

Dear All Family Members,

As we wrap up a crucial year 2021 in a midst of regular Pandemic norms trying to achieve the targeted growth in business, I wish you a happy, healthy, and prosperous 2022.

With the end of the Calendar Year 2021, I have completed around 20 months with the IREDA family. As another pandemic-ridden year has ended, India witnesses fastest rate of growth in Renewable Energy (RE) Capacity in last 7.5 years. With climate change now an undeniable reality, countries have been setting goals and working to reduce carbon emissions. India, the world's third-largest emitter, too announced its ambitious goals of expanding its RE base to 500 GW of RE installed capacity by 2030.

However, during the last 7.5 years, India has witnessed the fastest rate of growth in RE capacity addition among all large economies, with RE capacity (including large hydro) growing 1.97 times and solar energy expanding over 18 times.

Together with you, I truly look forward to a very significant year 2022. While we are endangered with the recent *Omicron* variant of the ongoing Pandemic in the coming year, IREDA stands fully committed towards achieving the Hon'ble Prime Minister's "Panchamrita" COP26 targets which includes a targeted utilization of 50% of the country's energy requirements through RE sources and raising the non-fossil fuel-based energy capacity of India to 500 GW by 2030

India's RE sector is expected to boom with a likely investment of over \$15 billion in 2022 with Gol's focus on EVs, green hydrogen, manufacturing of solar equipment & achieving the 175 GW RE target by 2022. To meet its goals of net zero, or being able to effectively eliminate CO2 emissions by 2070, India will need close to \$10 trillion (~₹700 lakh crore)

Despite the pandemic regime, IREDA completed the FY 2020-21 on second highest loan disbursements (since inception) amounting to ₹8,827 Crore, highest ever PBT of ₹569.52 Crore with an increase of 136.20% over the amount of ₹241.11 Crore in the previous year and a net reduction in NPA from 7.18% in the previous year to 5.61% ending FY2020-21 which is a significant reduction of ~22% from the previous year.

IREDA's MoU rating has been "Excellent" for the FY 2020-21 with a score of 96.93 which was 45.83 (Fair rating) in FY 2019-20. This truly indicates IREDA's ability to translate a global pandemic situation into an opportunity and adaptability to manage unforeseen transition.

Further, IREDA was able to achieve a total **income from operations of Rs. 684.80 crore & profit after tax (PAT) of Rs. 110.27 crore for Q2 FY22**. Our company reported an all-time high half-yearly **PAT of Rs. 299.90 crore with a total income from operations increased to Rs. 1386.97 crore, up by 8%**. While the NPA reduced by 16 per cent, **IREDA's net worth grew by 22%**. Work of IREDA did not suffer any pullbacks due to the lockdown and every IREDAN contributed by working from home using the IT systems. This would not have been possible without the team-spirit displayed by employees.

We have set in motion a series of procedural and institutional reforms for all-round growth of the organization. IREDA has announced plans to grow the loan book five-fold, from Rs. 28,000 Crore ending March 2021 to Rs. 1.35 Lakh Crore ending March 2026. Your personal aspirations and the organizational goals have been endeavoured to be meticulously synchronized. Several initiatives have been taken to enhance ease of doing

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business and improve transparency to improve the overall efficiency in the work and employee satisfaction. A list of continued process and health improvement initiatives started since 2020 and new initiatives with achievements in 2021 is enclosed at **Annexure-A**.

IREDA promotes a culture to adopt transparency, good-governance, and proactive approach in every sphere of life including work. To this effect, the company has already adopted cultural changes like – cross functional relations, team building, measurable and accountable approach of issuing KRAs and preparation of Vision document and Annual Plans, linked with activities and planning for mid-year and end of year reviews.

I believe that, we all in IREDA will proactively contribute to multiple successes in the year 2022 while we await the Equity Infusion of Rs. 1500 Crores from the Government of India post which IREDA is ready for launching its IPO in the market.

