

Letter from the Chairman & Managing Director



Dear Stakeholders,

I am pleased to present the 37th Annual Report of your Company celebrating yet another year marked by robust financial success and enduring commitment to advancing financing across the spectrum of renewable energy & green technologies.

Before we reflect on our achievements within India's vibrant green finance market, it is essential to consider the broader global context to understand how emerging trends are shaping new opportunities and challenges for our industry.

GLOBAL GREEN FINANCING SCENARIO

In 2023, global investment in energy transition reached an unprecedented high of \$1.77 Trillion marking a robust 17% increase from the previous year (Bloomberg). This substantial growth demonstrates the world's continued commitment to advancing clean energy solutions. Notably, electrified transport emerged as the dominant sector, attracting investments of \$634 Billion which were up 36% from the previous year, and overtaking renewable energy, which secured \$623 Billion, reflecting an 8% growth. This shift highlights the dynamic nature of the market and the increasing focus on diversifying the sources of clean energy.

According to the International Energy Agency (IEA), ~510 GW of

renewable capacity was expected to be added in 2023, bringing the total global renewable energy capacity to ~4,140 GW by year-end. Solar energy leads the charge accounting for ~1,552 GW, followed by Hydro power at ~1,411 GW, Wind energy at ~1,007 GW and Bioenergy at ~170 GW.

This increase in renewable installed capacity is supported by declining costs for Solar and Wind energy. The IEA reported that Onshore Wind and Solar PV are now more cost-effective than both existing and new Fossil-fuel based power plants. Approximately 96% of new utility-scale Solar PV and Onshore Wind capacity had lower generation costs than new Coal and Natural Gas plants, and about 75% were cheaper than existing Fossil-fuel facilities.

Leading the G20 Presidency in 2023, India spearheaded significant global commitments to promote sustainable development and combat climate change underscoring its commitment to the Summit declaration of *"One Earth, One Family, One Future"*.

The 28th Conference of the Parties (COP28) to the UN Framework Convention on Climate Change, held in Abu Dhabi from 30th November 2023 to 13th December 2023, introduced the first *'global stocktake'* to monitor progress towards limiting global warming to 1.5°C by reducing global greenhouse

emissions by 43% (from 2019 levels) by 2030.

Honorable Prime Minister of India participated in the COP28 Presidency's Session on 'Transforming Climate Finance' underscoring the importance of green financing and exhorting the assembly to deliver on 4 key aspects:

- Progress in New Collective Quantified Goal on Climate Finance
- Replenishment of Green Climate Fund & Adaptation Fund
- Affordable Finance to be made available by MDBs for Climate Action
- Developed countries must eliminate their carbon footprint before 2050

At COP 28, your Company also advanced its commitment to supporting Micro, Small & Medium Enterprises (MSMEs) in the renewable energy sector during a session on "Pioneering Sustainability in MSMEs: Envisioning Global Growth and Local Impact".

Energy transition investments need to average ~\$ 4.8 Trillion per annum till 2030 compared to ~\$ 1.77 Trillion investment recorded in 2023 (Bloomberg). In this scenario, climate finance institutions are essential for directing global funds effectively into decarbonization projects to address the growing demands of the sector. Your Company remains committed to its pivotal role in the renewable energy sector and strives to fulfil these investment objectives going forward.

INDIA GREEN FINANCING SCENARIO

India stands 4th globally in terms of Renewable Energy installed capacity, 4th in terms of installed Wind power capacity and 5th in terms of installed Solar power capacity as per International Renewable Energy Agency (IRENA) 2023 global ranking.

With its 500 GW non-fossil fuel installed capacity target for 2030 & Net Zero target for 2070, India has embarked on one of the most extensive renewable energy expansions in the world. Significant milestones have already been achieved towards India's first *Nationally Determined Contribution*, namely:

- India has successfully reduced its emissions intensity vis-à-vis its GDP by 33% between 2005 and 2019, 11 years ahead of the 2030 target
- India also achieved 40% of installed electricity capacity through non-fossil fuel sources, 9 years ahead of the target for 2030

In response to its progress, India has updated its *Nationally Determined Contribution* targets as

- Reducing emissions intensity of its GDP by 45% (from 2005 level) by 2030
- Achieving ~50% cumulative installed electricity capacity from non-fossil energy sources by 2030

In FY24, ~70% of the ~26 GW capacity addition came from renewable sources, including ~15 GW Solar capacity addition

and ~3.3 GW Wind capacity addition. As of 31st March 2024, India's total installed electricity capacity stands at ~442 GW (Thermal: ~243 GW, Nuclear: ~8 GW & Renewables: ~191 GW). Therefore, Renewable Energy contributes to ~43% of installed capacity (including Large Hydropower contribution at ~11%).

