826.15	47	1489.93	29	1823.91	34	3126.42	1950	15296.29
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	33	588.51	29	826.15	47	1489.93	29	1823.91	34	3126.42	1955	15305.91



## Annexure- II

### SECTORWISE SANCTIONS DURING LAST FIVE YEARS

(₹ In crores)

S.No	Sectors	2006-07	2007-08	2008-09	2009-10	2010-11	Cumulative since 1987
1	Wind Power	266.19	426.97	728.87	1174.09	1495.63	6639.82
2	Hydro Power	160.87	226.23	343.4	483.45	984.51	3906.52
3	Cogeneration	116.28	68.3	319.85	140.12	279.15	2058.69
4	Biomass Power	0	0	16.25	17.25	49.2	789.34
5	Energy Efficiency & Conservation	21.3	53.73	40.2	0	261.56	834.97
6	Solar Photovolataic	0	0	33.36	0	39.39	658.7
7	Solar Thermal	13	50.92	8	9	0	205.03
8	Waste to Energy	9.19	0	0	0	16.98	75.31
9	Biomethanation from Industrial Effluents	0	0	0	0	0	19.47
10	Biomass Briquetting	1.68	0	0	0	0	12.43
11	Biomass Gasification	0	0	0	0	0	72.47
12	Miscellaneous	0	0	0	0	0	33.16
	<b>TOTAL</b>	<b>588.51</b>	<b>826.15</b>	<b>1489.93</b>	<b>1823.91</b>	<b>3126.42</b>	<b>15305.91</b>



IREDA funded 4.9 MW Small Hydro Project in the State of Maharashtra.



**Annexure- III**
**STATEWISE DISBURSEMENT DURING LAST FIVE YEARS**

(₹ In crores)

S.No	Name of States/Union territory	2006-07	2007-08	2008-09	2009-10	2010-11	Cumulative since 1987
A	<b>STATES</b>						
1	Andhra Pradesh	6.01	25.21	32.32	55.26	41.87	1117.62
2	Assam	0	0	0	0	0	0.21
3	Bihar	0	0	0	0	0	0.62
4	Chhattisgarh	21.56	0	0	0	15	76.92
5	Goa	0	0.13	0	0	0	0.22
6	Gujarat	3.99	77.75	177.96	58.6	102.01	548.826
7	Haryana	0	0	0	0.67	0	5.27
8	Himachal Pradesh	37.74	46.99	5.65	98.68	270.76	579.32
9	Jharkhand	0	0	0	0	0	0.05
10	Karnataka	86.69	118	435.27	355.39	109.77	1990.11
11	Kerala	0	0	0	0	0	44.43
12	Madhya Pradesh	0.87	0	20.79	0.37	60.59	198.94
13	Maharashtra	162.45	137.41	15.49	112.85	330.3	1312.68
14	National Capital Territory of Delhi	0	0	0	0	0	12.55
15	Nagaland	0.07	0	0	0	0	0.65
16	Orissa	31.75	14.22	3.02	0	4	127.27
17	Punjab	0.51	0	0	0	0	80.51
18	Rajasthan	41.14	1	6.41	13.38	180.18	352.67
19	Tamilnadu	17.15	17.3	18.1	169.1	107.01	1074.26
20	Uttar Pradesh	0.4	68.3	0	0	0	159.13
21	Uttarakhand	0	46.79	55.94	25.73	2.7	133.65
22	West Bengal	0.54	0.54	0	0	0	49.74
	<b>TOTAL A</b>	<b>410.87</b>	<b>553.64</b>	<b>770.95</b>	<b>890.03</b>	<b>1224.19</b>	<b>7865.646</b>
B	<b>UNION TERRITORY</b>						
1	Daman	0	0	0	0	0	1.49
3	Pondicherry	0	0	0	0	0	1.13
	<b>TOTAL "B"</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.62</b>
	<b>TOTAL 'A' + 'B'</b>	<b>410.87</b>	<b>553.64</b>	<b>770.95</b>	<b>890.03</b>	<b>1224.17</b>	<b>7868.25</b>

## Annexure- IV

### SECTORWISE DISBURSEMENTS DURING LAST FIVE YEARS

(₹ In crores)

S.No	Sectors	2006-07	2007-08	2008-09	2009-10	2010-11	Cumulative since 1987
1	Wind Power	258.19	271.02	483.51	515.92	644.34	3675.28
2	Hydro Power	58.36	119.39	147.55	229.03	340.49	1633.82
3	Cogeneration	19.68	103.88	76.36	83.49	180.47	1155.49
4	Biomass Power	38.99	9.81	1.13	24.37	45.81	594.59
5	Energy Efficiency & Conservation	29.4	13.57	5.8	15.18	8	199.97
6	Solar Photovolataic	0	0	26.25	7.06	0	321.57
7	Solar Thermal	5	29.82	27.55	14.51	0	157.5
8	Waste to Energy	0	6.15	2.8	0.47	5.06	54.08
9	Biomethanation from Industrial Effluents	0	0	0	0	0	57.6
10	Biomass Briquetting	0	0	0	0	0	9.99
11	Biomass Gasification	1.25	0	0	0	0	5.12
12	Miscellaneous	0	0	0	0	0	3.24
	<b>TOTAL</b>	<b>410.87</b>	<b>553.64</b>	<b>770.95</b>	<b>890.03</b>	<b>1224.17</b>	<b>7868.25</b>



IREDA funded 10 MW Biomass Power Project in the State of Gujarat



**Management Reply to Statutory Auditor's Report (Required under Section 217 (3) of the Companies Act, 1956) for the Financial Year 2010-11**

S.No.	Auditor's Report	Management Reply
4(a) of Auditor's Report	Transferring of Deferred Tax Liability amounting to Rs. 69.64 crores to profit after tax and transferring of Deferred Tax Assets amounting to Rs. 43.35 crores from profit after tax are contrary to AS-22, "Accounting for Taxes on Income", resulting in understatement of profit after tax by Rs. 26.29 crores.	<p>The Deferred Tax Liability amounting to Rs. 69.64 crores pertaining to earlier years upto FY 2009-10 has been transferred to Profit and Loss Account and shown after Profit After Tax (PAT) based on the decision of the Board of Directors of IREDA in their 202nd Meeting held on 6th October, 2010 wherein it was resolved that the Company has no intention to withdraw the special reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961. As a result of the said decision of the Board, special reserve created and maintained will not be reversed and therefore, the same is a permanent difference as per Accounting Standard - 22, 'Accounting for Taxes on Income (AS 22) issued by the Institute of Chartered Accountants of India. Therefore, the reversal of Deferred Tax Liability of Rs. 69.64 crores being pertaining to the earlier years has been correctly reflected in the Profit and Loss Account after Profit After Tax.</p> <p>Similarly, the Deferred Tax Assets amounting to Rs. 43.35 cores have been transferred to Profit and Loss Account and shown after Profit After Tax (PAT). The said deferred tax assets pertains to the excess provision of Rs. 130.50 crores on bad and doubtful debts which has been reversed during the FY 2010-11 based on the opinions of Expert Advisory Committee of The Institute of Chartered Accountants of India on "Accounting of excess provision for bad and doubtful debts" dated 26th April, 1991 and "Write back of unclaimed credit balances, excess provisions and unpaid wages/ salary/bonus etc." dated 13th March, 1995 permitting the transfer of the excess provision to General Reserve. Consequent to the reversal of excess provision of Rs. 130.50 crores and transfer of the same to General Reserve, the Deferred Tax Assets created in earlier years has also been transferred to Profit &amp; Loss Account after Profit After Tax.</p> <p>The above mentioned treatment of presenting deferred tax liability/asset after Profit after Tax is also according to paragraph 9 of AS-22 which is as under:</p> <p><i>"Tax expenses for the period, comprising current tax and deferred tax, should be included in the determination of the net profit or loss for the period"</i></p> <p>From the above, it can be perused that the reversal of deferred tax liability of Rs. 69.64 crores on special reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961 and deferred tax asset of Rs. 43.35 crores on the excess provision of bad &amp; doubtful debts written back pertain to earlier years, therefore the same has no impact on the working results of the current year and hence has been correctly shown after Profit After Tax and Available for Appropriation to depict the realistic picture for current year results. Therefore, it does not result in any understatement of current year profit after tax by Rs. 26.29 crores.</p>



IREDA funded 10 MW Biomass Power Project in the State of Maharashtra



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE



*B Mathur & Co.*

Company Secretaries

### CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CIN Number : U40108DL1987GOI 027265  
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 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 for the financial year ended on 31<sup>st</sup> March 2011.

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 DPE Guidelines. However, Independent Directors appointed by Ministry of New and Renewable Energy (MNRE) have retired on 26<sup>th</sup> March, 2011. Company has requested MNRE vide letter dated 3<sup>rd</sup> Feb, 2011 for appointment of requisite number of Independent Directors on the Board of the Company and same is under active consideration of MNRE.

Date: 30<sup>th</sup> August 2011  
Place: New Delhi

For B Mathur & Co.  
Company Secretaries



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



## REPORT ON CORPORATE GOVERNANCE

As a good responsible entity, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability for achieving sustainable long term growth and profitability.

As a Government Company- Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India, is followed by the Company. 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

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE.

The company firmly believes and has consistently practiced good corporate governance. The company's policy is reflected by the values of transparency, professionalism and accountability. The company constantly strives towards betterment of these aspects and thereby generating long term economic value for its customers, employees, stakeholders and the society as a whole.

IREDA is committed to be a competitive, client-friendly and development-oriented organization for financing and promoting renewable energy and energy efficiency projects.

### BOARD OF DIRECTORS

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

#### a) Composition of the Board of Directors

The Board has a mix of executive and non-executive Directors. The composition of the Board as on the date of the Report is as follows:

##### Executive Directors

1. Shri Debashish Majumdar - Chairman and Managing Director (CMD)
2. Shri S.P.Reddi - Director (Finance)
3. Shri K.S.Popli - Director (Technical)

##### Government Directors

1. Dr. Praveen Saxena - Government Director (w.e.f 01.08.2010)
2. Shri A.K.Kaushik - Government Director

##### Part- time Non-Official Directors

1. Shri A Prasad - Director (Up to 26.03.2011)
2. Dr Raj Kishore Prasad - Director (Up to 26.03.2011)
3. Prof. S. Sadagopan - Director (Up to 26.03.2011)

Company has requested Administrative Ministry i.e. Ministry of New and Renewable Energy vide letter dated 03.02.2011 to appoint the requisite number of Part- time Non-Official Directors on Board of IREDA. Same is under process with Administrative Ministry i.e. (MNRE)

#### b) Details of Board Meetings held during the Financial Year 2010-11

During the Financial Year 2010-11, 12 Board Meetings were held i.e. on 14.05.2010, 04.06.2010, 22.07.2010, 17.08.2010, 23.09.2010, 06.10.2010, 13.11.2010, 14.12.2010, 30.12.2010, 13.01.2011, 25.02.2011, 24.03.2011. Detailed agendas along with explanatory statement were circulated well in advance to the Board.



The maximum time gap between two Board Meetings was less than two months. The Board has complete access to all the relevant information within the Company.

### c) Attendance record of Directors at Board Meetings and Annual General Meeting and number of other Directorships/Committee Memberships/ Chairmanships.

Attendance of each Director at the Board Meetings held during the year 2010-2011 and at the last Annual General Meeting held on 28.09.2010 and number of other Directorships / Committee Memberships/ Chairmanships of each director is given below:

Name & Designation	Board Meetings		No. of other Director ship*	Membership in the Committees of other Companies		Attendance at the last AGM (28.09.2010)
	Held during the tenure	Attended		As Member	As Chairman	
Shri Debashish Majumdar, Chairman & Managing Director IREDA	12	12	Nil.	-	-	Attended
Shri S.P. Reddi Director (Finance), IREDA	12	12	Nil	-	-	Attended
Shri K.S. Popli Director (Technical), IREDA	12	12	Nil	-	-	Not Attended
**Shri Hari Kumar	3	01	Nil	-	-	Attended
Dr. Praveen Saxena Government Director	9	07	Nil	-	-	Not Attended
Shri A.K.Kaushik Government Director	12	09	Nil	-	-	Not Attended
Shri A. Prasad Director, IREDA (Up to 26.03.2011)	12	12	02	02	-	Attended
Dr. Raj Kishore Prasad Director, IREDA (Up to 26.03.2011)	12	08	Nil	-	-	Attended
Prof. S. Sadagopan Director, IREDA & Director IIIT, Bangalore (Up to 26.03.2011)	12	01	04	04	-	Attended

\* Does not include Directorship in Private Companies, Sec 25 Companies and Foreign Companies.

\*\*Shri Hari Kumar has relinquished his charge as Director Consequent upon expiry of his three years term on 31st July, 2010 as per MNRE letter no. 1/19/95-IREDA dated 2nd August, 2010.



None of the directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a director.

### Information available to the Board

The Board has complete access to all 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 achievements results for the company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other Committees of the board.
- Information on recruitment/ remuneration of senior officers just 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 the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature.

### CODE OF CONDUCT

The Board of Directors has laid down a code of conduct for the Board members and Senior Management Personnel in alignment with Company's 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 is available on the website of the Company i.e. [www.ireda.gov.in](http://www.ireda.gov.in).

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 given below:

#### Declaration regarding compliance of Code of Conduct

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for the Financial year ended on March 31, 2011.


(Debashish Majumdar)  
Chairman & Managing Director

### AUDIT COMMITTEE

In compliance to the provision of Section 292A of the Companies Act, 1956 (the 'Act'), IREDA had constituted a Committee of the Board known as "Audit Committee".

- (a) Terms of the reference of the Audit Committee
  - (i) To appoint Internal Auditors and fix payment of fees.
  - (ii) To discuss the scope of work of the Internal Auditors and review / modify the same.
  - (iii) To discuss with the Auditors periodically about the internal control system, progress of the work and compliance/action taken by IREDA.



- 
- (iv) To discuss the observations of the Statutory Auditors, Internal Auditors, action taken by IREDA and review the same.
  - (v) To review the half-yearly and annual financial statements before submission to the Board.
  - (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.

(b) Number of Audit Committee Meetings

During the year 2010-11, **Four** Audit Committee Meetings were held on 14.05.2010, 22.07.2010, 13.11.2010, 09.03.2011. Detailed agendas along with explanatory statement were circulated well in advance to the Committee.

