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The materials relating to any offering of securities described in the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on our behalf in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers (as defined in the Offering Circular) nor any person who controls each of them nor any director, officer, employee nor agent of each of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Dealers.

The Offering Circular has not been and will not be registered, produced or made available to all as an offer document (whether a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of any private placement under the Companies

Act, 2013 or any other applicable Indian laws) with the Registrar of Companies of India (**RoC**) or the SEBI or any other statutory or regulatory body of like nature in India.

In addition, holders and beneficial owners shall be responsible for compliance with restrictions on the ownership of the Rupee Denominated Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Rupee Denominated Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Rupee Denominated Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Rupee Denominated Notes. Potential investors should seek independent advice and verify compliance with FATF Requirements prior to any purchase of the Rupee Denominated Notes.

The holders and beneficial owners of Rupee Denominated Notes shall be deemed to confirm that for so long as they hold any Rupee Denominated Notes, they will meet the FATF Requirements and will not be an offshore branch of an Indian bank.

Further, all Noteholders represent and agree that the Rupee Denominated Notes will not be offered or sold on the secondary market to any person who does not comply with the FATF Requirements or which is an offshore branch of an Indian bank.

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OFFERING CIRCULAR **CONFIDENTIAL**

Indian Renewable Energy Development Agency Limited

(incorporated with limited liability in the Republic of India)

U.S.$300,000,000

Medium Term Note Programme

Under this U.S.$300,000,000 Medium Term Note Programme (the **Programme**), Indian Renewable Energy Development Agency Limited (**us**, **we**, our **Company** or **IREDA**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between us and the relevant Dealer (as defined below). Notes may be issued in bearer or registered form (respectively, **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$300,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by us (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an on-going basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Notes.

Application has been made to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market (**ISM**). The ISM is not a regulated market for the purposes of Directive 2004/39/EC.

The ISM is a market designated for investors who are particularly knowledgeable in investment matters. Notes admitted to trading on the ISM are not admitted to the Official List of the UKLA. The London Stock Exchange has not approved or verified the contents of this Offering Circular.

Additionally, approval-in-principle has been granted for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Singapore Exchange Securities Trading Limited (the **SGX-ST**). Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST (the **Singapore Official List**). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Singapore Official List and quotation of any Notes on the SGX-ST are not to be taken as an indication of our merits, the Programme or the Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "***Terms and Conditions of the Notes***") of Notes will be set out in a final terms document (the **Final Terms**) or pricing supplement (in the case of Exempt Notes) (the **Pricing Supplement**) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche. The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between us and the relevant Dealer. We may also issue unlisted Notes. We may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the SGX-ST) a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes.

Each Tranche of Bearer Notes of each series (as defined in "*Form of the Notes*") will initially be represented by either a temporary bearer global note (a **Temporary Bearer Global Note**) or a permanent bearer global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, the **Bearer Global Notes**, and each a **Bearer Global Note**) as indicated in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes), which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

On and after the date (the **Exchange Date**) which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the date on which the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series.

Registered Notes sold in an "offshore transaction" within the meaning of Regulation S (**Regulation S**) under the U.S. Securities Act of 1933, as amended (the **Securities Act**), which will be sold outside the United States (the **U.S.**) and only to non-U.S. persons (as defined in Regulation S), will initially be represented by a global note in registered form, without receipts or coupons, (a **Registered Global Note**) deposited with a common depositary for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of such common depositary.

The applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes)will specify that a Permanent Bearer Global Note will be exchangeable for definitive Bearer Notes in certain limited circumstances.

This Offering Circular has not been and will not be registered, produced or published as an offer document (whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of a private placement under the Companies Act, 1956, Companies Act, 2013 (each as amended, supplemented or re-enacted from time to time) and the rules framed thereunder or any other applicable Indian laws for the time being in force) with the Registrar of Companies, the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India, save and except any for information from part of the Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws. The Notes will not be offered or sold and have not been offered or sold, in India by means of this Offering Circular or any other offering document or material relating to the Notes and will not be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of applicable Indian laws. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. See "*Subscription and Sale*".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States. See "Subscription and Sale".

The Programme is rated "(P)Baa3" in respect of long-term senior unsecured Notes by Moody's Investors Service, Inc. (**Moody's**) and "BBB-" by Fitch Ratings Ltd (**Fitch**). These ratings are only correct as at the date of this Offering Circular. Tranches of Notes (as defined in "Overview of the Programme") to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Arrangers and Dealers

SBICAP (Singapore) Limited **Standard Chartered Bank** **YES Bank**

The date of this Offering Circular is 10 May 2017.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

We, having made all reasonable enquiries, confirm that this Offering Circular contains or incorporates all information which is material in the context of the Programme and the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. We accept responsibility accordingly.

No person is or has been authorised by us to give any information or to make any representation other than those contained in this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made by any other person, such information or representations must not be relied upon as having been authorised by us, any of the Arrangers or the Dealers, the Trustee or the Agents.

None of the Arrangers, the Dealers, the Trustee nor the Agents (as defined herein) has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and, to the fullest extent permitted by law, no responsibility or liability is accepted by any of the Arrangers or the Dealers, the Trustee, the Agents or any of them as to the accuracy or completeness of the information contained or incorporated in this Offering Circular, or for any other statement, made or purported to be made by the Arrangers or a Dealer or on its behalf in connection with us or the Programme or any other information provided by us in connection with the Programme. The Arrangers, each Dealer, the Trustee and the Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by us, any of the Arrangers or the Dealers or the Trustee or the Agent that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of us. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on our behalf, any of the Arrangers or the Dealers or the Trustee or the Agents to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning us is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers, the Trustee and the Agents expressly do not undertake to review our financial condition or affairs during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or

solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. We, the Arrangers, the Dealers, the Trustee and the Agents do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us, any of the Arrangers or the Dealers or the Trustee or the Agents which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Italy and the Netherlands), India, Singapore, Japan and Hong Kong, see "*Subscription and Sale*".

None of the Company, the Arrangers, the Dealers, the Trustee and the Agents makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

This Offering Circular has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive (2003/71/EC) (as amended including by Directive 2010/73/EU, including any relevant implementing measure in such relevant Member State) (**Prospectus Directive**) to publish a prospectus. As a result, any offer of Notes in any Member State (each **Relevant Member State**) of the European Economic Area which has implemented the Prospectus Directive will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the Financial Services and Market Act 2000 (**FSMA**) with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with. See "*Subscription and Sale*".

This Offering Circular comprises as a whole listing particulars in compliance with the listing rules made under Section 73A of the Financial Services and Markets Act 2000 by the UK Listing Authority.

In connection with the offering of any series of Notes, each Dealer is acting or will act for us in connection with the offering and will not be responsible to anyone other than us for providing the protections afforded to clients of that Dealer nor for providing advice in relation to any such offering.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on our behalf in such jurisdiction.

For a description of other restrictions, see "*Subscription and Sale*".

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

We maintain our financial books and records and prepare our financial statements in Rupees in accordance with generally accepted accounting principles in the Republic of India (Indian GAAP) which differ in certain important respects from International Financial Reporting Standards (IFRS). For a discussion of the principal differences between Indian GAAP and IFRS as they relate to us, see "*Summary of Significant Differences Between Indian GAAP And IFRS*". Unless otherwise stated, all financial data contained herein is that of our Company on a non-consolidated basis. The financial statements for the years ended 31 March 2014, 2015 and 2016 and the financial statements for the six months ended 30 September 2016, on a non-consolidated basis, included in this Offering Circular have been audited or reviewed as appropriate, by the auditors as set out in the section entitled "*General Information*".

CERTAIN DEFINITIONS

In this Offering Circular, all references to **Exempt Notes** means Index Linked Interest Notes, Dual Currency Interest Notes, Index Linked Redemption Notes, Dual Currency Redemption Notes or Partly Paid Notes.