Over the last 3 years, India's renewable energy capacity (including Large Hydropower) has increased by 16-17 GW on average annually.

However, to facilitate year-on-year capacity addition, the Government of India is targeting 50 GW annual bidding for Solar & Wind projects over 2023 to 2028. In FY24, a record ~41 GW of renewable energy projects were awarded which is set to triple the pace of annual renewable capacity addition.

FY24 also saw an acceleration in bidding activity across other renewable energy sectors:

- **Green Hydrogen production:** ~412,000 MTPA projects were awarded by Government of India with commissioning targeted within 30 months of *Letter of Award* Government of India.
- **Electrolyzer manufacturing:** ~1,500 MW manufacturing capacity was awarded under *Strategic Interventions for Green Hydrogen Transition Scheme (Tranche-I)*
- **Solar PV manufacturing:** Letters of Award was issued for 39,600 MW of fully / partially integrated Solar PV module manufacturing units under the *Solar PLI Scheme (Tranche II)*
- **Battery manufacturing:** Request for Proposal was launched for 10 GWh manufacturing capacity under the *Advanced Cell Chemistries PLI Scheme* which was subsequently awarded in April 2024

Thus, India's renewable energy sector is showing encouraging signs of a strong resurgence. Availability of sufficient quantum of financing at competitive rates will be critical for the actualization of this market as the cost of finance significantly affects the viability of renewable energy projects.

As the Government of India's dedicated green financing entity as well as India's largest pure-play green financing institution, your Company is committed to supporting Government of India initiatives and partnerships that propel the adoption of renewable technologies ensuring that India not only meets but exceeds its ambitious renewable energy goals.

HIGHLIGHTS OF FINANCIAL & OPERATIONAL PERFORMANCE

Robust business growth and profitability

In FY24, your Company achieved the highest ever annual loan book, sanction, disbursement, profit, and net worth. A snapshot of our performance can be seen below:

- **Gross loan book:** ₹59,698.11 Crore in FY24 as against ₹47,075.52 Crore in FY23 (up by 26.81%)

- **Loan Sanction:** ₹37,353.68 Crore in FY24 as against ₹32,586.60 Crore in FY23 (up by 14.63%)
- **Loan Disbursement:** ₹25,089.04 Crore in FY24 as against ₹21,639.21 Crore in FY23 (up by 15.94%)
- **Profit Before Tax:** ₹1,685.24 Crore in FY24 as against ₹1,139.25 Crore in FY23 (up by 47.93%)
- **Profit After Tax:** ₹1,252.23 Crore in FY24 as against ₹864.63 Crore in FY23 (up by 44.83%)
- **Net worth:** ₹8,559.43 Crore in FY24 as against ₹5,935.17 Crore in FY23 (up by 44.22%)

Key performance highlights

In addition to robust financial performance, your Company delivered several other notable achievements in FY24; some key highlights are mentioned below:

- *Initial Public Offering launched at 38.59x subscription*

Your Company completed its Initial Public Offering (IPO) listing on the BSE and the NSE on 29th November 2023. Your Company raised ₹2,150.22 Crore through a mix of fresh issues and an offer for sale by the Government of India, with the Government retaining a 75% stake post-IPO.

Your Company's IPO received an overwhelming response from investors across all categories with the issue over-subscribed by a staggering 38.59 times, excluding anchor investors. The portion for Qualified Institutional Bidders (QIBs) witnessed a significant 105.18 times subscription, while the portion reserved for non-institutional investors saw 22.98 times bidding.

- *Fastest publication of Audited Annual Financial Results in the Indian Banking & NBFC sector*

Your Company has set a new benchmark by publishing its Annual Audited Financial Results within just 19 days, which is the fastest publication of Audited Results in the Banking and NBFC space in India, significantly ahead of SEBI's 60-day deadline.