The Composition of the Audit Committee, members' attendance at the Audit Committee meetings for the fiscal year 2010-11 are detailed below:-

Sl. No.	Name of the Director	Designation	No of the meeting Attended
1.	Shri A Prasad	Part- time Non-Official Directors	4
2.	Shri R.K. Prasad	Part- time Non-Official Directors	2
3.	Shri K.S. Popli	Director (Technical)	4

The Chairman of the Audit Committee was

present at the AGM held on 28.9.2010. The minutes of the Audit Committee was placed before the Board for information.

(c) The current composition of the Audit Committee is as follows:

Sl. No.	Name of the Director	Designation
1.	Dr. Praveen Saxena	Government Director
2.	Shri A.K. Kaushik	Government Director
3.	Shri K.S. Popli	Director (Technical)

Director (Finance), Internal Auditors and the Statutory Auditors are special invitees in the Audit Committee meetings.

### COMMITTEE OF DIRECTORS (COD)

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

(a) Terms of Reference of Committee of Directors (COD)

- (i) To consider sanction of loans for projects as under :“Sanction of financial assistance as per the financing guidelines beyond Rs.10 crores and upto Rs.70 crores for individual loan/project including additional / enhancement of loan, subject to overall ceiling of Rs.1400 crores in a financial year.”
- (ii) Any other matter which the Board of Directors may prescribe for consideration of the COD.

(b) Number of Meetings

There were 8 meetings of the Committee of Directors (COD) held during the year 2010-2011 i.e. 09.04.2010, 22.07.2010, 17.08.2010,

23.09.2010, 14.12.2010, 30.12.2010, 13.01.2011, 25.02.2011. 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 is as following:

Names of Members	Designation	No. of meeting attended during the year 2010-2011
Shri Debashish Majumdar	Chairman-cum-Managing Director	8
Shri S.P. Reddi	Director (Finance)	8
Shri K.S.Popli	Director (Technical)	8
Shri Hari Kumar (upto 31.07.2010)	Government Director	0
Dr. Praveen Saxena (w.e.f 01.08.2010)	Government Director	4
Shri A. Prasad (Up to 26.03.2011)	Part-time Non-Official Director	8
Dr. R.K. Prasad (Up to 26.03.2011)	Part-time Non-Official Director	6

The Chairman of the COD was present at the AGM held on 28.9.2010.

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.

The Department of Public Enterprises (DPE) have vide Office Memorandum dated 26.11.2008, notified the revision of pay scales for Board level and below Board level executives and Non-Unionised Supervisors w.e.f. 01.01.2007. DPE vide the aforesaid Office Memorandums has also directed that each CPSE shall constitute a Remuneration Committee comprising of Government directors or Part- time Non-Official Directors which will decide the annual bonus/ variable pool and policy for its distribution across the executives and Non Unionised Supervisors within the prescribed limits.

In accordance with the directions of DPE, the Board of IREDA has constituted a Remuneration Committee to decide the Performance Related Payment for the employee of the company. The Remuneration Committee is reconstituted from time to time.

The current composition of the Remuneration Committee is as follows:

Sl. No.	Name of the Director	Designation
1.	Dr. Praveen Saxena	Government Director
2.	Shri A.K. Kaushik	Government Director
3.	Shri K.S. Popli	Director (Technical)

Director (Finance) is a special invitee in the Remuneration Committee Meetings.

As required under the Corporate Governance Guidelines, necessary disclosures with regard to remuneration of Directors are made as follows:



Details of remuneration of Functional Directors of the Company during the financial year 2010-2011 are given below:

(Amount in Rupees)

Sl. No	Name	Salary & Allowances	Other Benefits Incentive	PF & Serannuation Contribution	Performance linked /Ex-gratia	Total
1	Shri Debashish Majumdar- Chairman and Managing Director	Rs. 20,85,850/-	Rs.3,35,236/-	Rs. 5,02,142/-	Rs. 75,000/-	Rs. 29,98,228/-
2	Shri S.P.Reddi- Director (Finance)	Rs. 19,29,540/-	Rs. 2,16,043/-	Rs. 4,43,641/-	Rs. 60,000/-	Rs. 26,49,224/-
3	Shri K.S.Popli- Director (Technical)	Rs. 30,04,851/-	Rs. 4,04,872/-	Rs. 2,08,114/-	Rs. 60,000/-	Rs. 36,77,837/-

Details of Payments towards sitting fees to Part- time Non-Official Directors during the Financial Year 2010-11 are given below:

(Amount in Rupees)

Sl. No	Name	Siting Fee		
		Board Meeting	Committee of Director	Audit Committee
1.	Shri A Prasad	Rs. 1,20,000/-	Rs. 80,000/-	Rs. 40,000/-
2.	Dr. R.K. Prasad	Rs. 80,000/-	Rs. 60,000/-	Rs. 20,000/-
3.	Prof. Sadagopan	Rs. 10,000/-	-	-

### Compliance with applicable laws

To the best of the knowledge and belief, the Company is complying with all applicable laws. The Board reviews the Compliance Report in its Board Meetings.

### 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
2007-08	26.09.2008	12.30 P.M.	Registered Office : India Habitat Centre, Lodi Road, New Delhi
2008-09	30.09.2009	2.00 P.M.	Corporate Office: 3rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi
2009-10	28.09.2010	12.30 P.M.	Regal Hall, 1st Floor, Hotel Ramada Plaza, 19, Ashoka Road, New Delhi-11000



2. No special resolution is passed by the company in the previous three Annual General meetings of the company.

3. Annual general meeting for the financial year 2010-11

Date: 28.09.2011

Time: 12.30 p.m.

Venue: Suite no-292/3, The Ashok Hotel, New Delhi

## DISCLOSURES

- A disclosure on transactions entered into with the related parties as required by the Accounting Standards (AS) 18 issued by the Institute of Chartered Accountants of India is given at note No.13 of part-B of schedule P to the accounts in the Annual Report.
- There were no transactions by the company of material nature with Promoters, Director or the Management, their Subsidiaries or relatives etc. that may have potential conflict with the interests of company at large. The Non-Executive Director had no pecuniary relationships or transactions vis-à-vis the company during the year in their tenure except receipt of sitting fee for attending the meetings of the Board/ Board Sub-Committee. None of the Non-Executive Director held any share/convertible instrument of the company.
- There were no instances of non-compliance by the Company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory

authority, on any matter related to capital markets, during the last three years.

- The Company has adopted all suggested items to be included in the Report on Corporate Governance.
- There is no inter-se relationship between Directors of the Company, as per declarations received.
- Items of expenditure debited in books of accounts, which are not for the purpose of the business: Nil
- Expenses incurred which are personal in nature and incurred for the Board of Director and Top Management: Nil
- Administrative and office expenses as a percentage of total expenses for the year 2010-11 is 3.09% (Previous year 1.81 %) and as a percentage of financial expenses for the year 2010-11 is 3.86% (Previous year 2.50%).

## MEANS OF COMMUNICATION

The Company communicates through its Annual Report, General Meetings and disclosures through website. All important information pertaining to the Company is also mentioned in the Annual Report for each financial year containing inter alia Audited Accounts, Director Report, Auditors Report, Report on Corporate Governance and Non-Banking Financial Companies Auditors' Report which is circulated to the members and others entitled thereto.

Half yearly results have been published in prominent daily newspapers as per requirement



on the following dates:

<b>Half year ending</b>	30.09.2010	31.03.2011
<b>Date of publication</b>	15.11.2010	15.05.2011
<b>Name of the Business Newspapers</b>	Hindustan Times (English) All edition  Hindustan Times (Hindi) Delhi edition	Hindustan Times (English) All edition  Hindustan Times (Hindi) Delhi edition

The half yearly/Annual results are also made

available at the website of the Company ([www.ireda.gov.in](http://www.ireda.gov.in)). The company displays official news releases also on its website.

### AUDIT QUALIFICATION

The audit qualifications and reply of the management for the financial year 2010-11 has been given in Directors' Report.

### TRAINING TO BOARD MEMBERS

It is need based.

### WHISTLE BLOWER POLICY

The Company has not adopted any separate "Whistle Blower Policy". However, the Company has not denied access to any personnel to approach the management on any issues.



IREDA funded 5 MW Small Hydro Project in the State of Himachal Pradesh

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT

As on 31st March 2011, the gross installed power generation capacity of the country stood at 174 GW including installed renewable energy (RE) capacity of 18.5 GW which constitute 10.42 % of total installed capacity.

The mid-term appraisal target for total power capacity addition for the 11th Five Year Plan (2007-2012) is 62,374 MW. Of the total capacity added till December, 2010, the conventional power capacity addition has been 25,598 MW while renewable power capacity addition has been 8,395 MW, which constitutes over 24% of the total capacity addition.

India has huge potential of Renewable Energy, which is estimated to about 84,776 MW comprising Wind (45,195 MW), Small Hydro (15,000 MW), Biomass Power (16,881 MW), Cogeneration (5,000 MW), Waste to Energy (2,700 MW).

The National Action Plan for Climate Change envisages contribution of Renewable Energy in the Indian power mix to increase by 1% every year to reach 15% by 2020. Considering the ambitious plans of capacity addition in the conventional power sector, meeting this target would require cumulative installed capacity of more than 80 GW from renewable sources by 2020.

### OUTLOOK

Considering the global and domestic concerns on climate change coupled with the depleting oil and coal reserves, Government has initiated various policy & scheme to promote Renewable Energy industry. This has resulted in significant growth projections for Renewable Energy over

the long term and the outlook for the sector is quite optimistic with ample market opportunities.

### IREDA'S STRENGTHS & WEAKNESSES

IREDA is a pioneer in financing renewable energy and energy efficiency projects with high brand value in renewable energy and energy efficiency financing. IREDA has been a catalyst in financing of renewable energy in the country.

The Company has an appreciable track record in dealing with a variety of renewable energy financing projects. In the process, the company has gained extensive experience and expertise in different aspects of renewable energy financing, which is a major strength of the company.

Going forward, the growth of the sector would be based on much larger projects requiring substantially higher funding. To be able to continue to participate in this growth, IREDA's own size in financial terms would need to be suitably augmented.

The company, being dedicated to the Renewable Energy sector, is required to deal with the impact of various sector-specific challenges.

Notwithstanding this, the company has continued to be a profit making entity and is confident of contributing to the sustained growth of the sector.

### OPPORTUNITIES & THREATS

The alternate market mechanism of RE Power introduced by Central Electricity Regulatory Commission (CERC) through Renewable Purchase Obligations (RPOs) and the Renewable Energy Certificates (RECs) is expected to enlarge the RE market, which implies greater business opportunities for IREDA.





The MNRE has approved a new policy on development of solar energy in India by the Jawaharlal Nehru National Solar Mission. The mission recommends the implementation of an installed capacity of 20,000 MW in three stages by the end of the 13th Five Year Plan (2017-2022). This development of solar energy will augment the business opportunities for IREDA.

Incentives such as GBI and tariff support provided by the Government help to create a liberal environment for domestic/foreign equity investment, resulting in the setting up of an increased number of RE projects, which represents increased financing opportunity for IREDA.

The Renewable Energy sector is characterized by high costs in terms of initial investment as also high generation costs, which can impact viability. RE projects typically require funding for terms much longer than the resources normally available to the lenders. This creates an ALM challenge to address for which, long term resources would be required from both domestic and overseas sources.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The company is sensitive to the need for continued improvement and upgrading of its internal control systems and policies so as to remain abreast of the latest best practices and would be constantly endeavoring to achieve this.

### **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

Our people are our assets. They have played a significant role in the growth of the Company and have delivered superior performance during the year. The Company has initiated several steps for overall development and to update knowledge and skills of its employees and invested 489 person-days in technical and non-technical

training of the employees during 2010-11. The Company nominated officials at various levels for the Seminars/ Workshops on specialized subjects in India and abroad. Efforts to achieve employee satisfaction were made through various measures like job rotation, welfare measures and introduction of new schemes, etc.

### **FINANCIAL AND OPERATIONAL PERFORMANCE**

Same has already been included in Directors' Report.

### **ENVIRONMENTAL PROTECTION & CONSERVATION AND RENEWABLE ENERGY DEVELOPMENTS.**

The Company has been promoting the spread of eco-friendly renewable energy technologies which have a positive impact on environment besides reducing pollution. Motto of the company is "Energy for Ever". The company by its very nature provides protection to environment and conserves energy through financing RE projects and energy efficiency projects.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has been following a consistent approach in financing Renewable Energy (RE) projects. RE projects promote employment and development of infrastructure in rural areas. The Company continues with the policy 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.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

All the operations of company are considered as single business segment therefore company does not have any separate reportable segment.



## STATUTORY AUDITORS' REPORT

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

1 We have audited the attached Balance Sheet of Indian Renewable Energy Development Agency Limited, as at 31st March, 2011, 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.

2 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.

3 As required by the Companies (Auditor's Report) Order, 2003 read with 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.

4 We draw attention to Significant Accounting Policies and Notes on Accounts (As per Schedule - P) :

a) ***Note No. 15: Transferring of Deferred Tax Liability amounting to Rs.69.64 crores to profit after tax and transferring of Deferred Tax Assets amounting to Rs.43.35 crores from profit after tax are contrary to AS-22, "Accounting for Taxes on Income", resulting in understatement of profit after tax by Rs. 26.29 crores.***

b) Note No. 12(i): regarding change in Accounting Policy on Loan/ Bond issue expenses. As a result of this change in Accounting Policy, Miscellaneous Expenditure of Rs. 1.86 crores has been written off during the year and the Profit Before Tax for the year has decreased by Rs. 1.86 crores.

c) Note No. 12(ii): regarding change in Accounting Policy on Prior Period Expenses/ Income. As a result of this change in Accounting Policy, Prior Period Expenses/ Income (net) has decreased by Rs. 0.90 lakhs and Profit for the year has decreased by Rs. 0.90 lakhs.

d) Note No. 12 (iii): regarding change in Accounting Policy on Employee Benefits in respect of "Other Long Term Benefits". As a result of this change in Accounting Policy,



opening balance of Provision for Leave Travel Concession of Rs. 0.25 crores has been written back during the year and the Profit Before Tax for the year has increased by Rs. 0.25 crores.