In this Offering Circular, references to **India** are to the Republic of India, references to the **Government** or **GoI** are to the Government of India and references to the **RBI** are to the Reserve Bank of India. References to specific data applicable to particular subsidiaries or other consolidated entities are made by reference to the name of that particular entity. References to **fiscal** or **fiscal year** are to the year ended March 31.

Unless the context otherwise indicates, all references to **IREDA**, **our Company**, **the Company**, **us** or **we** are to Indian Renewable Energy Development Agency Limited on a non-consolidated basis.

Certain industry and market share data in this Offering Circular are derived from data of the Reserve Bank of India (the **RBI**) or the Director General of Commercial Intelligence and Statistics. Certain other information regarding market position, growth rates and other industry data pertaining to our business contained in this Offering Circular consists of estimates by us based on data reports compiled by professional organisations and analysts, on data from other external sources and on our knowledge of its markets. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade associations, Government bodies or other organisations) to validate market-related analyses and estimates, so we rely on internally developed estimates. While we have compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, neither we, the Arrangers, the Dealers, the Trustee nor the Agents makes any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we, the Arrangers, the Dealers, the Trustee nor the Agents can assure potential investors as to their accuracy. As used in this Offering Circular, the terms, **10th Plan**, **11th Plan**, **12th Plan** and **13th Plan** refer to the five-year plans of the Government, and mean the Tenth Five Year Plan covering Financial Years 2002–2007, the Eleventh Five Year Plan covering Financial Years 2007–2012, the Twelfth Five Year Plan covering the period 2012–2017 and the Thirteenth Five Year Plan covering the period 2017–2022, respectively.

All references in this Offering Circular to **U.S. dollars**, **U.S.$** and **USD** refer to United States dollars, to **Rupee**, **Rupees** and **Rs.** refer to Indian Rupees and to **SGD and S$** refer to Singapore dollars. In addition, references to **Sterling** and **£** refer to pounds sterling and to **euro**, **Eur** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Community, as amended. References to **lakhs** and **crores** in our financial statements are to the following:

One lakh....................................	100,000	(one hundred thousand)
One crore..................................	10,000,000	(ten million)
Ten crores.................................	100,000,000	(one hundred million)
One hundred crores	1,000,000,000	(one thousand million or one billion)

In this Offering Circular, where information has been presented in millions or billions of units, amounts may have been rounded, in the case of information presented in millions, to the nearest ten thousand or one hundred thousand units or, in the case of information presented in billions, one, ten or one hundred million units. Accordingly, the totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

FORWARD-LOOKING STATEMENTS

We have included statements in this Offering Circular which contain words or phrases such as "will", "would", "aimed", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "seeking to", "target", "propose to", "future", "objective", "goal", "projected", "should", "can", "could", "may" and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes relating to the power sector in India and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, including our ability to complete our capacity expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the our industry.

For a further discussion on the factors that could cause actual results to differ, see the discussion under "*Risk Factors*" contained in this Offering Circular.

ENFORCEMENT OF FOREIGN JUDGMENTS IN INDIA

The Issuer is a public limited company incorporated under the laws of India. All of the Issuer's directors and executive officers are residents of India and a substantial portion of the assets of the Issuer and such persons are located in India. As a result, it may not be possible for investors to effect service of process on the Issuer or such persons in jurisdictions outside India, or to enforce judgments against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon except: (i) where judgment has not been pronounced by a court of competent jurisdiction; (ii) where judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where judgment has been obtained by fraud; or (vi) where judgment sustains a claim founded on a breach of any law in force in India.

The United Kingdom is a reciprocating territory for the purpose of section 44A of the Civil Code and the High Courts in England as relevant superior courts. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain RBI approval from RBI to repatriate monies and amounts may be subject to taxation. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. We cannot predict whether a suit in India will be disposed of in a timely manner or be subject to considerable delay. It is uncertain as to whether an Indian court would enforce a foreign judgment that would contravene or violate Indian law.

GLOSSARY OF TERMS USED IN THIS OFFERING CIRCULAR

Below are certain terms used in this Offering Circular.

Company related terms

the Company/our Company/ IREDA..	Indian Renewable Energy Development Agency Limited, a public limited company incorporated under the Companies Act, 1956. Our Corporate Identification Number is U40108DL1987GOI027265
we/us/our..	Our Company together with our subsidiaries, associates and our joint venture on a consolidated basis
Articles/Articles of Association.........	Articles of Association of our Company as amended from time to time
Board/Board of Directors.................	Board of Directors of our Company unless otherwise specified
Shares..	Equity Shares of our Company of the face value of Rs.1,000 each unless otherwise specified
Memorandum / Memorandum of Association.....................................	Memorandum of Association of our Company as amended from time to time

Conventional and General Terms or Abbreviations

Rs. or **Rupees**...................................	Indian Rupees (the lawful currency of India)
$** or **US$ or **U.S.$** or **USD**..................	United States dollar (the lawful currency of the United States of America)
€ or **Euro** or **Eur**	Euro (the official and lawful currency of European Union, which consists of 19 of the 28 member states i.e. Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain)
Companies Act................................	Companies Act, as amended
AGM..	Additional General Manager
ALM..	Asset Liability Management
AS...	Accounting Standards as notified under the Companies Act
BD	Business Development
BPL	Below Poverty Line
CAG	Comptroller and Auditor General of India

CAR...	Capital Adequacy Ratio
CBDT...	Central Board of Direct Taxes
CDSL...	Central Depository Services (India) Limited
CEO...	CEO
CERC	Central Electricity Regulatory Commission
CoR	Certificate of Registration
CP..	Corporate Planning
CPSE	Central Public Sector Enterprise
CPSU	Central Public Sector Undertaking
CPUs	Central Power Utilities
CRAR	Capital to Risk Weighted Assets Ratio
CSR	Corporate Social Responsibility
Debt Recovery Act	The Recovery of Debts Due to Banks and Financial Institutions Act, 1993, as amended
Depositories Act...............................	The Depositories Act, 1996, as amended
Depository(ies)................................	CDSL and NSDL
DP/ Depository Participant...............	Depository Participant as defined under the Depositories Act, 1996, as amended
DRT..	Debt Recovery Tribunal
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII	Foreign Institutional Investor
FIMMDA	Fixed Income Money Market and Derivative Association of India
Fin	Finance
Financial Year/Fiscal/ FY	Period of 12 months ended 31 March of that particular year
GDP	Gross Domestic Product
GoI or Government..........................	Government of India
HR	Human Resources

HRM	Human Resource Management
IA	Internal Audit
IEX	Indian Energy Exchange Limited
Income Tax Act/IT Act	Income Tax Act, 1961, as amended
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
KYC	Know Your Customer
LIBOR	London Inter-Bank Offer Rate
MCA	Ministry of Corporate Affairs, Government of India
MoF	Ministry of Finance, Government of India
MoP	Ministry of Power, Government of India
MoU	Memorandum of Understanding
MTL	Medium Term Loan
NBFC	Non-Banking Financial Company, as defined under applicable RBI guidelines
NBFC-ND	Non-Deposit Taking NBFC
NBFC-ND-SI	Systemically Important Non-Deposit Taking NBFC
NR	Non-Resident
NRE	Non-Resident External
NRI	Non Resident Indians i.e. a person resident outside India, as defined under FEMA, and who is a citizen of India or a Person of Indian origin and such term as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited

NTP .... National Tariff Policy

PAT .... Profit After Tax

PSE .... Public Sector Enterprise

R&TA .... Registrar & Share Transfer Agent

RBI .... Reserve Bank of India

RMC .... Risk Management Committee

RoC .... Registrar of Companies, National Capital Territory of Delhi and Haryana

RTI .... Right to Information

SARFAESI / Securitisation Act .... Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended

SBI .... State Bank of India

SC .... Screening Committee or Supreme Court of India, as the context may require