This landmark achievement in financial reporting is just one of many initiatives aimed at fostering a culture of excellence in corporate governance and accountability. In addition, this achievement reflects your Company's efficient internal processes and advanced digital data management capabilities.

Your Company remains dedicated to maintaining the highest standards of financial integrity and operational efficiency alongside its commitment to exemplary business performance.

- *Opening of office in GIFT City, Gandhinagar for Foreign currency financing*

Post ending of FY24, your Company has opened an office in

GIFT City which will specialize in providing debt options denominated in foreign currencies. This facilitates natural hedging and significantly reduces financing cost for Green Hydrogen & its derivatives as well as Renewable Energy Manufacturing projects. This strategic initiative will play a pivotal role in advancing the nation's progress toward an environment friendly and 'atmanirbhar' future.

- *Opening of paperless Business Centre at NBCC Office Complex, Delhi*

Your Company inaugurated its state-of-the-art *Business Centre* at NBCC Office Complex, East Kidwai Nagar, New Delhi on 24th June 2023. The new office incorporates digital technologies to eliminate the use of paper, driving sustainability as well as transparent and efficient digital workflows.

Further, the new space has been designed to foster employee productivity, collaboration, and well-being with dedicated spaces and amenities for Yoga, Meditation, and Fitness enabling employees to prioritize their physical and mental well-being.

- *Credit Ratings*

The domestic debt instruments of your Company are rated 'AAA' stable by ICRA Ltd. India Ratings and Research Private Limited, and Brickwork Ratings India Private Limited and "AA+" "Positive" by CareEdge Ratings. Further, term loan & short term loan from banks & financial institutions have been assigned "AAA" stable rating by Acute Rating & Research Ltd., India Ratings & Research Private Limited and Brickwork Ratings India Private Ltd. GOI Fully Serviced Bonds are rated "AAA" "Stable" from India Ratings & Research Private Limited, ICRA Limited and CareEdge Ratings.

- *Upgradation to Schedule 'A' CPSE in September 2023 followed by 'Navratna' status awarded by the Department of Public Enterprises in April 2024.*

Your Company was awarded the prestigious *Navratna* status in April 2024 in recognition of continued excellence in business performance and governance. This award confers significant autonomy to your Company in shaping its business targets and ambition which in turn will translate into responsive support to the renewable energy sector. Further, your Company aims to become a *Maharatna* CPSE by FY30 subject to Government guidelines and applicable approvals.

Healthy asset quality

In addition to business expansion, your Company has prioritized enhancement of its asset quality. A rigorous recovery and monitoring framework has been established, which includes monthly internal reviews and quarterly discussions with borrowers. Furthermore, your Company has improved its recovery effectiveness by revising its asset sale policy under the SARFAESI Act, 2002.

With a focused approach, the reduction of ₹102.50 Crore in

Gross NPA has been realized during FY24 through a net reduction of 3 NPA accounts thereby reducing the total number of NPA loan accounts to 61. Further, ₹212.70 Crore has been recovered from NPA accounts which includes ₹90.68 Crore from Principal recovery and ₹122.02 Crore from Interest Income recovery.

This has resulted in healthy improvement in NPA ratios at the close of FY24 as can be seen below:

- **Gross NPA:** 2.36 % (vs. 3.21% in FY23)
- **Net NPA:** 0.99% (vs. 1.66% in FY23)

'Excellent' Performance expected on MoU with MNRE

Your Company has signed a Memorandum of Understanding (MoU) with the Ministry of New and Renewable Energy (MNRE) setting financial and operational targets for FY24.

Your Company is expecting an 'Excellent' rating for FY24 basis its performance (subject to assessment by the Government of India). Historically, your Company has consecutively achieved an 'Excellent' rating in FY21, FY22, and FY23.

Recognitions and Awards

Your Company received recognition from several quarters for its stellar performance in India's green financing sector:

- Upgradation from Schedule B to *Schedule A category CPSE* followed by *Navratna status* awarded by the Department of Public Enterprises in April 2024
- 'CMD of the Year' award under the Mini-Ratna category at the 13th PSE Excellence Awards organized by the Indian Chamber of Commerce
- Runner-up Awards in four key categories: 'Operational Performance Excellence', 'Corporate Governance', 'Corporate Social Responsibility & Sustainability', and 'Inclusivity- Contribution of Women and Differently Abled In' under the Mini-Ratna category at the 13th PSE Excellence Awards organized by the Indian Chamber of Commerce
- 'Excellent' rating under MoU signed with the Ministry of New & Renewable Energy for the FY23.