5 Further to our comments in the annexure referred to in para 3 above *and subject to clause (a) of para 4*, we report that: -

- a) 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;
- b) 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;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
- d) 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) 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:
  - a. In the case of the Balance Sheet, of the state of affairs of Company as at 31st March, 2011;
  - b. In the case of the Profit and Loss Account, of the profit for the year ended on that date, and,
  - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Gianender & Associates  
Chartered Accountants  
Firm Reg. No. 004661N

Ankit Gupta  
Partner  
M. No. 511398

Place: New Delhi  
Dated: 22.07.2011

## ANNEXURE TO THE AUDITOR'S 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 2011.

- (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 on such verification.
- (c) According to the information and explanations given to us, during the year no substantial disposal of fixed assets of the company has taken place which would have affected its going concern status.
- (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. 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 said Order are not applicable to the Company.

- (b) 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. 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. Further, the provisions of Paragraph 4 (iv) with respect to sale of goods and purchase of inventory are not applicable to the company.

(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 the register maintained pursuant to Section 301 of the Companies Act, 1956

(b) Paragraph 4 (v) (b) of the said Order is not applicable, as there are no such transactions 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, Service tax and other statutory dues with appropriate authorities. We are informed that the provisions of Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess are not applicable to the company. As per records produced before us, there are no undisputed dues which were outstanding as on 31.03.2011 for a period over six months from the date of same become payable.

(b) According to information and explanation given to us , and as per our examination of the records of the Company, following are the particulars of dues on account of income tax matters that have not been deposited on account of dispute as on 31.03.2011:



Name of statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which amount relates	Forum where dispute is pending
The Income-Tax Act, 1961	Additional Demand on account of disallowances by the Ld. Assessing Officer	55	Assessment Year 2003-04	Commissioner of Income-Tax (Appeals)
The Income-Tax Act, 1961	Additional Demand on account of disallowances by the Ld. Assessing Officer	517	Assessment Year 2004-05	Income Tax Appellate Tribunal
The Income-Tax Act, 1961	Additional Demand on account of disallowances by the Ld. Assessing Officer	661	Assessment Year 2005-06	Income Tax Appellate Tribunal
The Income-Tax Act, 1961	Additional Demand on account of disallowances by the Ld. Assessing Officer	1253	Assessment Year 2007-08	Income Tax Appellate Tribunal
The Income-Tax Act, 1961	Additional Demand on account of disallowances by the Ld. Assessing Officer	486	Assessment Year 2008-09	Commissioner of Income-Tax (Appeals)
		2972		

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) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and in 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) In our opinion, 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.

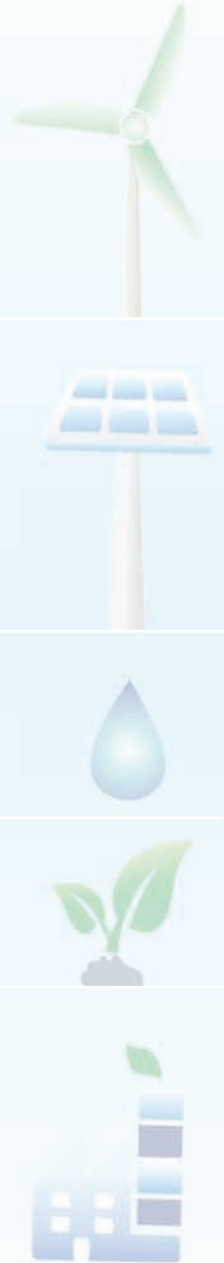
(xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of paragraph 4(xiv) of the said Order are not applicable to the Company

(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 Gianender & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 004661N**

**Ankit Gupta**  
**Partner**  
**M. No. 511398**

**Place: New Delhi**  
**Dated: 22.07.2011**

## **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 on 31st March, 2011 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 have passed a resolution by circulation on 21st April, 2010 that the Company will not accept any public deposit during the financial year 2010-11 without the approval of Reserve Bank of India;
3. The company has not accepted any public deposit during the year ended 31st March, 2011;
4. The company has complied with the prudential norms relating to income recognition, asset classifications and provisioning for the bad doubtful debts as approved by the Board of Directors of IREDA in terms of Article of Associations. The Company has also complied with the Accounting Standard as per the Companies (Accounting Standards) Rules, 2006.

**For Gianender & Associates.**  
Chartered Accountants  
Firm Reg. No. 004661N

**(Ankit Gupta)**  
Partner  
M. No. 511398

Place: New Delhi  
Dated: 16.8.2011



## COMMENTS OF CAG U/S 619(4) OF COMPANIES ACT, 1956

No. MAB-II/CAD-I/15-2/2011-2012/288

INDIAN AUDIT & ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL  
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-II  
Date: 30.08.2011

To

The Chairman and Managing Director,  
Indian Renewable Energy Development Agency Limited  
3rd Floor, August Kranti Bhawan,  
Bhikaji Cama Place,  
New Delhi – 110066

**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, 2011.**

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, 2011. 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, 2011**

(As conveyed vide letter No.MAB-II/CAD-I/15-2/2011-12/288 dated 30th August, 2011 by the Office of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board-II, New Delhi).

The preparation of financial statements of **Indian Renewable Energy Development Agency Limited** for the year ended 31st March, 2011 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 22nd July, 2011.

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, 2011. 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: 30.08.2011**



## BALANCE SHEET

As at 31<sup>st</sup> March, 2011

	SCHEDULE	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	A	5,896,000,000	5,396,000,000
Reserves and Surplus	B	6,745,199,999	4,209,611,610
<b>Loan Funds</b>			
Secured loans	C	11,503,393,158	17,080,924,598
Unsecured loans	D	13,248,515,191	10,467,144,300
		37,393,108,348	37,153,680,508
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	E		
Gross Block		549,547,749	580,398,008
Less : Depreciation		145,809,864	151,503,700
Net Block		403,737,885	428,894,308
Capital work-in-progress		4,326,880	2,338,158
<b>Investments</b>	F	1,200,000	1,200,000
<b>Deferred Tax Assets</b>		583,895,441	265,533,441
<b>Current Assets, Loans and Advances</b>			
Cash and Bank Balances	G	3,859,653,201	9,253,489,165
Other Current Assets	G	56,991,211	48,042,705
Loans and Advances	H	36,406,866,818	30,223,574,148
		40,323,511,230	39,525,106,018
<b>Less : Current Liabilities and Provisions</b>			
Liabilities	I	699,791,163	589,106,153
Provisions	J	3,223,771,925	2,492,552,296
		3,923,563,088	3,081,658,449
<b>Net Current Assets</b>		36,399,948,142	36,443,447,569
<b>Miscellaneous Expenditure to the extent not written off or adjusted</b>		-	12,267,032
		37,393,108,348	37,153,680,508
Accounting Policies and Notes on Accounts	P		
As per our Report of even date			
<b>For Gianender &amp; Associates</b>			
Chartered Accountants			
ICAI Regn. No. 004661N			
<b>Ankit Gupta</b>	<b>S P Reddi</b>	<b>Debashish Majumdar</b>	
Partner	Director (Finance)	Chairman and	
Membership No. 511398		Managing Director	
Place : New Delhi		<b>SK Bhargava</b>	
Date : 22.07.2011		Company Secretary	

## PROFIT AND LOSS ACCOUNT

For the year ended 31<sup>st</sup> March, 2011

	SCHEDULE	For the year ended 31.3.2011 Rs.	For the year ended 31.3.2010 Rs.
<b>INCOME</b>			
Income from operations	K	3,601,085,515	3,209,996,239
Other Income	L	423,528,685	242,506,519
		<b>4,024,614,200</b>	<b>3,452,502,758</b>
<b>EXPENDITURE</b>			
Personnel	M	140,234,681	140,126,443
Administrative and Others	N	72,919,005	36,991,424
Finance Charges	O	1,887,811,642	1,478,224,175
Depreciation		30,267,241	31,099,662
Bad debts written off		2,413,453	175,757,198
Provision for Bad and Doubtful debts		212,295,343	187,574,437
General Provision for Standard Assets		10,788,078	-
		<b>2,356,729,443</b>	<b>2,049,773,339</b>
<b>PROFIT FOR THE YEAR</b>		<b>1,667,884,757</b>	<b>1,402,729,419</b>
Prior period Adjustments (Net)		(911,929)	7,738,356
<b>PROFIT BEFORE TAX</b>		<b>1,666,972,828</b>	<b>1,410,467,775</b>
<b>PROVISION FOR TAXATION</b>			
Income Tax - Current Year		517,500,000	447,500,000
Income Tax / FBT - Earlier Years		235,805	191,000,000
Deferred Tax		(55,402,000)	45,091,000
<b>PROFIT AFTER TAX AND AVAILABLE FOR APPROPRIATION</b>		<b>1,204,639,023</b>	<b>726,876,775</b>
Add: Reversal of Deferred Tax Liability On Special Reserve - Earlier Years (Refer Note No. 15)		696,442,000	-
Less: Reversal of Deferred Tax Asset on Excess NPA provision written back- Earlier Years (Refer Note No. 15)		(433,482,000)	-
Balance of profit brought forward		137,256,758	125,286,106
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>1,604,855,781</b>	<b>852,162,881</b>
<b>APPROPRIATIONS</b>			
Special Reserve u/s 36(1)(viii) of Income Tax Act 1961		334,898,000	295,357,000
Proposed Dividend		200,000,000	145,400,000
Corporate Dividend Tax		32,445,000	24,149,123
General Reserve		1,000,000,000	250,000,000
Surplus carried to Balance sheet		37,512,781	137,256,758
		<b>1,604,855,781</b>	<b>852,162,881</b>
Earning Per Share of Rs 1000/- each (Basic & Diluted)		<b>209.20</b>	<b>136.88</b>
Accounting Policies and Notes on Accounts	P		
<p>As per our Report of even date  <b>For Gianender &amp; Associates</b>  Chartered Accountants  ICAI Regn. No. 004661N</p> <p><b>Ankit Gupta</b>  Partner  Membership No. 511398</p> <p><b>S P Reddi</b>  Director (Finance)</p> <p><b>Debashish Majumdar</b>  Chairman and  Managing Director</p> <p>Place : New Delhi  Date : 22.07.2011</p> <p><b>SK Bhargava</b>  Company Secretary</p>			



## SCHEDULES

### SCHEDULE-'A' SHARE CAPITAL

PARTICULARS	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.
<b>Authorised</b>  100,00,000 (Previous year 100,00,000) Equity Shares of Rs. 1,000 each	<b>10,000,000,000</b>	10,000,000,000
<b>Issued, Subscribed &amp; Paid up</b>  58,96,000 (Previous Year 53,96,000) Equity Shares of Rs. 1,000 each fully paid up	<b>5,896,000,000</b>	5,396,000,000



**SCHEDULE-'B'**  
**RESERVEDS & SURPLUS**

<b>PARTICULARS</b>	<b>As at 31.3.2011 Rs.</b>	<b>As at 31.3.2010 Rs.</b>
<b>Capital Reserve :</b>		
<b>(I) Grant-in-Aid from :</b>		
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
<b>Sub Total (I)</b>	<b>1,007,343,081</b>	<b>1,007,343,081</b>
<b>(II) Capital Grant</b>		
a) From World Bank for purchase of Fixed Assets		
Balance as per last year	9,670,453	11,987,860
Received during the year	-	-
	<b>9,670,453</b>	<b>11,987,860</b>
Less : Transferred to Miscellaneous Income	4,546,727	2,317,407
	<b>5,123,726</b>	<b>9,670,453</b>
b) UNDP Hilly Hydro Capital Grant	-	124,833,710
Less : Transferred to Miscellaneous Income	-	64,689,710
Less : Transferred to Other Capital Grant	-	60,144,000
	-	-
c) Other Capital Grant	60,144,000	60,144,000
<b>Sub Total (II)</b>	<b>65,267,726</b>	<b>69,814,453</b>
<b>Total (I)+(II)</b>	<b>1,072,610,807</b>	<b>1,077,157,534</b>
<b>Special Reserve</b> (under section 36(1)(viii) of Income Tax Act,1961)		
<b>(A) Created up to 31.3.97</b>	<b>119,573,145</b>	<b>119,573,145</b>
<b>(B) Additions after 31.3.97</b>	<b>1,977,040,000</b>	<b>1,681,683,000</b>
<b>Balance up to last year</b>	<b>2,096,613,145</b>	<b>1,801,256,145</b>
<b>Addition during the year</b>	<b>334,898,000</b>	<b>295,357,000</b>
	<b>2,431,511,145</b>	<b>2,096,613,145</b>
<b>NBFC Reserve</b>	<b>67,933,276</b>	<b>67,933,276</b>
<b>General Reserve</b>		
Balance as per last year	830,650,897	580,650,897
Add: Transferred from Provision for Bad & Doubtful Debts (Refer Note No. 8)	1,304,981,093	
Add: Transferred from Profit and Loss Account	1,000,000,000	250,000,000
	<b>3,135,631,990</b>	<b>830,650,897</b>
<b>Surplus i.e. Balance as per annexed Profit &amp; Loss Account</b>	<b>37,512,781</b>	<b>137,256,758</b>
	<b>6,745,199,999</b>	<b>4,209,611,610</b>