SD .... Sustainable Development

SEBI .... Securities and Exchange Board of India

SEBI Debt Regulations .... SEBI (Issue and Listing of Debt Securities) Regulations, 2008

SLR Bonds .... Bonds that qualify under statutory liquidity ratio to be maintained by banks/other institutions as prescribed by the RBI from time to time

STL .... Short Term Loan

TFL .... Transitional Finance Loan

u/s .... under Section

USA .... United States of America

CONTENTS

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche

of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE{ TC "Documents Incorporated by Reference" \f C \l "1" }

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) our most recently published audited consolidated and non-consolidated annual financial statements and, if published later, the most recently published audited or reviewed, as the case may be, our interim non-consolidated financial results of, (see "*General Information*" for a description of the financial statements currently published by us); and

(b) all supplements or amendments to this Offering Circular circulated by us from time to time.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

We will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to us at our office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the principal office of the issuing and paying agent in Hong Kong (which for the time being is Standard Chartered Bank (Hong Kong) Limited) (the **Issuing and Paying Agent**) for the Notes listed on the SGX-ST.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, to an extent which is material in the context of the Programme, a new offering circular will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME{ TC "General Description of the Programme" \f C \l "1" }

Under the Programme, we may from time to time issue Notes denominated in any currency, subject as set out herein. An overview of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between us and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*".

This Offering Circular and any supplement will only be valid for listing Notes on the SGX-ST or the ISM in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.$300,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

(a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) in relation to the relevant Notes, described under "*Form of the Notes*") shall be determined, at our discretion, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by us on the relevant day of calculation;

(b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) in relation to the relevant Notes, described under "*Form of the Notes*") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and

(c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) in relation to the relevant Notes, described under "*Form of the Notes*") and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by us for the relevant issue.

The offering of the Notes will be made entirely outside India. This Offering Circular may not be distributed directly or indirectly in India or to residents of India and the Notes are not being offered or sold and may not be offered or sold directly or indirectly in India or to, or for the account or benefit of, any resident of India.

Each purchaser of Notes will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Notes may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the account of, such persons, unless determined otherwise in compliance with applicable law.

We will issue Notes under the Programme in accordance with the ECB Guidelines.

The Government does not provide any guarantee or financial support in relation to any payment or obligation in respect of the Notes and has no commitment or obligation whatsoever in relation to any payment or obligation in respect of the Notes.

OVERVIEW OF THE PROGRAMME{ TC "Overview of the Programme" \f C \l "1" }

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes). Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this overview.

Issuer:...	Indian Renewable Energy Development Agency Limited
Risk Factors	There are certain factors that may affect our ability to fulfil our obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:......................................	Medium Term Note Programme
Arrangers:	SBICAP (Singapore) Limited, Standard Chartered Bank and YES Bank Limited
Dealers:..	SBICAP (Singapore) Limited, Standard Chartered Bank, YES Bank Limited and any other Dealers appointed in accordance with the Programme Agreement (as defined under "*Subscription and Sale*") from time to time.
Certain Restrictions:...........................	Each issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular.
Trustee:..	Bondholders, S.L.
Issuing and Paying Agent:..................	Standard Chartered Bank (Hong Kong) Limited
Registrar:..	Standard Chartered Bank, Singapore Branch
Programme Size:	U.S.$300,000,000 (or its equivalent in other currencies calculated as described under "*General Description of the Programme*") in aggregate nominal amount of Notes outstanding at any time. We may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:......................................	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-

	syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between us and the relevant Dealer.
Maturities:	Such maturities as may be agreed between us and the relevant Dealer and indicated in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to us including but not limited to the minimum maturity period specified under the ECB Guidelines or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer and/or registered form as described in "*Form of the Notes*".
Fixed Rate Notes:	Fixed interest will be payable at such rate or rates in arrear and on such date or dates as may be agreed between us and the relevant Dealer, subject to any regulatory requirement (including but not limited to the ECB Guidelines) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between us and the relevant Dealer, subject to any regulatory requirement (including but not limited to the ECB Guidelines).
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate, subject to any regulatory requirement including but not limited to the ECB Guidelines, determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as of the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between us

	and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between us and the relevant Dealer for each Series of Floating Rate Notes, subject to any regulatory requirement (including but not limited to the ECB Guidelines). Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by us and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Index Linked Notes:..........................	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as we and the relevant Dealer may agree, subject to any regulatory requirement (including but not limited to the ECB Guidelines).
Other provisions in Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a relation to maximum interest rate, a minimum interest rate or both, subject to any regulatory requirement including but not limited to the ECB Guidelines. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by us and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between us and the relevant Dealer.
Dual Currency Notes:........................	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as we and the relevant Dealer may agree, subject to any regulatory requirement (including but not limited to the ECB Guidelines).
Partly Paid Notes	We may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as we and the relevant Dealer may agree.
Zero Coupon Notes:..........................	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Other Notes	We may agree with any Dealer and the Trustee that Notes

	may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes).
Redemption:......................................	Unless otherwise indicated in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) the relevant Notes cannot be redeemed prior to their stated maturity other than (i) in the case of Exempt Notes in specified instalments, if applicable, (ii) for taxation reasons, (iii) following a Change in Control (as defined in Condition 7.3) or (iv) following an Event of Default (as defined in Condition 10.1). Please note that any redemption of the Notes prior to their average stated maturity will require the prior approval of the RBI under the ECB Guidelines. The applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes)may provide that Notes may be redeemable in separate instalments in such amounts and on such dates as are indicated in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes), subject to any regulatory requirement including but not limited to the ECB Guidelines.
Denomination of Notes:......................	Notes will be issued in such denominations as may be agreed between us and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation:..	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction (as defined in Condition 8.2), subject as provided in Condition 8.1. In the event that any such deduction is made, we will, save in certain limited circumstances provided in Condition 8.1, be required to pay additional amounts to cover the amounts so deducted. Without prejudice to our obligation to pay additional amounts as described above, all payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 8.1.
Negative Pledge:................................	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Default:...................................	The terms of the Notes will contain a cross default

	provision as further described in Condition 10.1(c).
Status of the Notes:............................	The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4, our unsecured obligations of and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all of our other unsecured obligations (other than subordinated obligations, if any), from time to time outstanding.
Listing:...	Application has been made to admit the Notes issued under the Programme for the period of 12 months from the date of the Offering Circular to admit the Notes to trading on the ISM. The Notes may be unlisted or may be listed on such other or further stock exchanges or regulated or unregulated markets, as may be agreed between us, the Trustee and the relevant Dealer(s) in relation to each Tranche. The Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes)relating to each Tranche of the Notes will state whether or not the Notes are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets. Additionally, approval in-principle has been granted for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Singapore Official List. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between us and the relevant Dealer in relation to each Series. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or equivalent). Unlisted Notes may also be issued. The applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes)will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Rating:...	The Programme is rated "(P)Baa3" in respect of long-term senior unsecured Notes by Moody's and "BBB-" by Fitch. Tranches of Notes will be rated or unrated. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes). A rating is not a recommendation to buy, sell or hold securities and may

	be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Use of Proceeds:	The net proceeds from each issue of Notes will be applied by us to finance/refinance of renewable energy or energy efficiency projects, setting up of IREDA's 50 MW solar project in India and other operating activities in accordance with all applicable laws..
Governing Law:.................................	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.
Clearing System:...............................	Euroclear, Clearstream, Luxembourg (each as defined in Condition 1) and/or any other clearing system, as specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) (see "*Form of the Notes*").
Terms and Conditions	Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) will be prepared in respect of each Tranche of the Notes. A copy of each Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) will, in the case of Notes to be admitted to trading on the ISM on or before the closing date of such Notes. The terms and conditions applicable to each Tranche will be those set out herein under "*Terms and Conditions of the Notes*" as supplemented, modified or replaced by the Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes).
Selling Restrictions:...........................	There are restrictions on the offer, sale and transfer of the Notes under the Prospectus Directive and in the United States, the United Kingdom, Italy, the Netherlands, Japan, India, Hong Kong and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "Subscription and Sale").
United States Selling Restrictions:	Regulation S, Category 1 or 2. TEFRA C or D, or TEFRA not applicable as specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes).