PRODUCTS & SERVICES OFFERED

New products launched and financing policies updated

Your Company dynamically reviews its policies and procedures to meet the evolving needs of the renewable energy sector, thereby ensuring the availability of a comprehensive range of financial products and related services from project conceptualization to post-commissioning for renewable energy projects across sectors.

Your Company offers support to renewable energy projects

across a range of traditional & emerging sectors including but not limited to Solar energy, Wind energy, Hydropower, Biofuels (CBG, Ethanol, etc.), Biomass, Briquettes & Pellets, E-mobility, Transmission, Battery Storage, Pumped Storage Hydro, Green Hydrogen & its derivatives, and RE-related manufacturing.

In FY24, your Company updated its financing policies in response to the needs of its borrowers; some key changes can be seen below:

- Empanelment of Lender's Financial Advisors (LFA) for continued monitoring of borrower accounts and movement of funds
- Product launch for Commercial Bus or Passenger Vehicle fleet with B2B contracts
- Increase in maximum loan tenor for Electric Mobility segment from 8 years to 10 years
- Debt coverage for greenfield & brownfield Hydropower projects enhanced upto 80%

In addition, your Company sanctioned loans across 3 new emerging renewable energy sectors in FY24 including Smart Meters, Green Hydrogen & its derivatives, and PM KUSUM. Your Company strives to continually update its policies and offerings to stay at the forefront of renewable energy financing in the country.

Implementation support provided for key MNRE Schemes

Your Company has been closely involved in the development and implementation of various policies pertaining to the renewable energy sector. Further, your Company has served as the implementing agency for the following key MNRE schemes:

- Central Public Sector Undertaking- Phase-II for setting up grid-connected Solar PV projects
- National Bio-energy Programme
- National Programme on High Efficiency Solar PV Modules under Production Linked Incentive, Tranche-I
- Generation Based Incentive (GBI)

Co-lending and consulting services offered to partners

During FY24, your Company entered into MoUs with the following institutions, leveraging its 37 years of experience across the renewable energy sector:

- **For co-lending & co-origination support** to leading Indian Financial Institutions such as IIFCL, Union Bank of India, Bank of Baroda, Bank of Maharashtra, Indian Overseas Bank, and Punjab National Bank
- **For consulting services to support R&D and renewable energy requirements** for IIT, Bhubaneswar and AIIMS, New Delhi

KEY OPERATIONAL INITIATIVES LAUNCHED

Your Company has launched several major initiatives for its key stakeholders geared towards improving borrower experience, developing its human resources, enhancing Corporate Governance, driving impactful CSR actions, and offsetting the carbon footprint of its operations.

Initiatives to improve borrower experience

Close connect with borrowers

Physical and virtual interactions with borrowers, industry experts and IREDA management were held across cities to understand and proactively address borrower concerns, build a strong rapport with our borrowers, and usher in transparency.

We have also expanded our physical presence across India with four strategically located branches in Mumbai, Hyderabad, Chennai, and Bhubaneshwar to maximize geographical coverage and have deployed on-ground personnel at Bengaluru and Guwahati.

Digital Process Optimization

Your Company possesses a robust IT infrastructure, including an Enterprise Resource Planning (ERP) System specifically tailored to meet our business requirements.

To streamline the loan application process, your Company offers an online platform for customers that serves as a single point of contact for filing applications, uploading documentation, and receiving alerts. Borrowers can track the progress of their applications in real time and view any outstanding tasks or next steps via the Customer Portal. This enhances borrower experience, offering both ease of doing business as well as transparency.

Your Company has standardized its loan sanction mechanism and adopted simplified templates for both pre-disbursement and post-disbursement documentation to further streamline processes.

Additionally, your Company is continually working to improve its IT structures with the goal of creating an integrated system that unlocks operational efficiencies, generates financing risk insights, and facilitates management review. This integration aims to enhance the overall efficiency, responsiveness, and accuracy of our services.