**SCHEDULE-'C'  
SECURED LOANS**

<b>PARTICULARS</b>	<b>As at 31.3.2011 Rs.</b>	<b>As at 31.3.2010 Rs.</b>
<b><u>A. Tax Free Bonds</u></b> (Secured by negative lien on assets of the company)		
<b>6.00% Tax free Secured Redeemable Energy Bonds (Series X- 2002-03)</b> Redeemable at par after the expiry of 10 years on 17-1-2013 Put/call option was available at the end of 7th year	<b>500,000,000</b>	500,000,000
<b>5.50% Tax free Secured Redeemable Energy Bonds (Series XI- 2003-04)</b> Redeemable at par after the expiry of 10 years on 22-10-2013 Put/call option was available at the end of 7th year	<b>349,000,000</b>	500,000,000
<b><u>B. Taxable Bonds</u></b> (Secured by negative lien on assets of the company)		
<b>9.60% Bonds in the nature of Debentures (Series I- 2008-09)</b> Redeemable at par after the expiry of 10 years on 24.2.2019	<b>1,000,000,000</b>	1,000,000,000
<b>8.85% Bonds in the nature of Debentures (Series II- 2009-10)</b> Redeemable at par after the expiry of 10 years on 13.01.2020	<b>1,500,000,000</b>	1,500,000,000
<b>8.87% Bonds in the nature of Debentures (Series III- 2010-11)</b> Redeemable at par after the expiry of 10 years on 24.09.2020	<b>150,00,00,000</b>	-
<b>9.02% Bonds in the nature of Debentures (Series III- 2010-11)</b> Redeemable at par after the expiry of 15 years on 24.09.2020	<b>250,00,00,000</b>	-
<b><u>C. Loans and Advances from Banks</u></b>  (Secured by US\$ deposit, Euro deposit and by pari-passu charge on the book debts)		
(Due for repayment within one year Rs 425,229,860/- (Previous year Rs 1,039,129,791/-)	<b>4,154,393,158</b>	13,580,924,598
	<b>11,503,393,158</b>	17,080,924,598

**SCHEDULE-'D'**  
**UNSECURED LOANS**

<b>PARTICULARS</b>	<b>As at 31.3.2011 Rs.</b>	<b>As at 31.3.2010 Rs.</b>
<b>Other loans and advances</b>		
<b>A. From Banks</b>		
(i) Nordic Investment Bank (NIB) (Due for repayment within one year Rs Nil (Previous year Rs Nil)	<b>2,271,737,170</b>	1,140,707,120
<b>(Loans Guaranteed by the Government of India)</b>		
From		
(ii) Asian Development Bank (ADB) (Due for repayment within one year Rs 83,959,860/- (Previous year Rs 76,968,214/- )	<b>1,462,174,503</b>	1,555,190,105
(iii) Kreditanstalt Fur Wiederaufbau (KFW) (Due for repayment within one year Rs 73,240,556/- (Previous year Rs 71,031,041/- )	<b>2,125,029,723</b>	2,131,953,022
(iv) Kreditanstalt Fur Wiederaufbau (KFW)-II (Due for repayment within one year Rs Nil (Previous year Rs Nil) )	<b>2,322,006,350</b>	1,325,582,125
(v) Kreditanstalt Fur Wiederaufbau (KFW)-III (Due for repayment within one year Rs Nil (Previous year Rs Nil) )	<b>912,073,259</b>	-
(vi) International Bank for Reconstruction and Development (IBRD) (Due for repayment within one year Rs 142,951,578/- (Previous year Rs 134,625,536/-)	<b>1,764,681,686</b>	1,895,211,928
<b>B. From Others</b>		
(i) Government of India Against International Development Agency (IDA) - Second Renewable Energy Project (Due for repayment within one year Rs 55,812,500/- (Previous year Rs 28,212,500))	<b>2,390,812,500</b>	2,418,500,000
	<b>13,248,515,191</b>	10,467,144,300



### SCHEDULE-E

Particulars	G R O S S B L O C K						F I X E D A S S E T S			A M O U N T I N R S.		
	As at 1.4.2010	Additions during the year	Disposals during the year	Adjustments during the year	As at 31.03.2011	Up to 1.4.2010	For the year	Depreciation Disposal during the year	Adjustments during the year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
<b>Tangible Assets*</b>												
Buildings-Residential	4,143,149	-	-	-	4,143,149	2,297,812	92,267	-	-	2,390,079	1,753,070	1,845,337
Leasehold												
Buildings-Office	26,410,058	-	-	-	26,410,058	14,411,770	599,914	-	-	15,011,684	11,398,374	11,998,288
Leasehold-IHC	422,757,821	-	-	-	422,757,821	57,617,219	18,257,030	-	-	75,874,249	346,883,572	365,140,602
Leasehold-AKB												
Office Equipments	34,289,955	630,103	705,311	(323,496)	33,891,251	12,030,929	3,130,614	606,089	(294,750)	14,260,704	19,630,547	22,259,026
Computers	50,957,899	5,987,159	1,101,900	(30,297,892)	25,545,266	44,831,571	3,895,064	1,046,805	(28,804,470)	18,875,360	6,669,906	6,126,328
Library	1,792,864	5,445	-	-	1,798,309	1,792,864	5,445	-	-	1,798,309	-	-
Furniture and Fittings	29,316,903	-	3,445,453	(2,394,114)	23,477,336	11,684,101	3,115,203	2,968,530	(2,240,433)	9,590,341	13,886,995	17,632,802
Vehicles	2,602,326	541,725	-	-	3,144,051	1,183,464	425,131	-	-	1,608,595	1,535,456	1,418,862
<b>Total A</b>	<b>572,270,975</b>	<b>7,164,432</b>	<b>5,252,664</b>	<b>(33,015,502)</b>	<b>541,167,241</b>	<b>145,849,730</b>	<b>29,520,668</b>	<b>4,621,424</b>	<b>(31,339,653)</b>	<b>139,409,321</b>	<b>401,757,920</b>	<b>426,421,245</b>
Previous year	562,750,515	2,644,811	447,099	7,322,748	572,270,975	115,628,961	30,592,221	372,810	1,358	145,849,730	426,421,245	
<b>Intangible Assets**</b>												
Software	8,127,033	253,475	-	-	8,380,508	5,653,970	746,573	-	-	6,400,543	1,979,965	2,473,063
<b>Total B</b>	<b>8,127,033</b>	<b>253,475</b>	<b>-</b>	<b>-</b>	<b>8,380,508</b>	<b>5,653,970</b>	<b>746,573</b>	<b>-</b>	<b>-</b>	<b>6,400,543</b>	<b>1,979,965</b>	<b>2,473,063</b>
Previous year	5,955,246	1,790,443	-	381,344	8,127,033	5,147,887	503,367	-	2,716	5,653,970	2,473,063	
<b>Total A+B</b>	<b>580,398,008</b>	<b>7,417,907</b>	<b>5,252,664</b>	<b>(33,015,502)</b>	<b>549,547,749</b>	<b>151,503,700</b>	<b>30,267,241</b>	<b>4,621,424</b>	<b>(31,339,653)</b>	<b>145,809,864</b>	<b>403,737,885</b>	<b>428,894,308</b>
Previous year	568,705,761	4,435,254	447,099	7,704,092	580,398,008	120,776,848	31,095,588	372,810	4,074	151,503,700	428,894,308	
<b>Capital Work In Progress</b>												
Building	-	1,936,676	-	-	1,936,676	-	-	-	-	-	1,936,676	-
Software under Installation***	2,338,158	227,415	-	175,369,00	2,390,204	-	-	-	-	-	2,390,204	2,338,158
<b>Total C</b>	<b>2,338,158</b>	<b>2,164,091</b>	<b>-</b>	<b>175,369</b>	<b>4,326,880</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,326,880</b>	<b>2,338,158</b>
Previous year	2,338,158	-	-	-	2,338,158	-	-	-	-	-	2,338,158	
<b>Total A+B+C</b>	<b>582,736,166</b>	<b>9,581,998</b>	<b>5,252,664</b>	<b>(32,840,133)</b>	<b>553,874,629</b>	<b>151,503,700</b>	<b>30,267,241</b>	<b>4,621,424</b>	<b>(31,339,653)</b>	<b>145,809,864</b>	<b>408,064,765</b>	<b>431,232,466</b>
Previous year	571,043,919	4,435,254	447,099	7,704,092	582,736,166	120,776,848	31,095,588	372,810	4,074	151,503,700	431,232,466	

\*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 32,03,668/- and Office Equipment Rs 52,56,913/-)

\*\*Includes Assets worth Rs 52,66,870/- procured out of Grants from The World Bank

\*\*\*Includes Assets worth Rs 21,60,510/- procured out of Grants from The World Bank



**SCHEDULE-'F'  
INVESTMENTS**

<b>PARTICULARS</b>	<b>As at 31.3.2011 Rs.</b>	<b>As at 31.3.2010 Rs.</b>
<b>Long Term Investment (Unquoted) (other than trade) (At cost)</b>		
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)	<b>1,200,000</b>	1,200,000
	<b>1,200,000</b>	1,200,000

**SCHEDULE-'G'  
CURRENT ASSETS**

<b>PARTICULARS</b>	<b>As at 31.3.2011 Rs.</b>	<b>As at 31.3.2010 Rs.</b>
<b>1. Cash and Bank balances</b>		
Postage Imprest	<b>38,980</b>	61,038
Bank balances with Scheduled Banks		
<b>A) In Current Account</b>		
- IREDA	<b>694,968,473</b>	132,247,462
- MNRE	<b>1,941,014</b>	1,519,169
- UNDP	<b>-</b>	6,176,800
- National Hydrogen Energy Board	<b>384,050</b>	370,892
<b>B) In Deposit Account</b>		
a) INR-Short term Deposit		
- IREDA	<b>1,100,000,000</b>	3,390,521,960
- MNRE	<b>8,617,422</b>	-
- DRT No lien Account	<b>8,458,883</b>	16,046,459
b) Foreign Currency Deposits		
- Dollar Deposit	<b>1,476,757,798</b>	3,456,984,427
-Euro Deposit	<b>495,633,041</b>	2,216,672,448
<b>C) Cheques Under Collection/DD In hand</b>	<b>72,853,540</b>	32,888,510
	<b>3,859,653,201</b>	9,253,489,165
<b>Other Current Assets</b>		
<b>2. Interest accrued but not due on Loans and Deposits</b>		
- On Loans	<b>44,156,859</b>	34,585,391
-On deposit with banks	<b>12,834,352</b>	13,457,314
	<b>56,991,211</b>	48,042,705
	<b>3,916,644,412</b>	9,301,531,870



## SCHEDULE-'H' LOANS AND ADVANCES

PARTICULARS	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.
<b>A.Term Loans to Constituents of IREDA</b>	<b>34,492,494,525</b>	30,338,690,098
Interest Accrued and due on Loans	294,890,310	210,308,314
Loans to Employees	26,135,089	17,449,529
<b>Sub Total -I</b>	<b>34,813,519,924</b>	30,566,447,941
<b>B.Advances (Unsecured, considered good)</b>		
Advances Recoverable in cash or in kind or for value to be received		
Security Deposits	1,402,528	914,675
Staff Advances (Not bearing interest)	2,489,316	2,706,607
Advance Tax & Other Tax Recoverable	2,902,709,542	2,402,076,909
Others	173,539,843	8,280,084
<b>Sub Total -II</b>	<b>3,080,141,229</b>	2,413,978,275
<b>III=(I+II)</b>	<b>37,893,661,153</b>	32,980,426,216
<b>Less: Provisions for Bad and doubtful debts*</b>	<b>1,565,707,588</b>	2,846,400,455
<b>Total Loans &amp; Advances of IREDA**</b>	<b>36,327,953,565</b>	30,134,025,761
<b>Loans to constituents of MNRE</b>	<b>17,617,986</b>	28,052,987
<b>Interest Accrued and due on MNRE Loans</b>	<b>61,295,267</b>	61,495,400
<b>Total Loans &amp; Advances to constituents of MNRE</b>	<b>78,913,253</b>	89,548,387
<b>Total Loans to constituents of IREDA &amp; MNRE</b>	<b>36,406,866,818</b>	30,223,574,148
<b>Particulars of loan &amp; Advances :</b>		
<b>IREDA</b>		
- Considered good in respect of which company is fully secured	32,900,910,497	27,453,748,195
- Considered good in respect of which company holds no security other than personal security of the borrower**	211,554,629	1,342,928,777
- Others	3,080,141,229	2,413,978,275
- Considered doubtful	1,701,054,798	1,769,770,969
	37,893,661,153	32,980,426,216
Less: Provision for bad and doubtful debts (IREDA only)	1,565,707,588	2,846,400,455
	36,327,953,565	30,134,025,761
<b>MNRE</b>		
- Considered good in respect of which company is fully secured	-	-
- Considered good in respect of which company holds no security other than personal security of the borrower	-	-
- Considered doubtful	78,913,253	89,548,387
	78,913,253	89,548,387
<b>GRAND TOTAL</b>	<b>36,406,866,818</b>	30,223,574,148
- Due from Directors of the Company	323,899	156,335
- Due from other officers of the Company @	2,072,281	1,190,174
- Maximum amount due at any time during the year from directors of the company	899,218	1,026,175
- Maximum amount due at any time during the year from officers of the company @	2,255,068	1,380,384

\* Include Ad-hoc provision of Rs. Nil (Previous year: Rs. 700,000,000)

\*\*includes interest funded Rs 444,566,734 (Previous year 418,303,776)

@ The figures are in respect of officers of the Company

i.e. Secretary as per the Companies Act, 1956

**SCHEDULE-'I'**  
**CURRENT LIABILITIES**

<b>PARTICULARS</b>	<b>As at 31.3.2011 Rs.</b>	<b>As at 31.3.2010 Rs.</b>
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	<b>132,707,083</b>	62,027,915
Provident Fund Payable	<b>1,498,051</b>	1,292,139
MNRE Programme Funds	<b>130,105,098</b>	129,181,981
MNRE Co Generation Specific Grant	<b>2,790,181</b>	2,790,181
National Hydrogen Energy Board	<b>384,050</b>	370,892
UNDP Programme Funds	-	6,176,800
Interest accrued but not due	<b>354,711,723</b>	210,590,093
Due to Bank as Temporary Overdraft	-	63,323,219
Other Liabilities	<b>77,594,977</b>	113,352,933
	<b>699,791,163</b>	589,106,153

**SCHEDULE-'J'**  
**PROVISIONS**

<b>PARTICULARS</b>	<b>As at 31.3.2011 Rs.</b>	<b>As at 31.3.2010 Rs.</b>
Standard Assets	<b>268,563,770</b>	69,768,575
Income-tax	<b>2,669,000,000</b>	2,151,500,000
Fringe Benefit Tax	-	5,505,815
Proposed Dividend	<b>200,000,000</b>	145,400,000
Corporate Dividend Tax	<b>32,445,000</b>	24,149,123
Leave encashment	<b>11,113,133</b>	10,265,477
Gratuity	<b>303,240</b>	15,394,612
Post Retirement Medical	<b>6,086,814</b>	6,182,547
Baggage Allowance	<b>300,953</b>	311,917
Sick Leave	<b>10,070,577</b>	9,446,298
Leave Travel Concession	-	2,467,331
Pay Revision Arrears	<b>153,211</b>	22,570,000
Other Provisions	<b>25,735,227</b>	29,590,601
	<b>3,223,771,925</b>	2,492,552,296