FORM OF THE NOTES{ TC "Form of the Notes" \f C \l "1" }

The Notes of each Series will either be in bearer form, with or without interest coupons (**Coupons**) attached (**Bearer Notes**), or registered form, without interest coupons attached (**Registered Notes**). The Notes will be issued outside the United States and only to non-U.S. persons, in reliance on Regulation S.

Notes to be listed on the SGX-ST or the ISM will be accepted for clearance through Euroclear Bank SA/NV as operator of the Euroclear System (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be represented by either a temporary bearer global note (a **Temporary Bearer Global Note**) or a permanent bearer global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, the **Bearer Global Notes**, and each a **Bearer Global Note**) as indicated in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes), which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the **Exchange Date**) which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes (**Definitive Bearer Notes**) of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes)), in each case against certification of beneficial ownership as described above, unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Global Note or for Definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such

Permanent Bearer Global Note) to the Issuing and Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event.

For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) we have been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system is available or (iii) we have or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. We will promptly give notice to the Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or, the Trustee may give notice to the Issuing and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, we may also give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes):

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes). Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form (**Definitive Registered Notes**).

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Notes. None of us, any Paying Agent or the Registrar (each as defined under "***Terms and Conditions of the Notes***") will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event (as defined under "*Form of the Notes — Bearer Notes*").

We will promptly give notice to the Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) of the definition of Exchange Event under "*Form of the Notes — Bearer Notes*", we may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Issuing and Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN number which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

For so long as any of the Notes is represented by a Bearer Global Note or a Registered Global Note (each a **Global Note**) held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear and/or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuing and Paying Agent, us and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuing and Paying Agent, us and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the Agency Agreement and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes).

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

FORM OF APPLICABLE EXEMPT NOTE PRICING SUPPLEMENT{ TC "Form of Applicable Exempt Note Pricing Supplement" \f C \l "1" **}**

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW. THE UK LISTING AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT.

[Date]

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Under the U.S.$300,000,000
Medium Term Note Programme

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Any offer of these Notes will not be listed on the London Stock Exchange's regulated market for purposes of Directive 2004/39/EC.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [●] 2017 [and the supplement[s] to it dated [ ] and [ ]] (the **Offering Circular**). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated *[original date]*. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated *[current date]*, save in respect of the Conditions which are extracted from the Offering Circular dated *[original date]* and are attached hereto.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement]

1.	Issuer:		Indian Renewable Energy Development Agency Limited
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]

		(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
	(c) Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]] [Not Applicable]
3.	Specified Currency or Currencies:	[ ]
4.	Aggregate Nominal Amount:	
	(a) Series:	[ ]
	(b) Tranche:	[ ]
5.	(a) Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	(b) [Net proceeds:	[ ]]
6.	(a) Specified Denominations:	[ ] *(N.B. Notes must have a minimum denomination of €100,000 or equivalent) (Note - where Bearer Notes with multiple denominations above [€100,000] or equivalent are being used with respect to Bearer Notes, the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].*") *(N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €100,000 minimum denomination is not required.)* *(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)*

	(b) Calculation Amount:	[ ] *(If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7.	(a) Issue Date: (b) Interest Commencement Date:	[ ] [*specify*/Issue Date/Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8.	Maturity Date:	[*Fixed rate — specify date/Floating rate —* Interest Payment Date falling in or nearest to *[specify month and year]*]
9.	Interest Basis:	[[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:	[Applicable/Not Applicable] [*If applicable, specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12.	(a) Date Board approval for issuance of Notes obtained:	[ ] [and [ ], respectively]]/[None required] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
	(b) Date regulatory approval/consent for issuance of Notes obtained:	[ ]/[None required] *(N.B. Only relevant where regulatory (or similar) approval or consent is required for the particular tranche of Notes)*
13.	Listing:	[Singapore/London/*specify other*/None] *(N.B. Consider disclosure requirements under the EU Prospectus Directive applicable to securities admitted to an EU regulated market)*

14.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s):	[ ] per Calculation Amount
	(d)	Broken Amount(s):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]] [Not Applicable]
	(e)	Day Count Fraction:	[Actual/Actual (ICMA)]; [30/360]; [Actual/365 (Fixed)] [*specify other*]
	(f)	Determination Date[s]:	[[ ] in each year][Not Applicable] *Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in case of a long or short first or last coupon*
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
16.	Floating Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ [*specify other*]]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination]/[*specify other*]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):	[ ]

(f)	Screen Rate Determination:	
	• Reference Rate:	*Reference Rate: [ ] month* [*LIBOR/EURIBOR/specify other Reference Rate*].
	• Interest Determination Date(s):	[ ] (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
	• Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(g)	ISDA Determination:	
	• Floating Rate Option:	[ ]
	• Designated Maturity:	[ ]
	• Reset Date:	[ ] *(in the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)*
(h)	Margin(s):	[+/-] [ ] per cent. per annum
(i)	Minimum Rate of Interest:	[ ] per cent. per annum
(j)	Maximum Rate of Interest:	[ ] per cent. per annum
(k)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] *[specify other]* (*See Condition 6 for alternatives*)
17.	Zero Coupon Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Accrual Yield:	[ ] per cent. per annum

	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable:	[ ]
	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365] [*specify other*]
18.	Index Linked Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Index/Formula:	[*give or annex details*]
	(b)	Calculation Agent responsible for calculating the interest due:	[ ]
	(c)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[ ] (*Need to include a description of market disruption or settlement disruption events and adjustment provisions*)
	(d)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(e)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ *specify other*]
	(f)	Additional Business Centre(s):	[ ]
	(g)	Minimum Rate of Interest:	[ ] per cent. per annum
	(h)	Maximum Rate of Interest:	[ ] per cent. per annum
	(i)	Day Count Fraction:	[ ]
19.	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
	(b)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Issuing and Paying Agent):	[ ]
	(c)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[ ]
	(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

20.	Investor Put	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
(c)	Notice period (if other than as set out in the Conditions):	[ ] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*
21.	Final Redemption Amount:	[ ] per Calculation Amount
22.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[[ ] per Calculation Amount/*specify other*/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]

		(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Bearer Notes.) *[Registered Notes: Registered Global Note ([ ] nominal amount) registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg (specify nominal amounts)]*
24.	Additional Financial Centre(s):	[Not Applicable/*give details*] (*Note that this item relates to the place of payment and not Interest Period end dates to which items 16(c) and 18(f) relate*)
25.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B. a new forms of Temporary Bearer Global Note and/or Permanent Bearer Global Note may be required for Partly Paid issues*]
27.	Details relating to Instalment Notes:	[*Not Applicable*]
	(a) [Instalment Amount(s):	[*give details*]]
	(b) [Instalment Date(s):	[*give details*]]
28.	Permitted Security Interest Date:	[ ] (*See Condition 4*)
29.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

30.	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]

(b)	Stabilising Manager(s) (if any):	[Not Applicable/*give name(s)*]
31.	If non-syndicated, name of relevant Dealer:	[ ]
32.	U.S. Selling Restrictions:	Regulation S Category 1; [TEFRA D/TEFRA not applicable]
33.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

34.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
35.	Delivery:	Delivery [against/free of] payment
36.	Additional Paying Agent(s) (if any):	[ ]

ISIN:	[ ]
Common Code:	[ ]

GENERAL

37.	Use of proceeds:	[ ]
38.	Private Bank Rebate:	[ ]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$300,000,000 Medium Term Note Programme of Indian Renewable Energy Development Agency Limited.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ____
Duly authorised

FORM OF APPLICABLE FINAL TERMS{ TC "Form of Applicable Final Terms" \f C \l "1" **}**

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[*Date*]

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Under the U.S.$300,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Final Terms for the Notes described herein. This document must be read in conjunction with the Offering Circular dated [●] 2017 [as supplemented by the supplement[s] dated [ ] (the **Offering Circular**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Final Terms and the Offering Circular. Copies of the Offering Circular may be obtained from [*address*].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular [dated [●] 2017 [and the supplement dated [*date*]] which are incorporated by reference in the Offering Circular].