Initiatives to develop human resources

The HR function at your Company operates with a focus on talent attraction, engagement, development, retention, and well-being.

The following key HR initiatives were undertaken in FY24 to enhance organizational capabilities and drive forward key objectives for your Company's growth:

- *Strategic workforce expansion*

Your Company is expanding in line with its robust growth with 25 new personnel inducted during FY24. The new hires range from *Executive-Trainees* to *General Manager* level across various functions such as Technical, Finance, Company Secretariat, Legal, etc. The total employee strength of your Company was 173 as on 31st March 2024 *excluding Board Level Executives*.

- *Promotion of diversity*

Your Company is dedicated to promoting equitable representation and diversity. The strength of female employees is a crucial aspect of workforce diversity and gender equality. The number of female officials as on 31st March 2024 was 46, i.e., 26.6% of the total employee strength. Your Company ensures due compliance with the Directives and Guidelines issued by the Government of India pertaining to the welfare of SC/ ST/ OBC employees. Our strategies for talent attraction, engagement, development, and retention are designed to cultivate an inclusive and equitable environment for all employees.

- *Regular interaction with employees for insights & feedback*

Your Company maintains open communication and engagement through various strategies including

- Periodic open-house interactions led by the CMD to boost morale and acknowledge employee efforts
- Annual feedback collection from employees to implement actionable suggestions
- Offsite Strategy meetings to review, streamline, and update IREDA policies & processes
- *Employee engagement and wellness*

Throughout FY24, your Company hosted a variety of cultural and wellness events, including cleanliness drives, social gatherings, and wellness meets. These events are aimed at boosting employee connect and morale as well as fostering a cohesive corporate culture aligned with your Company's mission.

Your Company actively fosters a holistic approach to employee wellness by incorporating daily meditation and yoga sessions, an in-house fitness facility with professional trainers, and regular preventive health check-ups. In FY24, employees also participated in a series of health awareness training sessions covering critical topics such as Liver Health, Asthma Care, and Cancer Awareness intended to equip staff with important health knowledge.

- *Best-in-class employee trainings*

To enhance the skills and knowledge of its workforce, your Company has implemented a comprehensive training plan. This includes specialized training programs at renowned institutes in India and abroad as well as tailored in-house sessions by leading experts.

Employees have participated in a variety of programs covering topics such as Cyber-security, Financial Management, Corporate Governance, Behavioral and leadership training, etc. Additionally, the Company engaged in global forums and conferences to further extend learning opportunities beyond the traditional setting.

These initiatives collectively led to the achievement of 2,081 training man-days reflecting a strong commitment to continuous professional development and global engagement.

Initiatives for robust Corporate Governance

Your Company is committed to upholding the highest standards of professionalism, integrity, accountability, fairness, and transparency, thereby ensuring both efficient and ethical business practices.

Your Company is dedicated to adhering to the highest standards of Corporate Governance complying with all relevant regulations under the Companies Act 2013, the SEBI LODR Regulations 2015, the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 issued by the Department of Public Enterprises, as well as the Secretarial Standards established by the Institute of Company Secretaries of India amongst others.

Committed to ethical practices, your Company prioritizes transparency and stakeholder value in all business operations and relevant legal disclosures. Notably, your Company has set a new benchmark by publishing its Annual Audited Financial Results within just 19 days which is the fastest publication of Audited Results in the Banking and NBFC space in India, significantly ahead of SEBI's 60-day deadline. This reflects your Company's efficient internal processes and advanced digital data management.

Initiatives for impactful Corporate Social Responsibility

As a mission-oriented pure-play green financing entity, your Company is dedicated to social responsibility focusing on impactful initiatives aligned with the Government of India's sustainable goals. These initiatives include promotion of health & nutrition, protection of the environment, and the development of underprivileged areas.

In FY 24, your Company embraced the 'Health & Nutrition' theme, sanctioning 16 CSR projects with 9 projects specifically dedicated to this theme. Significant actions include:

- Installation of solar streetlights and educational support in Kalahandi, Odisha
- Deployment of 1000 solar street lighting systems in Siddharthnagar, Uttar Pradesh
- Enhancement of medical and educational facilities in Balrampur, Uttar Pradesh

- Supply and installation of Solar PV systems and medical equipment in Chandauli, Uttar Pradesh

During FY24, your Company sanctioned ₹16.65 Crore for 16 projects under CSR funds (including administrative costs) and disbursed ₹10.29 Crore based on project progress over the year (including disbursements from unspent account for previous years). These initiatives underscore your Company's focus on fostering sustainable development and improving community welfare in India's underdeveloped regions alongside its commitment to the growth of India's renewable energy sector. Your Company has launched an online CSR Portal to facilitate transparency in receipt & disposal of CSR requests.