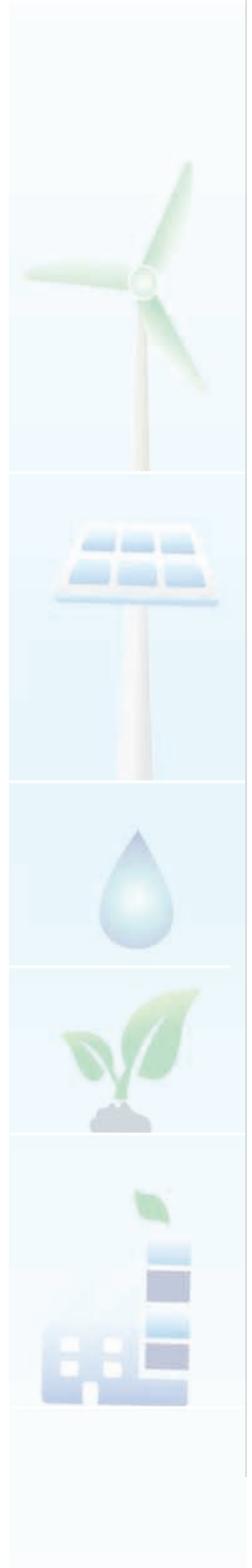
**SCHEDULE-'K'  
INCOME FROM OPERATIONS**

<b>PARTICULARS</b>	<b>For the Year ended 31.3.2011 Rs.</b>	<b>For the Year ended 31.03.2010 Rs.</b>
Interest on Loans	<b>3,230,279,023</b>	3,052,565,105
Less : Rebate on Prompt Payment	<b>9,464,571</b>	7,101,467
	<b>3,220,814,452</b>	3,045,463,638
Differential Interest	<b>35,544,441</b>	10,733,206
Less: Service Tax	<b>3,319,200</b>	1,002,285
	<b>32,225,241</b>	9,730,921
Front end Fee	<b>142,224,484</b>	73,895,659
Less: Service Tax	<b>13,281,162</b>	6,905,405
	<b>128,943,322</b>	66,990,254
Application Fee on Loans	<b>9,579,210</b>	3,380,860
Less: Service Tax	<b>894,523</b>	319,018
	<b>8,684,687</b>	3,061,842
Application Fee - Accelerated Depreciation	<b>18,918,096</b>	-
Less: Service Tax	<b>1,766,604</b>	-
	<b>17,151,492</b>	-
Application Fee - Generation Based Incentive	<b>41,970,629</b>	-
Less: Service Tax	<b>3,919,288</b>	-
	<b>38,051,341</b>	-
Recovery out of Bad Debts written off	<b>151,490,983</b>	78,001,207
MNRE Service Charges	<b>4,107,569</b>	7,443,460
Less: Service Tax	<b>383,572</b>	695,083
	<b>3,723,997</b>	6,748,377
	<b>3,601,085,515</b>	3,209,996,239



**SCHEDULE-'L'**  
**OTHER INCOME**

<b>PARTICULARS</b>	<b>For the Year ended 31.3.2011 Rs.</b>	<b>For the Year ended 31.03.2010 Rs.</b>
<b><u>Interest on Deposits with Banks</u></b>		
-Short Term Deposit (Includes TDS Rs. 45,04,827/- (Previous Year Rs. Nil))	<b>341,288,586</b>	32,817,176
-US\$ Deposit	<b>29,390,257</b>	49,203,897
- EURO Deposit	<b>33,401,133</b>	47,705,828
	<b>404,079,976</b>	129,726,901
<b><u>Other Interest</u></b>		
-on Staff Loan	<b>1,627,240</b>	1,447,116
Service Charges - UNDP Programme Fund	<b>435,995</b>	762,322
Less Service Tax	<b>40,714</b>	71,187
	<b>395,281</b>	691,135
Service Charges - Investment Promotion Component	<b>2,406,301</b>	567,017
Less Service Tax	<b>224,704</b>	52,949
	<b>2,181,597</b>	514,068
Service Charges - Generation Based Incentive	<b>155,035</b>	53,856
Less Service Tax	<b>14,477</b>	5,029
	<b>140,558</b>	48,827
Service Charges - Biogess Feed Fertilizer Plant	<b>106,665</b>	-
Less Service Tax	<b>9,961</b>	-
	<b>96,704</b>	-
Lead Institution Fee	-	94,254
Less Service Tax	-	8,801
	-	85,453
Miscellaneous Application Fees	<b>1,779,522</b>	-
Less Service Tax	<b>166,175</b>	-
	<b>1,613,347</b>	-
Dividend from Long Term Investment ( other than trade)	<b>126,000</b>	126,000
Provision Written Back	<b>2,467,331</b>	-
Interest Rate Swap (IRS)	-	20,496,481
Refund of Management Fee (KFW)	-	7,826,350
Income From Fee Based Activity	<b>3,940,473</b>	2,510,326
Commitment Fee NIB	<b>1,630,056</b>	-
<b><u>Miscellaneous income</u></b>		
- Transferred from Capital Grant	<b>4,546,727</b>	2,317,407
- Transferred from UNDP Hilly Hydro Capital Grant	-	64,689,710
- Others		
Miscellaneous Receipts	<b>683,395</b>	12,026,745
	<b>423,528,685</b>	242,506,519



**SCHEDULE-'M'**  
**PERSONNEL EXPENSES**

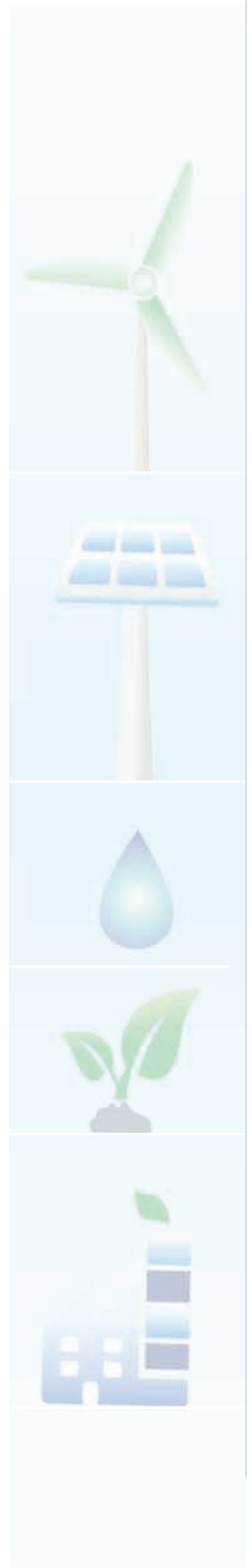
<b>PARTICULARS</b>	<b>For the Year ended 31.3.2011 Rs.</b>	<b>For the Year ended 31.03.2010 Rs.</b>
Salaries, Wages and other amenities	<b>106,008,718</b>	96,219,642
Contribution to Provident Fund	<b>6,559,940</b>	5,682,033
Provident Fund Inspection Charges	<b>100,586</b>	108,201
Contribution to Benevolent fund	<b>62,980</b>	63,200
Contribution to Superannuation fund	<b>14,866,994</b>	
Contribution to Gratuity fund	<b>(5,634,481)</b>	6,969,657
Staff Welfare	<b>16,762,528</b>	29,910,130
Human Resource Development	<b>1,060,610</b>	767,590
Recruitment	<b>446,806</b>	405,990
	<b>140,234,681</b>	140,126,443

**SCHEDULE-'N'**  
**ADMINISTRATIVE EXPENSES**

<b>PARTICULARS</b>	<b>For the Year ended 31.3.2011 Rs.</b>	<b>For the Year ended 31.03.2010 Rs.</b>
Business Promotion	<b>3,236,243</b>	1,962,929
Travelling and Conveyance	<b>7,060,658</b>	6,053,988
Electricity and Water Charges	<b>4,123,212</b>	4,318,842
Information and Dissemination	<b>971,053</b>	978,759
Insurance	<b>512,361</b>	223,003
Legal and Professional	<b>19,784,205</b>	5,467,112
Newspapers and Periodicals	<b>625,550</b>	586,315
Office Maintenance	<b>3,369,094</b>	2,771,408
Office rent	<b>1,926,384</b>	1,528,440
Interest Tax Recoverable Written Off	<b>776,330</b>	-
Postage Telegram and Telephone	<b>1,665,813</b>	1,977,462
Printing and Stationery	<b>2,109,595</b>	2,262,692
Rates and Taxes	<b>11,940,825</b>	3,429,400
Director Sitting Fees	<b>391,000</b>	205,000
Loss on Sale of Assets	<b>2,209,313</b>	41,577
Repairs and Maintenance-Others	<b>8,167,149</b>	2,059,342
Filing Fee	<b>8,700</b>	5,050
Miscellaneous Expenses	<b>4,041,520</b>	3,120,105
	<b>72,919,005</b>	36,991,424

**SCHEDULE-'O'**  
**FINANCE CHARGES**

<b>PARTICULARS</b>	<b>For the Year ended 31.3.2011 Rs.</b>	<b>For the Year ended 31.03.2010 Rs.</b>
<b><u>Finance Charges</u></b>		
<b>Interest on Borrowings</b>		
- on Bonds	<b>467,470,123</b>	181,868,494
- on Loans	<b>1,220,460,879</b>	1,200,178,275
	<b>1,687,931,002</b>	1,382,046,769
<b>Other Finance Charges</b>		
Miscellaneous Expenditure Written Off	<b>12,267,032</b>	1,424,476
Bond Trusteeship fee	<b>430,000</b>	115,548
Bank Charges	<b>14,046</b>	24,092
<b>Commitment fee</b>		
-Kreditanstalt Fur Wiederaufbau (KFW-II)	<b>3,177,833</b>	7,129,621
-Kreditanstalt Fur Wiederaufbau (KFW-III)	<b>3,265,558</b>	-
-Nordic Investement Bank (NIB)	<b>-</b>	1,630,056
<b>GOI Guarantee Fee</b>		
-Asian Development Bank (ADB)	<b>9,141,478</b>	9,648,964
-Kreditanstalt Fur Wiederaufbau (KFW)	<b>25,154,915</b>	30,733,802
-Kreditanstalt Fur Wiederaufbau (KFW-II)	<b>46,678,129</b>	4,068,803
-Kreditanstalt Fur Wiederaufbau (KFW-III)	<b>7,708,784</b>	-
-Kreditanstalt Fur Wiederaufbau (KFW-IV)	<b>9,955,068</b>	-
-Agence Francaise De Developpement (AFD)	<b>15,609,548</b>	-
-International Bank for Reconstruction and Development (IBRD)	<b>21,918,316</b>	23,660,977
	<b>155,320,707</b>	78,436,339
Front End Fee - NIB	<b>3,970,750</b>	4,099,375
Bond Issue Expenses	<b>8,559,178</b>	-
Difference in Exchange	<b>31,059,782</b>	9,958,984
Credit Rating Expenses	<b>829,223</b>	3,496,583
Others	<b>141,000</b>	186,125
	<b>1,887,811,642</b>	1,478,224,175



## SCHEDULE 'P'

### 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 recognized as and when actually realized.
- (ii) Loan/Bond issue expenses such as front-end fee/Arranger's fee, Stamp duty, etc., are charged to Profit and Loss Account in the year of issue of such loan/bond.
- (ii) Prepaid expenses and prior period expenses/income upto Rs. 20,000/- per item are charged as and when incurred/adjusted/received.

##### (3) Foreign Currency Transactions

- i. Transactions in foreign currency except the foreign currency loan where Currency and Interest Rate Swap (CIRS) transactions has been made with bank, 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.
- ii. The transactions in foreign currency loan, where CIRS transactions take place, are recorded at the contracted exchange rate on deal date till the period of CIRS deals. The difference between the exchange rate at the date of transactions and CIRS rate is recognized as income or expense in the Profit & Loss Account.

##### (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 Multilateral/Bilateral Agencies 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.
- (c) Contribution to Superannuation Fund made in accordance with Employees Defined Contribution Superannuation Scheme 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 Baggage Allowance 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, 2011 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	6,97,68,575 (6,97,68,575)	19,87,95,195 (0)	0 (0)	26,85,63,770 (6,97,68,575)
2	Income tax	2,15,15,00,000 (1,51,30,00,000)	51,75,00,000 (63,85,00,000)	0 (0)	2,66,90,00,000 (2,15,15,00,000)
3	Fringe Benefit Tax	55,05,815 (55,05,815)	2,35,805 (0)	57,41,620 (0)	0 (55,05,815)
4	Proposed dividend	14,54,00,000 (11,25,00,000)	20,00,00,000 (14,54,00,000)	14,54,00,000 (11,25,00,000)	20,00,00,000 (14,54,00,000)
5	Dividend tax	2,41,49,123 (1,91,19,375)	3,24,45,000 (2,41,49,123)	2,41,49,123 (1,91,19,375)	3,24,45,000 (2,41,49,123)
6	Leave encashment	1,02,65,477 (90,96,735)	27,18,046 (27,60,834)	18,70,390 (15,92,092)	1,11,13,133 (1,02,65,477)
7	Gratuity	1,53,94,612 (1,04,85,512)	(-) 1,50,91,372 (49,09,100)	0 (0)	3,03,240 (1,53,94,612)
8	Post retirement medical benefit	61,82,547 (49,47,865)	(-) 95,733 (13,71,224)	0 (1,36,542)	60,86,814 (61,82,547)
9	Sick leave	94,46,298 (93,62,674)	8,20,641 (83,624)	1,96,362 (0)	1,00,70,577 (94,46,298)
10	Leave Travel Concession	24,67,331 (22,73,770)	0 (1,93,561)	24,67,331 (0)	0 (24,67,331)

11	Baggage Allowance	3,11,917 (2,22,718)	(-) 10,964 (89,199)	0 (0)	3,00,953 (3,11,917)
12	Pay Revision Arrear	2,25,70,000 (3,48,00,000)	0 (1,68,26,000)	2,24,16,789 (2,90,56,000)	1,53,211 (2,25,70,000)
13	Other Provisions	2,95,90,601 (2,94,03,818)	5,94,28,641 (4,97,57,789)	6,32,84,015 (4,95,71,006)	2,57,35,227 (2,95,90,601)
	Total	2,49,25,52,296 (1,82,04,86,857)	99,67,45,259 (88,40,40,454)	26,55,25,630 (21,19,75,015)	3,22,37,71,925 (2,49,25,52,296)

Previous year figures shown within bracket

#### b) Capital Commitment

Estimated value of contract to be executed on Capital Account and not provided for Rs. 280.00 Lakhs (Previous year : Rs. 26.17 Lakhs)

#### c) Contingent Liabilities not provided for:-

- Income tax demand for Assessment Years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 aggregating to Rs 58.64 Crores (Previous year : Rs. 53.23 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.
- Claims against the Company not acknowledged as debt - Rs. 1.52 crores (Previous year : Rs. 1.52 crores)

### (2) MNRE Programme Funds

The Company besides its own activities implements Programmes on behalf of Ministry for New and 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.