1.	Issuer:		[ ]
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [ ]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal

			Amount [plus accrued interest from [ ]]
6.	(a)	Specified Denominations:	[ ]
	(b)	Calculation Amount (in relation to calculation of interest in global form see Conditions):	[ ]
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[/Issue Date/Not Applicable]
8.	Maturity Date:		[/Interest Payment Date falling in or nearest to [ ]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [ ] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] (further particulars specified below)
10.	Redemption/Payment Basis:		[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment]
11.	Change of Interest Basis or Redemption/Payment Basis:		[ ][Not Applicable]
12.	Put Options:		[Investor Put] [Change of Control Put] [(further particulars specified below)]
13.	(a)	Status of the Notes:	[Senior/[Dated/Perpetual] Subordinated]
	(b)	[Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]]
	(c)	Date regulatory approval/consent for issuance of Notes obtained:	[ ]/[None required]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date

	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[ ] per Calculation Amount
	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)]
	(f)	[Determination Date(s):	[[ ] in each year][Not Applicable]
	(g)	[Ratings Step-up/Step-down:	[Applicable/Not Applicable]
	(h)	Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes:	[None/]
15.	Floating Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
	(f)	Screen Rate Determination:	
		• Reference Rate:	[ ] month [LIBOR/EURIBOR]
		• Interest Determination Date(s):	[ ]
		• Relevant Screen Page:	[ ]

	(g)	ISDA Determination:	
		• Floating Rate Option:	[ ]
		• Designated Maturity:	[ ]
		• Reset Date:	[ ]
	(h)	Margin(s):	[+/-] [ ] per cent. per annum
	(i)	Minimum Rate of Interest:	[ ] per cent. per annum
	(j)	Maximum Rate of Interest:	[ ] per cent. per annum
	(k)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA)
	(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions:	[ ]
16.	Zero Coupon Note Provisions		[Applicable/Not Applicable]
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes:	[ ]
	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
17.	Index Linked Interest Note		Not Applicable
18.	Dual Currency Interest Note Provisions		Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Notice periods for Condition 7.2– *Redemption for tax reasons*:	Minimum period: [30] days Maximum period: [60] days

20.	Investor Put:	[Applicable/Not Applicable]
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/see Appendix]
	(c) Notice periods:	Minimum period: [15] days Maximum period: [30] days
21.	Final Redemption Amount:	[[ ] per Calculation Amount/see Appendix]
22.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required]):	[[ ] per Calculation Amount /see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	
	Form:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Registered Notes: Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]
24.	Additional Financial Centre(s):	[Not Applicable/]
25.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any	[Not Applicable/]

right of the Issuer to forfeit the Notes and interest due on late payment.

27.	Details relating to Instalment Notes:	[Applicable/Not Applicable]
	(a) Instalment Amount(s):	[ ]
	(b) Instalment Date(s):	[ ]
28.	Permitted Security Interest Date:	[ ] (*See Condition 4*)
29.	Other terms or special conditions:	[Not Applicable/]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms. [[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Indian Renewable Energy Development Agency Limited:

By: ....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

(i)	Listing and Admission to Trading:....................................	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [the ISM of the London Stock Exchange] [the SGX-ST] [other] with effect from [ ].] [Not Applicable]
(ii)	Estimate of total expenses related to Admission to Trading:.............	[ ]

2. RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated [ ] by [ ].

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business]

4. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[ ]

5. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/]
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/]
(iv)	If non-syndicated, name of	[Not Applicable/]

		relevant Dealer:	
	(v)	U.S. Selling Restrictions:	Reg. S Compliance Category 1; [TEFRA D/TEFRA C/TEFRA not applicable]
	(vi)	Additional selling restrictions:	[Not Applicable/]

6. GENERAL

	(i)	Use of proceeds:	[ ]
	(ii)	Private Bank Rebate:	[ ]

TERMS AND CONDITIONS OF THE NOTES{ TC "Terms and Conditions of the Notes" \f C \l "1" }

The following, subject to alteration and except for the paragraphs in italics, are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Indian Renewable Energy Development Agency Limited (the **Issuer**) and constituted by a Trust Deed (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated [9] May 2017 made between the Issuer and Bondholders, S.L. (the **Trustee** which expression shall include any successor as Trustee).

References herein to the Notes shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note (a **Global Note**), units of the lowest Specified Denomination in the Specified Currency;

(ii) any Global Note in bearer form (a **Bearer Global Note**);

(iii) any Global Note in registered form (a **Registered Global Note**);

(iv) definitive Notes in bearer form (**Definitive Bearer Notes**, and together with Bearer Global Notes, the **Bearer Notes**) issued in exchange for a Bearer Global Note; and

(v) definitive Notes in registered form (**Definitive Registered Notes**, and together with Registered Global Notes, the **Registered Notes**), whether or not issued in exchange for a Registered Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 10 May 2017 and made between the Issuer, the Trustee, Standard Chartered Bank (Hong Kong) Limited as issuing and paying agent and agent bank (the Issuing and Paying Agent, which expression shall include any successor issuing and paying agent) and the other paying agents named therein (together with the Issuing and Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and Standard Chartered Bank, Singapore Branch as transfer agent (the **Transfer Agent**, which expression shall include any substitute or any additional transfer agents appointed in accordance with the Agency Agreement) and as registrar (the **Registrar**, which expression shall include any successor registrar and together with the Paying Agents and Transfer Agents, the **Agents**).

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions (**Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note or the **applicable Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose names the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and Series means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions which are the same in all respects save for the amount and date of first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee (being, at Avenida Francia 17 A1, Valencia, Spain) and at the specified office of the Issuing and Paying Agent and the other Paying Agents. Copies of the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)are obtainable during normal business hours at the specified office of the Issuing and Paying Agent and the corporate office of the Issuer save that, if this Note is an unlisted Note of any Series, the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed and the Agency Agreement or used in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes may be in bearer form (**Bearer Notes**) and/or in registered form (**Registered Notes**) as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)and, in the case of definitive Notes, will be serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**), specified in the Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes). Save as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), which Interest Basis shall be as per the applicable laws including but not limited to the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations 2000 and circulars issued thereunder by the Reserve Bank of India (the **RBI**) including the Master Direction on External Commercial Borrowing, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated 1 January 2016, as amended and the Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated 1 January 2016, as amended from time to time (the **ECB Guidelines**)..

This Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

Any Index Linked Interest Note, Dual Currency Interest Note, Index Linked Redemption Note, Dual Currency Redemption Note or Partly Paid Note, if listed, will not be listed on the Professional Securities Market of the London Stock Exchange.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee, the Issuing and Paying Agent, any Paying Agent, the Registrar and the Transfer Agent will (except as otherwise ordered by a court of competent jurisdiction or required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held by a common depositary on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, any Paying Agents, the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer or registered holder of the relevant Global Note shall be treated by the Issuer, the Trustee, any Paying Agent, the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes, as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)or as may otherwise be approved by the Issuer, the Trustee and the Issuing and Paying Agent.

2. TRANSFERS OF REGISTERED NOTES

2.1 Maintenance of the Register

A register of Notes (the **Register**) shall be maintained, which shall include the aggregate principal amount, serial numbers and dates of issue of Registered Notes, the names and addresses of the initial holders thereof and the dates of all transfers to, and the names and addresses of, all subsequent holders thereof, all cancellations of the Notes and all replacements of Notes. The Issuer shall have the right to obtain such records of the Register and the Issuer shall provide the same to the relevant authorities in India from time to time where required by such authorities.