Initiatives for offsetting carbon footprint of operations

In addition to supporting the country's decarbonization goals, your Company strives towards achieving carbon neutrality in its operations. Your Company owns and operates a 50 MW Solar plant at Kasaragod, Kerala which produces renewable energy which resulted in reduction of ~72,577 Tonnes of CO₂ for FY24.

VISION FOR THE FUTURE

Outlook for India's green financing sector & key Government initiatives to promote RE

India's green financing sector is on a robust growth trajectory buoyed by significant Government of India initiatives and a global commitment to increase renewable energy capacity.

Over ₹46 Lakh Crore investment is expected towards renewable energy sectors till 2030 in India. In line with this requirement, the FY25 Union Budget outlay for renewable energy has increased 46% over last year reaching ₹14,980 Crore.

Further, various supportive policies and financial incentives have been launched by the Government of India to ensure well-rounded development across various clean energy sectors. Some of the key policies announced in FY24 include:

- **Utility scale Solar & On-shore Wind:** 50 GW annual bidding calendar notified, with at least 10 GW Wind capacity over 2023-2028 with allocations across SECI, NTPC, NHPC and SJVN. Further, 50 Solar parks with aggregate capacity ~37,490 MW across 12 states have been approved by MNRE with ~10,401 MW capacity already commissioned.
- **Rooftop Solar:** PM Surya Ghar Muft Bijli Yojana launched with coverage across 10 Million houses with a financial outlay of ₹75,021 Crore. Each household covered under the scheme will be provided 300 units of free electricity each month leading to annual savings of ₹15,000 - 18,000 per household.
- **Decentralized Solar:** Expansion of PM KUSUM approved with revised targets of 49 Lakh pumps to be installed / solarized under Component B & C of the Scheme. Simplification of land aggregation under Component C

and issuance of empaneled list of vendors & benchmark cost under Component B are some of the key simplifications introduced to enhance uptake of the scheme.

- **Offshore wind:** Bidding trajectory for 37 GW off-shore wind capacity indicated by MNRE alongside completion of planning for transmission infrastructure by CTU for initial 10 GW offshore capacity (5 GW each off Gujarat and Tamil Nadu coasts). In addition, Offshore Wind Lease rules have been released with potential to extend lease term upto 35 years.
- **Hydro power:** Tariff Rationalization provision offered to developers to determine tariff via back loading after increasing project life to 40 years, increasing debt repayment period to 18 years, and introducing escalating tariff of 2%. Further, ISTS charges have been partly waived for hydropower projects, in increments of 25%, from 01st July 2025 to 01st July 2028 for projects wherein construction work is awarded and PPA is signed upto 30th June 2028.

E-mobility: PM E-bus Sewa Scheme approved by the Union Cabinet with target of deploying 10,000 E-buses nationwide at an estimated budget of ₹57,613 Crore with focus on cities with population greater than 3 Lakh (as per 2011 census)

In addition to the above recently introduced policies, the Government of India had previously instituted various supply and demand side enablers contributing to the continued development of the renewable energy sector.

Some of the key policies are:

- Tariff-based competitive bidding guidelines for Solar & Wind
- Renewable Purchase Obligation & Energy Storage Obligation trajectory for States
- Green Open Access rules for transmission of renewable energy across States
- Production-linked incentives for manufacturing of solar modules, electrolyzers, batteries, etc.
- Financial assistance for selected sectors such as Central Financial Assistance for Waste to Energy, Briquette & Biomass, etc. and Viability Gap Funding for Battery Storage, Offshore Wind, etc.
- ISTS waiver extensions for Green Hydrogen, Green Ammonia and Hydropower projects amongst others

Holistic strategy for growth

As India's catalytic green financing agency, your Company is dedicated to ensure that the sector is equipped with the right financial products, favorable financing costs, and sufficient

funding as required. This commitment is crucial for scaling up both established and emerging technologies critical for achieving net-zero emissions.