Wishing all of you and your family the best of the New Year 2022.

A handwritten signature in blue ink, appearing to be 'Pradip Kumar Das', written in a cursive style.

(Pradip Kumar Das)

Date: 1st January 2022

Continued Process and Health Improvement Initiatives:

- Credit appraisal process/mechanism has been strengthened by introducing dedicated Financial Concurrence teams.
- Ease of doing business ensuring Faceless Sanction through digital processes.
- Quarterly Interactions with Borrowers over their concerns & to demonstrate IREDA's achievements & initiatives taken based on the market/industry feedback for regular improvement in operations.
- E-learning through weekly Lecture Series & Focused Development Training Programs (FDTPs), conducted by Subject Matter Experts / Eminent Speakers including inter-departmental training sessions.
- Daily Yoga Sessions during the evening hours under the guidance of Yoga Experts.
- Inhouse Fitness Facility with Professional Trainer.

Recent Initiatives and Achievements during 2021:

- Periodic reduction in Interest Rates five times (during February 2021, April 2021, June 2021, September 2021 & December 2021).
- Special product for funding RE projects through bonds/banks loans/other financial instruments; to provide fixed rate of interest for five years for project loans of Rs. 500 Crs and above & minimum rating of A-.
- Loan Scheme for "**Compressed Bio- Gas (CBG)**" Projects under SATAT Scheme.
- Increasing Exposure Limit for MSW based Waste to Energy projects to fund upto 70% of the project cost.
- **Comprehensive policy for financing new technologies for promoting & increasing usage / penetration of RE & Funding of green mobility segment** to serve segments such as Battery Manufacturing and Battery Energy Storage Systems, production of Green Hydrogen (Electrolysers), Fuel Cells, Financing of Electric Mobility Segment, Manufacturing/ assembling plant of Electric Vehicles & associated components, Waste Recycling units and Electric Mobility.
- Letter of Awards have been issued to three successful bidders in the **PLI Scheme** for setting up 8,737MW capacity of fully integrated solar PV manufacturing units and five successful bidders selected through VGF based e-reverse auction for implementation of the 5000 MW **CPSU grid-connected solar projects** under Phase II Scheme.
- **MoUs** have been signed with **THDCIL, BVFCL, NEEPCO Ltd, TANGEDCO** and **NHPC Ltd** for providing techno-financial expertise in developing RE projects & fund raising.
- Received "**Green Urja Award**" in May 2021 for being the Leading Public Institution in Financing Institution for RE by Indian Chamber of Commerce (ICC).
- Opened branch office in **Bhubaneswar** for the facilitation of customers, borrowers, and other stakeholders
- Whistle-blower portal as a part of IREDA's "zero tolerance" of corruption where employees can raise concerns related to fraud, corruption, abuse of power etc.
- Revisions in the Site Visit Inspection formats for the Pre-sanction & Pre-Disbursement Stages
- DPC conducted upto the level of E-4 on 31st December 2021; and upto the level of E-8 is being conducted and would be completed today.
- Daily 15-minute morning Meditation Sessions via VC for all employees.

Events during 2021:

- RT-PCR & antibody tests for all employees.
- Vaccination Drives for IREDA and other government employees.
- Active Virtual Participation in Expo 2020 Dubai.
- Observance of the following Events via virtual mode:
 - Vigilance Awareness Week (26th October 2021 to 2nd November 2021)
 - Hindi Pakhwada-2021 (1st September 2021 to 14th September 2021)
 - 7th International Day of Yoga (IDY) (21st June 2021)
 - Swachhta Pakhwada (1st June to 15th June 2021)
 - International Women's day (8th March 2021)

Activities planned for execution during 2022:

- Setting up of AIF debt fund to tap large Institutional Investors to participate in RE Financing at project level.
- Asset-based securitization (ABS) by issuance of pass-through certificates.
- Migration to Microsoft Dynamics 365.
- Public facing applications - Customer Portal, Online Loan Application & Vendor Portal.