2.2 Transfers of Interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

2.3 Transfers of Registered Notes Generally

Registered Notes may not be exchanged for Bearer Notes and vice versa.

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)). In order to effect any such transfer: (i) the holder or holders must (a) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer, the Trustee, the Registrar, or as the case may be, the relevant Transfer Agent from time to time may prescribe (such initial regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.4 Registration of Transfer upon Partial Redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or a part Registered Note, called for partial redemption.

2.5 Costs of Registration

Registration of transfers will be effected without charge by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it provided that the Issuer shall not be responsible for any documentary stamp tax payable on the transfer of Notes effected in the Republic of India (India) unless the Issuer is the counterparty directly liable for that documentary stamp tax.

3. STATUS

The Notes and any relative Receipts and Coupons are direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject to the provisions of Condition 4) rank and will rank pari passu, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will ensure that no Relevant Indebtedness (as defined below) of the Issuer or any of its Material Subsidiaries (as defined below) will be secured by any Security Interest (as defined below) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Material Subsidiaries unless the Issuer, in the case of the creation of Permitted Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (which is defined in the Trust Deed as a resolution duly passed by a majority of not less than three-fourths of the votes cast thereon) of the Noteholders.

4.2 Interpretation

For the purposes of these Conditions:

(a) **Indebtedness** means any obligation (whether present or future, actual or contingent, secured or unsecured, as principal or surety or otherwise) for the payment or repayment of money;

(b) **Material Subsidiary** means at any time a Subsidiary of the Issuer:

(i) whose net profit before tax and extraordinary items (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than five per cent. of the consolidated net profit before tax and extraordinary items of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that:

(A) if the then latest audited consolidated accounts of the Issuer and its Subsidiaries show a net loss before tax and extraordinary items for the relevant financial period then there shall be substituted for the words "net profit before tax and extraordinary items" the words "total income" for the purposes of this definition; and

(B) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (ii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (i) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate net profit before tax and extraordinary items equal to) not less than five per cent. of the consolidated net profit before tax and extraordinary items of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than five per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (i) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate net profit before tax and extraordinary items equal to) not less than five per cent. of the consolidated net profit before tax and extraordinary items of the Issuer, or its assets represent (or, in the case aforesaid, are equal to) not less than five per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (i) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (iii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (i) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

(c) **Permitted Security Interest** means:

(i) any Security Interest existing as at the permitted security interest date (the **Permitted Security Interest Date**) specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) and disclosed in writing in a letter dated on or before the Permitted Security Interest Date from the Issuer and which secures only Relevant Indebtedness outstanding as at the Permitted Security Interest Date;

(ii) any Security Interest securing any Indebtedness denominated in Rupees and obtained in the domestic markets in India;

(iii) any Security Interest securing any Indebtedness denominated in a currency other than Rupees and obtained solely from any international funding agency, governmental trade or export credit agency, government owned international financial institution, multilateral development finance institution, international development institution or development finance institution;

(iv) any Security Interest securing any Indebtedness denominated in any currency and due for repayment within 12 months from the date of incurring such Indebtedness, and in respect of which no commitment, obligations or arrangement exists to renew, rollover, refinance or otherwise extend the term of such Indebtedness;

(v) any lien arising by operation of law and in the ordinary course of its trading activities in respect of any obligation which is less than thirty (30) days overdue or is being contested in good faith and by appropriate means;

(vi) any Security Interest securing Indebtedness which does not at any time exceed an aggregate amount of one hundred million U.S. dollars (US$100,000,000) (or its equivalent in other currencies) provided however that such Indebtedness is raised by a Subsidiary (other than a Material Subsidiary) and which is without any recourse to the Issuer; and

(vii) any Security Interest that has been approved by the Noteholders giving prior written consent to the Issuer (such consent not to be unreasonably withheld);

(d) **Relevant Indebtedness** means any present or future indebtedness in the form of, or represented by, bonds, debentures or other debt securities which are for the time being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter market, in each case outside India, and having an original maturity of more than one year from its date of issue payable or optionally payable in a currency other than Rupees or which are denominated in Rupees and more than 50 per cent. of the aggregate principal amount of which is initially distributed outside India by or with the authority of the Issuer;

(e) **Security Interest** means any mortgage, charge, pledge, lien or other security interest; and

(f) **Subsidiary** means, in relation to the Issuer, any company (i) in which the Issuer holds a majority of the voting rights or (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

5. INTEREST

All interest payable on the Notes shall be subject to applicable laws including but not limited to the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations 2000 and circulars issued thereunder by the RBI including the ECB Guidelines and in accordance with any specific approval received by the Issuer from the RBI or any other regulatory authority.

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the nominal amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), interest is required to be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Each Fixed Rate Note shall have an interest rate which shall be in accordance with Indian regulatory requirements (including but not limited to the ECB Guidelines) or any specific approval received by the Issuer from the RBI or any other regulatory authority.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

(a) if **Actual/Actual (ICMA)** is specified in the applicable Pricing Supplement:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if **30/360** is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; or

(c) if **Actual/365 (Fixed)** is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the actual number of days in the Accrual Period divided by 365.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes); or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes). The Rate of Interest shall be in accordance with Indian regulatory requirements (including the ECB Guidelines) or any specific approval received by the Issuer from the RBI or any other regulatory authority.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)t) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Issuing and Paying Agent under an interest rate swap transaction if the Issuing and Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as of the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes);

(B) the Designated Maturity is a period specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes); and

(C) the relevant Reset Date is the day specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

For the purposes of this sub-paragraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as of 11.00 a.m. (London time, in case of LIBOR, or Brussels, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)) the Margin (if any), all as determined by the Issuing and Paying Agent or such other party specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Issuing and Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

With respect to Exempt Notes, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as of the time specified in the preceding paragraph.

(c) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

The Rate of Interest shall not exceed the rate of interest as specified under the ECB Guidelines or any specific approval received by the Issuer from the RBI or any other regulatory authority.

(d) Determination of Rate of Interest and Calculation of Interest Amounts

The Issuing and Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Issuing and Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. If required to be calculated by it, the Issuing and Paying Agent or, as the case may be, the Calculation Agent shall cause the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and the rules of such stock exchange or other relevant authority so require, such stock exchange or other relevant authority as soon as practicable after calculating the same.

The Issuing and Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Each Floating Rate Note or Index Linked Interest Note shall have an interest rate which shall be in accordance with Indian regulatory requirements (including but not limited to the ECB Guidelines) or any specific approval received by the Issuer from the RBI or any other regulatory authority.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

(i) if **Actual/Actual (ISDA)** or **Actual/Actual** is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if **Actual/365 (Fixed)** is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the actual number of days in the Interest Period divided by 365;

(iii) if **Actual/365 (Sterling)** is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if **Actual/360** is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the actual number of days in the Interest Period divided by 360;

(v) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

(vii) if **30E/360 (ISDA)** is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Issuing and Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on whih the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(f) Determination or Calculation by Trustee

If for any reason at any relevant time the Issuing and Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Issuing and Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with sub-paragraph (b)(i) or subparagraph (b)(ii) above or as otherwise specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), as the case may be, and in each case in accordance with paragraph (d) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Issuing and Paying Agent or the Calculation Agent, as applicable.

(g) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Issuing and Paying Agent or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Trustee, the Issuing and Paying Agent, the Registrar, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Issuing and Paying Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

Each Dual Currency Interest Note shall have an interest rate which shall be in accordance with Indian regulatory requirements (including but not limited to the ECB Guidelines) or any specific approval received by the Issuer from the RBI or any other regulatory authority.

5.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

Each Partly Paid Note shall have an interest rate which shall be in accordance with Indian regulatory requirements (including but not limited to the ECB Guidelines) or any specific approval received by the Issuer from the RBI or any other regulatory authority.

5.5 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from and including the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) as provided in the Trust Deed.