Business growth

To maintain our leadership in traditional renewable energy sectors such as Solar energy, Wind energy, Hydropower, Biomass, Biofuels, etc., your Company intends to play a critical role in meeting the expanding financing requirements, set to increase notably with the Government of India's target of 500 GW installed non-fossil fuel based power capacity by 2030. We will continue to innovate with new financial products in line with evolving business models and enhance presence in consortium financing with the help of new MoUs signed with leading financial institutions.

In addition to enhancing its presence in traditional renewable sectors, your Company is also focusing on new and emerging green technologies. This includes strategic growth areas aligned with India's renewable energy goals such as Green Hydrogen, Pumped Hydro Storage, Battery Storage, Offshore Wind, Green Energy Corridors, Rooftop Solar, and Green Mobility. We have established a dedicated team to develop and assess projects in these new sectors. In addition, we dynamically launch innovative financial products and continuously invest in training our employees on new green technologies and financial structures.

Further, the newly opened office in GIFT City, Gandhinagar, will specialize in providing debt options denominated in foreign currencies thereby facilitating natural hedging. This offering can significantly reduce financing costs for sectors which entail either uptake or offtake in foreign currency, e.g., Green Hydrogen & its derivatives and Renewable Energy Manufacturing.

Borrowing optimization

Your Company is dedicated to reducing borrowing costs to boost both competitiveness and profitability. We are leveraging our established reputation, strong credit rating, relationships with key financial institutions as well as constantly evolving our fund raise strategy to maximize funding efficiency. This approach ensures that your Company continues its efforts in raising financing at competitive rates from domestic and international capital market issuances, including green bonds. We also leverage our partnerships with national financial institutions and multilateral/international development organizations given our position as a pure-play green financier.

Digitally enabled organization

To support its non-linear growth, your Company is advancing a digital transformation to streamline operations and enhance profitability. This includes expanding digital offerings, scaling automation and data analytics, and incentivizing digital channel use throughout the loan lifecycle.

Concurrently, your Company is focusing on further digitizing enabling functions such as Treasury Management, Legal Documentation, Recovery, Risk Management, Internal Audit,

and Compliance/Governance.

Your Company's paperless office, IREDA Business Center at NBCC Office Complex in Delhi, creates an environment conducive to digitization-enabled employee productivity and collaboration.

This comprehensive strategy underscores your Company's commitment to facilitating access to sustainable financing, which is critical for transitioning to a greener economy.

ACKNOWLEDGEMENTS

I would like to extend my heartfelt gratitude to the Government of India, particularly the Ministry of New & Renewable Energy (MNRE) and the Department of Investment and Public Asset Management (DIPAM), for their unwavering support to our organization. Their assistance in capital infusion and dividend exemption for capital augmentation has been invaluable.

I also extend my thanks to other Government entities, including the Department of Public Enterprises, NITI Aayog, Ministry of Finance, Ministry of Power, Ministry of Corporate Affairs, and various other ministries and departments of the Government of India.

I am grateful for the support and cooperation of the Office of the Comptroller & Auditor General of India, the Reserve Bank of India, the Securities and Exchange Board of India, the National Stock Exchange of India Ltd., the Bombay Stock Exchange Ltd., and other regulatory authorities.

A special thanks to our Statutory Auditors, Secretarial Auditors,

Cost Auditors, and Internal Auditors for their contribution towards consistently improving the standards of governance across institutions in the Country.

I deeply appreciate the continued trust of our customers, lenders, shareholders and investors including state governments, state power utilities, private entrepreneurs in the green energy sector, and our domestic and international funding partners. Their faith in the Company is our driving motivation.

I also extend my appreciation to my esteemed colleagues on the Board for their invaluable contributions to strengthening the Company.

Last but not least, I would like to recognize the tireless efforts of our dedicated employees whose unwavering commitment has propelled the Company to achieve new standards of excellence every time.

With that said, I kindly request the adoption of the Directors' Report, the Audited Financial Results, and the Auditors' Report for the Fiscal Year 2023-24.

Thank you,

With warm regards,

Date: 31.05.2024

Place: New Delhi

Sd/-

Pradip Kumar Das

Chairman & Managing Director

DIN: 07448576