### (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, Solar Thermal 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 1-4-2010 was Rs.3,23,48,524 (Previous year : Rs. 14,14,90,088) and the company received during the year Rs. 15,05,09,478 (Previous year : Rs. 8,26,58,984). Out of this, a sum of Rs. 12,97,48,266 (Previous year: Rs. 18,52,55,614) 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 46,85,751 (Previous year : Rs. 73,87,810) has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-3-2011 stands at Rs. 4,89,88,520 (Previous year: Rs. 3,23,48,524).

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2011 are as under:-

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

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2010	Interest Subsidy received during 2010-11	Amount re-funded during 2010-11	Interest Subsidy passed on during 2010-11	Closing Balance as on 31.3.2011
1	Bio-mass Co-generation	3,49,46,879 (7,09,61,098)	1,97,77,906 (0)	47,68,045 (17,58,049)	1,35,85,569 (3,42,56,170)	3,63,71,171 (3,49,46,879)
2	Small Hydro	93,83,100 (3,77,33,911)	22,052 (0)	0 (23,39,824)	76,99,894 (2,60,10,987)	17,05,258 (93,83,100)
3	Waste to Energy	0 (32,89,937)	1,27,09,520 (0)	0 (32,89,937)	0 (0)	1,27,09,520 (0)
	Sub Total....A	4,43,29,979 (11,19,84,946)	3,25,09,478 (0)	47,68,045 (73,87,810)	2,12,85,463 (6,02,67,157)	5,07,85,949 (4,43,29,979)

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

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2010	Subsidy received during 2010-11	Amount refunded during 2010-11	Interest received on FDR	Subsidy passed on during 2010-11	Closing Balance as on 31.3.2011
1	Solar Thermal Sector	3,952 (3,952)	0 (0)	0 (0)	0 (0)	0 (0)	3,952 (3,952)
2	SPV WP 2000-01	(-) 34,02,805 (0)	0 (0)	0 (0)	0 (0)	0 (34,02,805)	(-) 34,02,805 (-) (34,02,805)





3	SPV WP 2001-02	(-) 76,69,651 (-),16,21,964)	0 (0)	0 (0)	0 (0)	0 (60,47,687)	(-) 76,69,651 (-) (76,69,651)
4	SPV WP 2002-03	0 (0)	0 (26,58,984)	0 (0)	0 (0)	0 (26,58,984)	0 (0)
5	SPV WP 1999-00	(-) 6,84,937 (0)	0 (0)	0 (0)	0 (0)	0 (6,84,937)	(-) 6,84,937 (-) (6,84,937)
6	SPV WP Manufacturing	(-) 2,96,898 (0)	0 (0)	0 (0)	0 (0)	0 (2,96,898)	(-) 2,96,898 (-) (2,96,898)
7	Accelerated SWH System	68,884 (3,11,23,154)	11,80,00,000 (8,00,00,000)	-82,294 (0)	5,64,535 (8,42,876)	10,84,62,803 (11,18,97,146)	1,02,52,910 (68,884)
	Sub Total.....B	(-) 1,19,81,455 (2,95,05,142)	11,80,00,000 (8,26,58,984)	-82,294 (0)	5,64,535 (8,42,876)	10,84,62,803 (12,49,88,457)	(-) 17,97,429 (-) 1,19,81,455)
	Grand Total (A + B)	3,23,48,524 (14,14,90,088)	15,05,09,478 (8,26,58,984)	46,85,751 (73,87,810)	5,64,535 (8,42,876)	12,97,48,266 (18,52,55,614)	4,89,88,520 (3,23,48,524)

Previous year figures shown within bracket

#### (b) Capital subsidy

The un-disbursed capital subsidy as on 1.4.2010 was Rs. 36,90,822 (Previous year : Rs. 36,90,822) 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. Nil) was received from MNRE. Out of the total capital subsidy amount available Rs. 36,90,822 (Previous year: Nil) was adjusted to the borrower account. The sector-wise details of capital subsidy at the beginning, received during the year, passed/refunded/adjusted during the year and the balance as on 31-3-2011 are as under:-

(Amount in Rupees)

Name of the sector	Opening balance as on 1.4.2010	Received during the year	Passed on during the year	Amount refunded to MNRE during the year	Adjustment	Closing balance as on 31.3.2011
Co- generation	36,90,822 (36,90,822)	0 (0)	0 (0)	0 (0)	36,90,822 (0)	0 (36,90,822)
Total	36,90,822 (36,90,822)	0 (0)	0 (0)	0 (0)	36,90,822 (0)	0 (36,90,822)

Previous year figures shown within bracket

- (4) Bank Balances under the head “Current Assets, Loan & Advances” include a sum of Rs. Nil (Previous year : Rs. 61,76,800) 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) 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.
- (7) 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 92,93,22,817 (Previous year : Rs. 94,69,28,163) on accounts classified as Non-Performing Asset (NPAs) has not been recognized as income for the year. Further, a sum of Rs. 78,41,317 (Previous year : Rs. 3,43,26,063) being the amount of unrealized interest upto 2009-10 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. 24,12,01,573 (Previous year : Rs. 47,65,68,129) has been recognized as income being interest realized during the year from NPA accounts.
- (8) As on 31st March, 2010, IREDA was having Rs. 149.30 crores as excess provision in respect of Standard Assets and Non-Performing Assets. The excess was due to non withdrawal of provision made in respect of NPAs upgraded to Standard Category, NPAs recovered through OTS and ad-hoc provision for standards assets etc. The said treatment was commented upon by Statutory Auditors & CAG in their report for the financial year 2009-10. The issue was examined and keeping in view the requirement of Part III of Schedule VI of the Companies Act, 1956 and based on the opinions of Expert Advisory Committee of The Institute of Chartered Accountants of India on "Accounting of excess provision for bad and doubtful debts" dated 26th April, 1991 and "Write back of unclaimed credit balances, excess provisions and unpaid wages/salary/bonus etc." dated 13th March, 1995, it has been decided to withdraw the excess provision. Accordingly, the company has reversed the excess provision of Rs. 130.50 crores by crediting to General Reserve. The said excess provision has been worked out after setting aside provision of Rs. 18.80 crores being the amount of sacrifice made in restructuring package sanctioned to 9 standard drought hit accounts which was earmarked in financial year 2006-07 out of the ad-hoc provision for Standard Assets.



- (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. However the deduction under section 36(1)(x) of the Income Tax Act, 1961 on contribution to ERAF fund has been omitted by the Finance Act, 2007 i.e. 1.4.2008. The company is continuing to maintain the ERAF fund for management of foreign exchange risk. The company has made Nil provision (Previous year – Rs. 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) 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 En- cashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Al- lowance (Un funded)	Post Retire- ment Medi- cal Benefit (Un funded)
Present value of obligation as at the beginning of the year	2,67,23,737 (2,15,31,457)	1,02,65,477 (90,96,735)	0 (22,73,770)	94,46,298 (93,62,674)	3,11,917 (2,22,718)	61,82,547 (49,47,865)
Interest cost	21,37,899 (17,22,517)	8,21,238 (7,27,739)	0 (1,81,902)	7,55,704 (7,49,014)	24,953 (17,817)	4,94,604 (3,95,829)
Current service cost	19,66,922 (20,51,294)	10,17,349 (9,70,423)	0 (13,29,598)	10,06,783 (7,83,082)	23,025 (24,809)	3,65,236 (4,35,673)
Past Service Cost	- (50,30,429)	-	-	-	-	-
Benefits paid	-14,39,088 (-) (24,74,999)	-19,01,604 (-) (17,46,699)	0 (-) (7,70,706)	-1,96,362 -	-	-2,10,785 (-) (79,604)
Actuarial loss/ (gain) on obligations	-26,98,281 (-) (11,36,961)	9,10,673 (12,17,279)	0 (-) (5,47,233)	-9,41,846 (-) (14,48,472)	-58,942 (46,573)	-7,44,788 (4,82,784)
Present value of obligation at year end	2,66,91,189 (2,67,23,737)	1,11,13,133 (1,02,65,477)	0 (24,67,331)	1,00,70,577 (94,46,298)	3,00,953 (3,11,917)	60,86,814 (61,82,547)

(b) Change in fair value of plan asset

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encash-ment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Al- lowance (Un funded)	Post Retire- ment Medi- cal Benefit (Un funded)
Fair value of plan assets at the beginning of the year	1,13,29,125 (1,10,45,945)	-	-	-	-	-
Expected return on plan assets	10,47,944 (10,21,750)	-	-	-	-	-
Employer's contribution	1,48,43,739 (17,26,720)	-	-	-	-	-
Benefits paid	-14,39,088 (-) (24,74,999)	-	-	-	-	-
Actuarial loss/ (gain) on obli- gations	6,06,229 (9,709)	-	-	-	-	-
Fair value of plan asset at the end of the year	2,63,87,949 (1,13,29,125)	-	-	-	-	-

(c) Amount recognized in balance sheet

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encash-ment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Al- lowance (Un funded)	Post Retire- ment Medi- cal Benefit (Un funded)
Estimated present value of obligations as at the end of the year	2,66,91,189 (2,67,23,737)	1,11,13,133 (1,02,65,477)	0 (24,67,331)	1,00,70,577 (94,46,298)	3,00,953 (3,11,917)	60,86,814 (61,82,547)
Fair value of plan assets as at the end of the year	2,63,87,949 (1,13,29,125)	-	-	-	-	-
Unfunded net liability recognized in balance sheet	3,03,240 (1,53,94,612)	1,11,13,133 (1,02,65,477)	0 (24,67,331)	1,00,70,577 (94,46,298)	3,00,953 (3,11,917)	60,86,814 (61,82,547)



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

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave En- cashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Al- lowance (Un funded)	Post Retire- ment Medi- cal Benefit (Un funded)
Current service cost	19,66,922 (20,51,294)	10,17,349 (9,70,423)	0 (13,29,598)	10,06,783 (7,83,082)	23,025 (24,809)	3,65,236 (4,35,673)
Past service cost	0 (50,30,429) -	-	-	-	-	-
Interest cost	21,37,899 (17,22,517)	8,21,238 (7,27,739)	0 (1,81,902)	755,704 (7,49,014)	24,953 (17,817)	4,94,604 (3,95,829)
Expected return on plan asset	-10,47,944 ((-) 10,21,750)	-	-	-	-	-
Net actuarial (Gain)/Loss recognized in the year	-33,04,510 (-) (11,46,670)	9,10,673 (12,17,279)	0 (-) (5,47,233)	-9,41,846 ((-) 14,48,472)	-58,942 (46,573)	-7,44,788 (4,82,784)
Total expenses recognized in Profit & Loss Account	-2,47,633 (66,35,820)	27,49,260 (29,15,441)	0 (9,64,267)	8,20,641 (83,624)	10,964 (89,199)	1,15,052 (13,14,286)

(e) Principal actuarial assumption as expressed as weighted average

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encash- ment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Al- lowance (Un funded)	Post Retire- ment Medi- cal Benefit (Un funded)
Discount rate	8.00% (8.00%)	8.00% (8.00%)	0% (8.00%)	8.00% (8.00%)	8.00% (8.00%)	8.00% (8.00%)
Expected rate of return on plan assets	9.25% (9.25%)	-	-	-	-	-
Expected rate of salary increase	5.50% (7.00%)	5.50% (7.00%)	0% (7.00%)	5.50% (7.00%)	5.50% (7.00%)	5.50% (7.00%)
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 65,59,940 (Previous year : Rs. 56,82,033) in respect of contribution to Provident Fund, Rs 62,980 (Previous year : Rs. 63200) in respect of contribution to Benevolent Fund and Rs 1,48,66,994 (Previous year : Rs. Nil) in respect of contribution to Superannuation Fund.

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

**(12) Change in Accounting Policy**

- The company has changed its Accounting Policy in respect of Loan/Bond issue expenses. As a result, the Miscellaneous Expenditure of Rs. 1.86 crores has been written off during the year and the Profit Before Tax for the year has decreased by Rs. 1.86 crores.
- The company has changed its Accounting Policy in respect of Prior Period Expenses/Income. Due to change in policy, Prior Period Expenses/Income (Net) has decreased by Rs. 0.90 Lakhs and Profit for the year has decreased by the same amount.
- The company has changed its Accounting Policy in respect of Employee Benefits in respect of "Other Long Terms Benefits". Due to change in policy, the opening balance as on 01.04.2010 of provision for Leave Travel Concession of Rs. 0.25 crores has been written back, which has also resulted in increase of Profit Before Tax by Rs. 0.25 crores.
- There is no impact on Assets & Liabilities as well as on Profit or Loss due to change in accounting policy relating to Prepaid Expenses and Foreign Currency Transactions.

**(13) 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	93,25,289 (63,21,534)

- (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.

#### (14) 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.

#### (15) Deferred Taxes

- a) 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 credit of Rs. 5.54 crores (Previous year : Rs. 4.51 crores (debit)) has been credited to the Profit and Loss account.
- b) The company has started creating deferred tax liability (DTL) on special reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961, from financial year 2006-07 onwards. DTL for the special reserve created till financial year 2001-02 was also created in FY 2006-07 by transferring the amount from General Reserve. DTL for the FY 2002-03 to 2005-06 has been charged to the Profit & Loss Account under the head (Deferred Tax – Earlier Year).