5.6 Definitions

In these Conditions, if a Business Day Convention is specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes);

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and

(c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System or any successor system is open.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland); and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

6.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America and its possessions).

Payments of Instalment Amounts (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

6.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a Business Day) before the relevant due date (the **Record Date**). Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Trustee, or the Registrar or any Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer in respect of such Global Note to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States only if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) in the case of Notes in definitive form only, the relevant place of presentation; and

(ii) any Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes); and

(iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes), a day on which the TARGET2 System is open; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

6.7 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.4); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6.8 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases, to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 8, in the place of payment, (ii) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the Code); and (iii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Section 1471 through 1474 of the Code, any regulation or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

7. REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes)in the relevant Specified Currency on the Maturity Date.

7.2 Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Notes are neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Note) or on any Interest Payment Date (if the Notes are either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Issuing and Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes for such Series; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee to make available at its specified office (during the hours of 9:30 am to 3 pm, Mondays to Fridays (except public holidays)) to the Noteholders (1) a certificate signed by an authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.4 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

*ECB Guidelines require the Issuer to obtain the prior approval of the RBI or designated authorised dealer bank appointed in accordance with the ECB Guidelines (**AD Bank**), as the case may be, before providing notice for or effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.*

7.3 Redemption upon Change of Control

Within 15 days following any Change in Control, the Issuer will give notice to the Noteholders, the Trustee and the Issuing and Paying Agent in accordance with Condition 14 stating that a Change in Control has occurred.

Following the occurrence of a Change in Control, each Noteholder will have the right to require the Issuer to redeem any of the Notes held by such Noteholder at their principal amount outstanding together with interest (including additional amounts pursuant to Condition 8 if any) accrued to (but excluding) the date of redemption.

To exercise the right to require redemption of any Notes, the holder of the Notes must deliver such Notes at the specified office of any Paying Agent, in the case of Bearer Notes, or of any Transfer Agent or the Registrar, in the case of Registered Notes, on any business day (being, in relation to any place, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in that place) at the place of such specified office falling within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current and which may, if this Note is held in a clearing system, be any form acceptable to the clearing system delivered in a manner acceptable to the clearing system) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this paragraph accompanied by such Notes or evidence satisfactory to the relevant Paying Agent, Transfer Agent or the Registrar, as the case may be, that such Notes will, following the delivery of the Put Notice, be held to its order or under its control.

Subject to the receipt of RBI approvals, the Issuer is obliged to redeem any such Notes on the first business day in the place where such redemption notice is deposited falling 30 days after such deposit.

A Put Notice given by a holder of any Note shall be irrevocable and no Note deposited with a Paying Agent, Transfer Agent or the Registrar pursuant to this Condition 7.3 may be withdrawn without the prior written consent of the Issuer.

The right of any Noteholder to require the Issuer to redeem any Note upon a Change in Control is not conditional upon a Change in Control notice having been given by the Issuer, but will, if such notice is given by the Issuer, be exercised by such Noteholder within 45 days of the giving of such notice.

A **Change in Control** will have occurred if the Government of India will at any time cease to own, directly or indirectly, more than 50 per cent. of the voting securities of the Issuer.

In this Condition 7.3, **voting securities** means stock (or equivalent interests) having voting power for the election of directors, commissioners, managers or trustees of a company (or otherwise the power to control the management and policies of such corporation or other entity).

ECB Guidelines require the Issuer to obtain the prior approval of the RBI or the AD Bank, as the case may be, before providing notice for or effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

7.4 Early Redemption Amounts

For the purpose of Conditions 7.2 and 7.3 above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1+AY)^{y}$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365),

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

7.5 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.4 above.

7.6 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

7.7 Purchases

The Issuer or any Subsidiary (as defined in the Trust Deed) of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer surrendered to any Paying Agent and/or the Registrar for cancellation.

7.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.7 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent (which shall notify the Registrar of such cancelled Notes in the case of Registered Notes) and may not be reissued or resold.

7.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 7.1, 7.2 or 7.3 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.4(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Trustee or the Issuing and Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

8.1 Payment without Withholding

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction (the **Additional Amounts**); except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an Additional Amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6); or

(c) presented for payment by or on behalf of a holder of such Note, Receipt or Coupon who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim; or

(d) where such withholding or deduction is required pursuant to (i) Section 871(m) of the Code or (ii) agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Section 1471 through 1474 of the Code, any regulation or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

Any payments made by the Issuer are required to be within the all-in-cost ceilings prescribed under the ECB Guidelines and in accordance with any specific approvals from the RBI in this regard.

8.2 Interpretation

As used herein:

(i) **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Issuing and Paying Agent or, as the case may be, the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14; and

(ii) **Tax Jurisdiction** means India or any political subdivision or any authority thereof or therein having power to tax in respect of payments made by the Issuer of principal and interest in respect of the Notes, Receipts and Coupons.

9. PRESCRIPTION

The Notes (whether bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of seven years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly, subject to receipt of prior RBI or AD Bank approval, as the case may be, forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events (**Events of Default**):

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(c) if (i) any Indebtedness for Borrowed Money of the Issuer or any of its Subsidiaries becomes capable of being declared due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment; (iii) any security given by the Issuer or any of its Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this subparagraph 110.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least U.S.$100,000,000 (or its equivalent in any other currency); or

(d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any of its Subsidiaries, save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

(e) if the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, or the Issuer or any of its Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) if (i) proceedings are initiated against the Issuer or any of its Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Subsidiaries or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company is not discharged within 30 days; or

(g) if the Issuer or any of its Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(h) if any government authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer or any of its Subsidiaries without fair compensation; or

(i) if at any time the Government of India ceases to own (directly or indirectly) more than 50.0 per cent. of the voting securities of the Issuer; or

(j) a moratorium (which expression shall not include any deferral of principal originally contemplated and made in accordance with the terms of any loan or other financing related agreement) is agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money (including any obligations arising under guarantees) of the Issuer or any of its Subsidiaries; or

(k) if the Issuer or any of its Subsidiaries is or becomes entitled or subject to, or is declared by law or otherwise to be protected by, immunity (sovereign or otherwise) and Condition 17.4 is held to be invalid or unenforceable; or

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; or

(m) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in subparagraphs (d) to (h) inclusive, (k) and (l).

ECB Guidelines require the Issuer to obtain the prior approval of the RBI or the AD Bank, as the case may be, before effecting a redemption of Notes prior to their stated maturity even in case of an event of default and such approval may not be forthcoming.

10.2 Enforcement

Notwithstanding the provisions of Condition 15 requiring the Trustee to convene a meeting of Noteholders on the occurrence of an Event of Default or Potential Event of Default, the Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least 25 per cent. in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and relevant stock exchange regulations at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Issuing and Paying Agent may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. PAYING AGENTS, REGISTRAR AND TRANSFER AGENTS

The names of the initial Paying Agents, the initial Registrar and the other initial Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled, after consultation with the Trustee, to vary or terminate the appointment of the Issuing and Paying Agent, Paying Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Registrar or Transfer Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be the Issuing and Paying Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Issuing and Paying Agent, and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and

(c) so long as the Notes are listed on the SGX-ST, if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore unless the Issuer obtains an exemption from the SGX-ST.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Notice of any variation, termination, appointment or change in Paying Agents will be given promptly to the Noteholders by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents, Registrar and the Transfer Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

Notices to holders of Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by air mail to them at their respective addresses as recorded in the Register and will be deemed to have been validly given on the fourth day after the date of such mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading daily newspaper of general circulation in Asia or such other English language daily newspaper with general circulation in Asia as the Trustee may approve. It is expected that such publication will be made in the *Asian Wall Street Journal*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If, in the opinion of the Trustee, publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery by electronic mail of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Issuing and Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Issuing and Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 14.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and the Trustee (subject in each of the instances referenced below to it being indemnified and/or secured and/or prefunded to its satisfaction) shall upon (a) a request in writing of one or more Noteholders holding not less than one-tenth of the nominal amount of the Notes for the time being outstanding; or (b) the receipt of notice from the Issuer pursuant to Clause 13(vi) of the Trust Deed of the occurrence of an Event of Default or a Potential Event of Default, convene a meeting of the Noteholders for the purpose of obtaining instructions from the Noteholders as to the actions (if any) to take in connection with the matters in respect of which the Noteholders have requested a meeting or such Event of Default or Potential Event of Default in a manner more specifically provided in the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons or the Trust Deed (including, *inter alia*, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest or proven error. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders by the Issuer in accordance with Condition 14 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of any Subsidiary, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (b) the Trustee being satisfied that the interests of the Noteholders are not materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

Any such modification, waiver, authorisation, determination or substitution shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, any such modification or substitution shall be promptly notified to Noteholders by the Issuer in accordance with Condition 14.