The Board of Directors of IREDA in their 202nd meeting held on 6th October, 2010 had resolved that the company has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961. Hence, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference as per AS 22 issued by the Institute of Chartered Accountants of India (ICAI). Accordingly, the company has not created deferred tax liability of Rs. 9.25 crores on account of special reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961 for the year ended on 31st March, 2011 and has also reversed the DTL of Rs. 69.64 crores created in earlier years. The reversal of DTL which pertain to earlier years is reflected in the Profit & Loss Account after Profit After Tax.

Had the company followed the same accounting treatment as in the earlier years, the Profit after Tax for the year ended 31.3.2011 would have been Rs. 111.21 crores against the reported profit of Rs. 120.46 crores and the Reserve & Surplus would have been Rs. 595.63 crores as against the reported Reserve & Surplus of Rs. 674.52 crores as on 31.3.2011.

- c) The company has reversed the excess provision of Rs. 130.50 crores on bad and doubtful debts based on the opinions of Expert Advisory Committee of The Institute of Chartered Accountants of India on “Accounting of excess provision for bad and doubtful debts” dated 26th April, 1991 and “Write back of unclaimed credit balances, excess provisions and unpaid wages/salary/bonus etc.” dated 13th March, 1995. Consequently, the company has reversed the deferred tax assets of Rs. 43.35 crores which pertain to earlier years in the Profit & Loss Account after Profit After Tax.

- d) The details of deferred tax assets (net) as on 31st March, 2011 is given below:-

A	Deferred Tax Assets (+)	(Rs. in lakhs)	
	Arising on account of timing differences:-	As at 31/3/2011	As at 31/3/2010
	• Provision for Leave Salary, Gratuity, Sick Leave, LTC and Post Retirement Medical Benefit	90.44	146.38
	• Provision for doubtful debts and advances	5951.29	9686.78
	<b>Total - A</b>	<b>6041.73</b>	<b>9833.16</b>
B	Deferred Tax Liabilities (-)		
	• Depreciation	231.00	201.55
	• Stamp duty paid but not debited to P&L A/c	-28.23	11.85
	• Special Reserve	0.00	6964.42
	<b>Total - B</b>	<b>202.77</b>	<b>7177.82</b>
	Deferred Tax Asset (+)/Liability (-) (A-B)	5838.96	2655.34
	<b>Deferred Tax Asset</b>	<b>5838.96</b>	<b>2655.34</b>

- (16) 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:-

Particulars	As at 31.03.2011	As at 31.03.2010
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator Profit after Tax as per Profit & Loss A/c (Rs. in lakhs)	12046.39	7268.77

<b>Denominator</b>		
• Number of equity shares (53.96+5) (in lakhs)	58.96	53.96
• 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)	57.58**	53.10*
• Basic & Diluted Earning per share (Rs. per share)	209.20	136.88

\* weighted average  $(52 \times 12/12 + 0.66 \times 248/365 + 1.30 \times 184/365) = 53.10$

\*\* weighted average  $(53.96 \times 12/12 + 0.833 \times 322/365 + 4.1670 \times 253/365) = 57.58$

(17) 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.

(18) In the opinion of the management, the value of Current Asset, Loans & Advances on realization in the ordinary course of the business, will not be less than the value at which these are stated in the Balance Sheet.

(19) 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. 95,000 (Previous year : Rs. 95,000)
• For Certification	:	Rs. 20,000 (Previous year : Rs. 31,000)

## (20) Remuneration of Directors:

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

(Amount in Rupees)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)**
Salary & allowances	20,86,164 (21,15,978)	19,23,732 (16,70,691)	29,90,523 (12,49,679)
Medical allowance	74,686 (90,269)	65,808 (79,535)	74,328 (71,249)
Provident Fund	1,39,146 (2,63,520)	1,22,719 (2,09,418)	2,08,114 (1,06,861)
Superannuation Contribution*	3,62,996 (0)	3,20,922 (0)	0 (0)

Value of perquisites as per Income Tax Act, 1961	3,35,236 (1,45,553)	2,16,043 (1,59,268)	4,04,872 (1,59,513)
Total	29,98,228 (26,15,320)	26,49,224 (21,18,912)	36,77,837 (15,87,302)

Previous year figures shown within bracket

\* Include contribution to IREDA Employees Defined Contribution Superannuation Scheme w.e.f. 01.01.2007

\*\*No contribution since Director (Technical) has lien on his earlier post in Power Finance Corporation Ltd

- b) Contribution towards Gratuity Fund for Directors not ascertainable as the contribution to LIC is not determinable employee wise.
- c) Sitting Fees paid to Independent Directors - Rs. 3.91 Lakhs (Previous year Rs. 2.05 Lakhs).

## (21) Detail of Prior-period Items

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Adjustment of Interest Subsidy	0.00	99.48 Cr.
Interest on Service Tax	0.00	22.77 Dr.
Miscellaneous Other Income	0.24 Cr.	4.22 Cr.
Miscellaneous Expenses	5.33 Dr.	3.55 Dr.
Interest on Taxable Bonds	6.27 Dr.	0.00
Reversal of Service Tax Payable	2.24 Cr.	0.00
Total ( Net Dr./Cr.)	9.12 Dr.	77.38 Cr.

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

- a) Expenditure in Foreign Currency:
- On Traveling Rs. 2,17,966 (Previous year : Rs. 6,95,381)
  - Interest expenses & Other Finance Charges - Rs. 29,55,82,690 (Previous year : Rs. 12,92,90,857)
- b) Earnings in Foreign Exchange:
- Interest Rs 6,44,21,444 (Previous year : Rs. 12,52,32,556)
- c) Revenue Grant received on account of Technical Assistance Programme (TAP) from KFW-II - Rs 9,48,032 (Previous year : Rs Nil)

## (23) The disclosures under RBI Guidelines are as under (IREDA only):-

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



(Rs. in Crores)

Sl No	Particulars				Status	
A)	Capital					
A	CRAR, core CRAR and supplementary CRAR				35.38% (30.68%)	
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"><li>On balance sheet items</li><li>Off balance sheet items</li></ul>				3543.11 (3104.14)  30.08 (26.62)	
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				0.79% (-) (1.17%)	
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	12.02 (75.60)	1.20 (16.24)	10.82 (59.36)	0.33% (2.20%)
		Doubtful	168.55 (175.85)	153.81 (266.67)	14.74 (-) (90.82)	0.46% (-) (3.37%)
		Loss	0.04 (0.04)	0.04 (0.05)	0.00 (-) (0.01)	0.00% (0.00%)
		Total NPA	180.61 (251.49)	155.05 (282.96)	25.56 (-) (31.47)	0.79% (-) 1.17%
		Standard Asset	3222.27 (2728.53)	26.86 (6.98)	3195.41 (2721.56)	- -
		Total loan outstanding	3402.88 (2980.02)	181.91 (289.94)	3220.97 (2690.09)	- -
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				2010-11	2009-10
	General provision for standard assets				1.08	-
	NPAs (including incidental charges)					
	Against loan outstanding				21.23	18.76
	Against incidental charges				0	0
					21.23	18.76

	Investments	-	-
	Income Tax including Fringe Benefit Tax	51.77	63.85
	<b>Total</b>	<b>74.08</b>	<b>82.61</b>
<b>H</b>	<b>Movement in net NPAs</b>		
	<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
	Net NPA as on 1st April	(-) 31.47	74.36
	Add: Additions during the year	12.02	57.79
	Less: Reduction during the year	18.62	75.85
	Less: Provision made during the year (excluding incidental charges)	21.23	18.76
	Add: Provision write back during the year (excluding incidental charges)	130.35	-
	Add: Provision transferred to Standard Assets-Ad-hoc Provision	18.80	-
	Less: NPA Loans Upgraded	64.29	51.69
	Less: Assets written off	0.00	17.32
	Net NPA as on 31st March	25.56	(-) 31.47
<b>I</b>	<b>Credit exposure as % to net worth and as % to total assets in respect of:</b>	<b>% to Net worth</b>	<b>% to total loan assets</b>
	Loan	1240.49 (950.25)	3402.88 (2980.03)
•	The largest single borrower	242.98 (429.68)	19.59% (45.29%)
•	The largest borrower group	299.05 (432.07)	24.11% (45.47%)
•	<b>The 10 largest single borrowers:</b>		
	No.1 .....	242.98 (429.68)	19.59% (45.22%)
	No.2 .....	168.58 (259.83)	7.14% (8.72%)
	No.3 .....	147.20 (103.75)	4.95% (3.48%)
	No.4 .....	145.25 (100.54)	4.33% (3.37%)
	No.5 .....	104.66 (96.62)	3.08% (3.24%)
	No.6 .....	101.95 (91.10)	3.00% (3.06%)
	No.7 .....	94.77 (82.53)	2.78% (2.77%)
	No.8 .....	91.83 (79.26)	2.70% (2.66%)
	No.9 .....	79.80 (75.52)	2.35% (2.53%)



•	No.10 .....	74.92 (71.97)	6.04% (7.57%)	2.20% (2.42%)
	<b>Total.....</b>	1251.94 (1390.82)	100.92% (146.36%)	36.79% (46.67%)
•	<b>The 10 largest borrower groups:</b>			
	No.1 .....	299.05 (432.07)	24.11% (45.47%)	8.79% (14.50%)
	No.2 .....	242.98 (259.83)	19.59% (27.34%)	7.14% (8.72%)
	No.3 .....	168.58 (103.75)	13.59% (10.92%)	4.95% (3.48%)
	No.4 .....	163.09 (102.60)	13.15% (10.80%)	4.79% (3.44%)
	No.5 .....	145.25 (100.54)	11.71% (10.58%)	4.27% (3.37%)
	No.6 .....	131.26 (96.62)	10.58% (10.17%)	3.86% (3.24%)
	No.7 .....	101.95 (91.10)	8.22% (9.59%)	3.00% (3.06%)
	No.8 .....	92.52 (90.50)	7.46% (9.52%)	2.72% (3.04%)
	No.9 .....	91.83 (82.53)	7.40% (8.69%)	2.70% (2.77%)
	No.10 .....	86.64 (79.26)	6.98% (8.34%)	2.55% (2.66%)
	<b>Total.....</b>	1523.15 (1438.82)	122.79% (151.42%)	44.76% (48.28%)
J	<b>Credit exposure to the 5 largest Industrial sectors as % to total loan assets</b>	<b>Industries</b>	<b>Loan O/S</b>	<b>% to total loan</b>
	No. 1 .....	Power	2332.19 (2062.80)	68.54% (69.21%)
	No. 2 .....	Sugar	478.33 (341.58)	14.06% (11.46%)
	No. 3 .....	Steel (Solar)	91.58 (94.04)	2.69% (3.16%)
	No. 4 .....	Infras-tructure (Steel)	70.27 (92.12)	2.07% (3.09%)
	No. 5 .....	FIs/NBFCs (Infras-tructure)	51.88 (81.73)	1.52% (2.74%)

C)	<b>Liquidity</b>
K	Maturity pattern of rupee assets and liabilities; and

<b>L</b>	<b>Maturity pattern of foreign currency assets and liabilities:-</b>						
	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	806.40 (876.78)	768.01 (820.18)	679.87 (672.61)	556.78 (490.14)	1123.38 (596.45)	3934.44 (3456.16)
	Foreign currency assets	15.82 (28.87)	19.45 (61.44)	23.64 (68.92)	28.75 (77.73)	109.57 (330.41)	197.23 (567.37)
	<b>Total Assets</b>	<b>822.22 (905.65)</b>	<b>787.46 (881.62)</b>	<b>703.51 (741.53)</b>	<b>585.53 (567.87)</b>	<b>1232.95 (926.86)</b>	<b>4131.67 (4023.53)</b>
	Rupee liabilities*	434.88 (414.90)	159.60 (399.79)	23.64 (249.80)	28.75 (204.64)	2159.94 (1949.53)	2806.81 (3218.66)
	Foreign currency liabilities	35.60 (28.25)	214.60 (107.07)	222.67 (176.48)	232.13 (130.38)	619.86 (362.69)	1324.86 (804.87)
	<b>Total liabilities</b>	<b>470.48 (443.15)</b>	<b>374.20 (506.86)</b>	<b>246.31 (426.28)</b>	<b>260.88 (335.02)</b>	<b>2779.80 (2312.22)</b>	<b>4131.67 (4023.53)</b>

\* 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.

<b>D)</b>	<b>Operating Results</b>		
M	Interest Income (on loan) as a percentage to average working funds (Income from Operation as a percentage to average capital employed)		7.90% (8.24%)
N	Non-Interest Income as a percentage to average working funds (Non-operating income as % to average capital employed)		1.97% (1.07%)
O	Operating profit as a percentage to average working funds (Operating profit as a percentage to average capital employed)		4.72% (4.85%)
P	Return on average assets		3.23% (2.12%)
Q	Net profit per employee/Rs. in lakhs		97.94 (60.57)
<b>E</b>	<b>Movement in Provisions</b>		
<b>I)</b>	<b>Provisions for Non Performing Assets comprising loans (excluding provisions for standard assets)</b>		
	<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
	Opening balance as at the beginning of the financial year	284.64	265.88
	Add: Provisions made during the year	21.23	18.76
	<b>Less:</b>		
	• Transferred to Standard Assets-Ad-hoc Provision	18.80	-
	• Write back during the year	130.50	-
	<b>Closing balance at the close of the financial year</b>	<b>156.57</b>	<b>284.64</b>
	Net charged to P&L A/c for NPA loans	21.23	18.76
	Provisions for Non Performing Assets comprising bonds and debentures in the nature of advance and inter-corporate deposits	-	-

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		0.00	0.00
	Less:			
	• Write off during the year		0.00	0.00
	• Write back during the year		0.00	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	31.03.2011	31.3.2010
	1	Total amount of loan assets subjected to restructuring	101.08	251.43
	2	Restructured installment of principal in the total amount of loan assets indicated out of 1 above subjected to restructuring	45.63	66.96
	3	Amount of standard assets subjected to restructuring	50.69	243.15
	4	Amount of sub standard/doubtful assets subjected to restructuring	50.39	8.28
G)	Assets Sold to Securitisation Company/Reconstruction Company			
	Particulars		2010-11	2009-10
	Number of accounts		1	-
	Aggregate value (net of provisions) of accounts sold to SC/ RC		Nil	-
	Aggregate consideration		6.53	-
	Additional consideration realized in respect of accounts transferred in earlier years		Nil	-
	Aggregate gain/loss over net book value		6.53	-
H)	On forward rate agreements and interest rate swaps			
•	The notional principal of swap agreements		• A swap agreement was entered with Bank of Baroda for foreign exchange risk management of Asian Development Bank (ADB) line of credit. As per the arrangement, the loan drawn from ADB will be kept in \$ deposit with Bank of Baroda, London which earns interest at 6 monthly LIBOR. Against this deposit, INR loan is drawn from Bank of Baroda, New Delhi at Base rate + 0.25 as modified in their revised terms.	
•	Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps		• Nature and terms of swap is indicated above.  • All foreign currency liabilities and assets have been translated at exchange rate prevailing at the year-end/CIRS rate on the date of transaction, 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)	126.05 (133.75)
		<u>Assets</u>		
		BOB US\$ Deposit – ADB	US\$ 32.69 (US\$ 34.39)	145.94 (155.24)
		BOB US\$ Deposit – IBRD	US\$ 0.28 (US\$42.16)	1.26 (190.31)
		Canara Bank EURO Deposit – KFW-III	Euro 6.93 (-)	43.87 (-)
		Canara Bank Euro Deposit- KFW-I		
		Canara Bank US\$ Deposit-NIB	Euro 0.90 (Euro 36.53)	5.70 (221.20)
			US\$ 0.10 (US\$0.03)	0.47 (0.15)

#### (24) Disclosure on risk exposure in derivatives

The qualitative and quantitative disclosures in respect of risk exposure are as under:-

##### A) **Qualitative Disclosure:-**

- The company recognized various market risks including interest rate, foreign exchange fluctuation and other assets liability mismatches;
- 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.
- The company is taking active action for protection against currency and interest rate risk by adopting hedging instrument on case to case basis. As per the CIRS swap, the company hedged the foreign currency loan liability and interest rate with ICICI Bank Ltd for KFW II and NIB Loan and Deutsche Bank for KFW-I,II,III.

## B) Quantitative Disclosures:-

(Rupees in crore)

Sl. No.	Particular	Currency Derivatives
<b>1</b>	<b>Derivatives (Notional Principal Amount)</b>	
	a) For hedging	1011.47
	b) For trading	-
<b>2</b>	<b>Marked to Market Positions(1)</b>	
	a) Asset (+)/Receivables	-
	b) Liability (-)/Payable	14.20
<b>3</b>	<b>Credit Exposure (2)</b>	-
<b>4</b>	<b>Likely impact of one percentage change in interest rate (100*PV01)</b>	
	a) on hedging derivatives	35.16
	b) on trading derivatives	-
<b>5</b>	<b>Maximum and Minimum of 100*PV01 observed during the year</b>	
	a) on hedging	Max 35.36 Min 19.80
	b) on trading	-

### (25) Exposures exceeded the prudential exposure limit

Rs. In crores

	Particulars	As on 31st March
•	<b>Single Borrower</b>	
	Exposure Limit	248.10 (190.05)
	<b>Single Borrowers exceeded the Limit</b>	
(i)	Nil (Tata Power Company Ltd)	Nil (429.68)
(ii)	Nil (Green Infra Wind Energy Ltd)	Nil (259.83)
•	<b>Group Borrower</b>	
	Exposure Limit	434.17 (332.59)
	<b>Group Borrowers exceeded the Limit</b>	
(i)	Nil (Tata Group)	Nil (432.08)

- (26) 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.
- (27) 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 Gianender & Associates**  
Chartered Accountants  
ICAI Regn. No. 004661N

**Ankit Gupta**  
Partner  
Membership No. 511398

**S P Reddi**  
Director (Finance)

**Debashish Majumdar**  
Chairman and  
Managing Director

Place: New Delhi  
Date : 22.07.2011

**S K Bhargava**  
Company Secretary



**Cash Flow Statement For the Year Ended 31st March, 2011**

(Amount In Rupees)

	Particulars	For the year ended		For the year ended	
		March 31, 2011		March 31, 2010	
<b>A</b>	<b>Cash Flow from Operating Activities:</b>				
	Net Profit Before Tax and Extraordinary /				
	Prior Period Items:	1667884757		1402729419	
	<b>Adjustment for:</b>				
	1 Depreciation	30267241		31099662	
	2 Provision for Non Performing Assets	212295343		187574437	
	3 Provision for Standard Assets	10788078		0	
	4 Miscellaneous Expenses written off	12267032		1424476	
	5 Prior Period Expenses/Income	-911929		7738356	
	6 Foreign Exchange Fluctuations	31059782		9958984	
	7 Amortization of Capital Grant	-4546727		-2317407	
	8 Transfer from UNDP HH Capital grant	0		-64689710	
	9 Loss on sale of Fixed Assets	2209313		41577	
	10 Dividend on investment	-126000		-126000	
	<b>Operating profit before</b>				
	<b>Working Capital Changes</b>	<b>1961186890</b>		<b>1573433794</b>	
	<b>Increase / Decrease in</b>				
	1 Loans and Advances	-4412602304		-4565858382	
	2 MNRE loan	10635133		42102536	
	3 Other Current Assets	-8948505		27076969	
	4 Current Liabilities	92972024		-42765267	
	5 Provision for Employee Benefits	-16193465		7678908	
		<b>-4334137117</b>		<b>-4531765236</b>	
	<b>Cash Generated from Operations</b>	<b>-2372950227</b>		<b>-2958331442</b>	
	Income Tax	506374253		431756000	
	<b>Net Cash Generated from Operations</b>		-2879324480		-3390087442
<b>B</b>	<b>Cash Flow From Investing Activities</b>				
	1 Purchase of Fixed Assets	-9406629		-12139346	
	2 Sale of Fixed Assets	97776		32712	
	3 Dividend on Investment	126000		126000	
	<b>Net Cash flow from Investing Activities</b>		-9182853		-11980634
<b>C</b>	<b>Cash Flow from Financial Activities</b>				
	1 Equity Contribution	500000000		196000000	
	2 Redemption of Bonds	-151000000		0	
	3 Bond Issue Expenses	-8559178		-5564054	
	4 Dividend paid	-145400000		-112500000	
	5 Dividend Tax paid	-24149122		-19119375	
	6 Increase /Decrease in Secured Loans	-5426531440		3775140411	
	7 Increase /Decrease in Un-secured Loans	2750311109		1193234150	
	<b>Net Cash flow from Financing Activities</b>		-2505328631		5027191132
	<b>Net Increase in Cash and Cash</b>				
	<b>Equivalents</b>		-5393835964		1625123056
	Cash and Cash Equivalents at the beginning		9253489165		7628366109
	<b>Cash and Cash Equivalents at</b>		3859653201		9253489165
	<b>the end of the year</b>				
	<b>Net Increase in Cash and Cash</b>				
	<b>Equivalents</b>		-5393835964		1625123056
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS A.S AT THE END OF THE YEAR</b>					
	Postage Imprest		38980		61038
	In Current Accounts with Banks		697293537		140314323
	In Deposit Accounts with Banks		3089467144		9080225294
	Cheques under Collection/DD in hand		72853540		32888510
			3859653201		9253489165
<b>Notes to the Cash Flow statement.</b>					
1 Previous years figures have been rearranged and regrouped wherever necessary					
2 Cash and cash equivalent includes foreign currency deposits which are available to meet the foreign currency loans only.					
3 There is no such cash and cash equivalent balance held by IREDA that are not available for use for IREDA					
As per our Report of even date					
<b>For Gianender &amp; Associates</b>					
Chartered Accountants					
ICAI Regn. No. 004661N					
<b>Ankit Gupta</b>		<b>S P Reddi</b>		<b>Debashish Majumdar</b>	
Partner		Director (Finance)		Chairman and	
Membership No. 511398				Managing Director	
Place : New Delhi				<b>SK Bhargava</b>	
Date : 22.07.2011				Company Secretary	

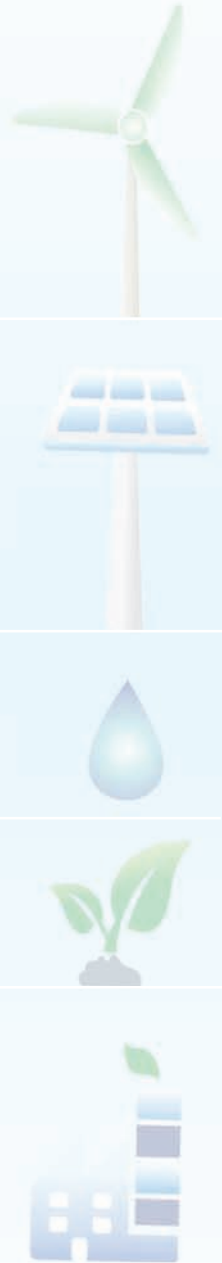
## Annexure to be enclosed with Balance Sheet

### (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	
<b>LIABILITY SIDE:</b>			
Loans and advances availed by NBFCs inclusive of interest accrued thereon but not paid			
(a) Debentures			
(i) Secured (Tax Free Bonds)	84.90	Nil	
(ii) Secured (Taxable Bonds)	650.00	Nil	
(iii) Unsecured	0.00	Nil	
(b) Term Loans from Govt. of India	239.08	Nil	
(c) Term Loan from International Financial Institution	1085.77	Nil	
(d) Term Loan from Banks	415.44	Nil	
(e) Cash Credit from Banks	0.00	Nil	
<b>Total</b>	<b>2475.19</b>	<b>Nil</b>	
Particulars	Amount Outstanding		
<b>ASSET SIDE:</b>			
Break up of loans and advances including bills receivable			
(a) Secured loan		3619.53	
(b) Unsecured loan		21.16	
(c) Foreign currency deposit		197.24	
(d) INR deposit		110.00	
<b>Total</b>		<b>3947.93</b>	
<b>Borrower Group-wise classification of all leased assets, stock-on-hire and loans and advances:</b>			
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	3926.77	21.16	3947.93
<b>Total</b>	<b>3926.77</b>	<b>21.16</b>	<b>3947.93</b>





Other Information			
Particulars		Amount	
(i) Gross Non-Performing Assets			
(a) Related Parties	-	-	-
(b) Other than related Parties	-	180.61	-
(ii) Net Non-Performing Assets			
(a) Related Parties	-	-	-
(b) Other than related Parties	-	25.56	-
(iii) Asset acquired in satisfaction of debts	-	-	-

As per our report of even date

**For Gianender & Associates**  
Chartered Accountants  
ICAI Regn. No. 004661N

**Ankit Gupta**  
Partner  
Membership No. 511398

**S P Reddi**  
Director (Finance)

**Debashish Majumdar**  
Chairman and  
Managing Director

Place: New Delhi  
Date : 22.07.2011

**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

As per our Report of even date

For Gianender & Associates

Chartered Accountants

ICAI Regn. No. 004661N

S P Reddi

Director (Finance)

DEBASHISH MAJUMDAR

Chairman and Managing Director

Ankit Gupta

Partner

Membership No. 511398

Place : New Delhi

Date : 22.07.2011

S K Bhargava

Company Secretary



## STATUS OF MNRE FUNDS AS ON 31.03.2011

Sl No.	PROGRAMME	BALANCE AS ON 1.4.2010	Grant Received during the year	EARNED DURING THE YEAR	CHARGES RECOVERABLE	AMOUNT REFUNDED	AMOUNT SUBSIDY DISBURSED	TOTAL FUNDS AS ON 31.03.2011	OUTSTANDING ON AS 31.03.2011	ON AS 31.03.2011	BALANCE WITH BANK CURRENT A/C	BALANCE WITH IREDA
	S E C T O R			TOTAL								
1	SPV. MFG. LOAN-(32046)	46863927		0	0	0	978000	45885927	7359872	35281061	40646	3204348
2	SPV. USER LOAN (32290+32425+32045)	118187895		(1199992)	41854	126763	0	116819286	9561880	21035568	1696224	84525614
3	SPV. USER'S SUBSIDY(32424+32044)	(85366724)		0	0	0	0	(85366724)	0	0	0	(85366724)
4	SPV. MARKET-(32142)	12000		0	0	0	0	12000	0	0	0	12000
5	SOLAR THERMAL-(32081)	12952954		0	17500	682972		12252482	696234	5159891	132179	6264178
6	CAPITAL SUBSIDY	3690822		0	0	0	3690822	(0)	0	0	0	(0)
7	CO GENERATION INTL SUBSIDY	34946879		0	0	0	(1424292)	36371171	0	0	0	36371171
8	SPV. USER'S SUBSIDY-2001-2002-(32745)	525717		0	0	0	0	525717	0	0	0	525717
9	SPV. USER'S SUBSIDY-2002-2003-(32869)	(973)		0	0	0	0	(973)	0	0	34568	(35541)
10	SPV. USER'S SUBSIDY-2003-2004-(32968)	36722		0	0	0	0	36722	0	0	37397	(675)
11	INTEREST SUBSIDY ON SOLAR THERMAL	3952		0	0	0	0	3952	0	0	0	3952
12	INTEREST SUBSIDY ON SPV USER LOAN 2000-01-(32636)	(3402805)		0	0	0	0	(3402805)	0	0	0	(3402805)
13	INTEREST SUBSIDY ON SPV USER LOAN 2001-02	(7669651)		0	0	0	0	(7669651)	0	0	0	(7669651)
14	INTEREST SUBSIDY ON SPV USER LOAN 2002-03	0		0	0	0	0	0	0	0	0	0
15	INTEREST SUBSIDY ON SPV MFG-(32591)	(296898)		0	0	0	0	(296898)	0	0	0	(296898)
16	INTEREST SUBSIDY ON SPV-99-2000	684937		0	0	0	0	684937	0	0	0	684937
17	INTEREST SUB ON SMALL HYDRO	9383100		0	0	0	7677842	1705258	0	0	0	1705258
18	INTEREST SUB ON WASTE TO ENERGY	0		0	0	0	(12709520)	12709520	0	0	0	12709520
	TOTAL	130551854	0	(1199992)	59354	809735	(1787148)	130269921	17617986	61476520	1941014	49234401