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Repatriation of proceeds outside India by the Issuer under an indemnity clause may require the prior approval of the RBI.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

19.2 Submission to jurisdiction

(a) Subject to Condition 19.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and/or the Coupons (a **Dispute**) and accordingly each of the Issuer, the Trustee, any Noteholders, Receiptholders or Couponholders in relation to any Disputes submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 19.2, the Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

The Issuer irrevocably appoints Bank Of India, London Branch at its registered office at 4th Floor, 63 Queen Victoria Street, London EC4N 4UA United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Bank Of India, London Branch being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

19.4 Waiver of Immunity

To the fullest extent permitted by law, the Issuer irrevocably and unconditionally:

(a) submits to the jurisdiction of the English courts in relation to any Dispute and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the English courts in relation to any Dispute (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf;

(b) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of any other jurisdiction in relation to any Dispute and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the English courts or the courts of any other jurisdiction in relation to the recognition of any such judgment or court order and agrees to ensure that no such claim is made on its behalf; and

(c) consents to the enforcement of any order or judgment made or given in connection with any Dispute and the giving of any relief in the English courts and the courts of any other jurisdiction whether before or after final judgment including, without limitation: (i) relief by way of interim or final injunction or order for specific performance or recovery of any property; (ii) attachment of its assets; and (iii) enforcement or execution against any property, revenues or other assets whatsoever (irrespective of their use or intended use) and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the English courts or the courts of any other jurisdiction in relation to such enforcement and the giving of such relief (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf.

USE OF PROCEEDS{ TC "Use of Proceeds" \f C \l "1" }

The net proceeds from each issue of Notes will be applied by us to finance/refinance of renewable energy or energy efficiency projects, setting up of IREDA's 50 MW solar project in India and other operating activities in accordance with all applicable laws.

If, in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

CAPITALISATION{ TC "Capitalisation" \f C \l "1" }

The following table sets forth our unaudited non-consolidated indebtedness and capitalisation as of 30 September 2016. This table should be read in conjunction with our audited non-consolidated financial statements as of 30 September 2016 and the schedules and notes presented elsewhere herein.

	As of 30 September 2016	
	(Rs. in million)	**(U.S.$ in million)[2]**
Debt:		
Current liabilities[1]		
- Short-term borrowings	4,237.63	63.57
- Other current liabilities	4,952.26	74.29
- Short-term provisions	1,231.71	18.48
Total current liabilities	10,421.60	156.34
Non-current liabilities		
- Long-term borrowings	103,422.36	1,551.50
- Deferred tax liabilities (net)	Nil	Nil
- Other long-term liabilities (net)	3,246.69	48.71
- Long-term provisions	344.55	5.17
Total non-current liabilities	107,013.60	1,605.37
Shareholders' funds:		
- Share capital[3]	7,846.00	117.70
- Reserves and surplus	16,561.24	248.44
Total capital and reserves	24,407.24	366.15

Our contingent liabilities as of 30 September 2016 amounted to Rs.746.83 million.

Notes:

(1) Current liabilities includes short term borrowings maturing within the twelve months following 30 September 2016.

(2) U.S. dollar translations have been made using the exchange rate of U.S.$ 1.00 = 66.6596 as of 30 September 2016, based on the reference rate of the RBI prevailing at that date.

(3) As of 30 September 2016, our authorised capital was Rs.60,000 million comprising 60 million ordinary shares of Rs.1,000 each, of which 7,846 million shares were issued.

(4) There has been no significant change to our total consolidated capitalisation, except that foreign exchange indebtedness increased by Rs.10,209.19 million since 30 September 2016 to 23 March 2017.

RISK FACTORS{ TC "Risk Factors" \f C \l "1" }

Each investor should carefully consider the following risk factors as well as the other information contained in this Offering Circular and any pricing supplement prior to making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of our Company and the terms of the offering of the Notes, including the merits and risks involved. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to our Company or factors that we currently deem immaterial may also adversely affect our business, financial condition and results of operations. The market price of the Notes could decline due to any one or more of these risks or such factors and all or part of an investment in the Notes could be lost.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Inherent risks in financing towards projects and schemes for generating electricity and energy through renewable sources, to the extent they materialise, could adversely affect our business and result in our loans and investments declining in value.

Our business mainly comprises financing to specific projects and schemes for generating energy through non-conventional and renewable material and sources in order to promote and develop new and renewable and non-conventional sources of energy. Energy sector projects carry project-specific as well as general risks. The risks related to such a sector are generally out of our control and include:

- political, regulatory, fiscal, monetary, legal actions and policies that may adversely affect the viability of projects to which we lend;
- the fact that renewable energy projects are intermittent, seasonal and prone to vagaries of nature;
- changes in governmental and regulatory policies relating to the energy sector;
- delays in the construction and operation of projects to which we lend;
- adverse changes in demand for, or the price of, energy generated or distributed by the projects to which we lend;
- the willingness and ability of consumers to pay for the energy produced by projects to which we lend;
- increased project costs due to environmental challenges and changes in environmental regulations;
- potential defaults under financing arrangements of project companies and their equity investors;
- failure of co-lenders with us under consortium lending arrangements to perform on their contractual obligations;
- failure of third parties such as contractors, sub-contractors and others to perform on their contractual obligations in respect of projects to which we lend;
- adverse developments in the overall economic environment in India;
- adverse fluctuations in interest rates or currency exchange rates; and

- economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve.

To the extent these or other risks relating to the power projects we finance materialise, the quality of our asset portfolio, and in turn our profitability, may be adversely affected.

We have in the past had certain non-compliances with the terms of the Debt Listing Agreement that we have entered into with the BSE and NSE (together, the Stock Exchanges) for listing of our public and/or privately placed debt securities.

Our debt securities are listed on the Stock Exchanges. We have entered into the Debt Listing Agreement with the Stock Exchanges for listing of our public and privately placed debt securities. In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**) and Debt Listing Agreement (as may be applicable), we are required to make periodic filings and disclosure to the Stock Exchanges. Although we have been making periodic disclosure to the holders of our debt securities listed on the Stock Exchanges, there have been some delays in meeting the stipulated time period as required under the Debt Listing Agreement (as applicable earlier) and the SEBI Listing Regulations with regard to an auditor's certificate confirming compliance with certain financial covenants. We have always provided this certificate but due to the time needed for the auditor to compile and review the information required to furnish this specific certificate, it has in the past been provided after the applicable deadline. However, as of the date of this Offering Circular, we have not received any notices or penalties from the Stock Exchanges or SEBI to show cause as to why we have not complied with the terms of the Debt Listing Agreement and the SEBI Listing Regulations.

While we will take adequate measures to comply with the Listing Regulations in the future, we cannot assure you that we will be able to immediately comply with all the requirements of the Listing Regulations. There can be no assurance that the Stock Exchanges or SEBI will not take any regulatory action against us for past non-compliance of the provisions of the Debt Listing Agreement. The requirement for compliance with such applicable regulations presents a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, if the interpretations of the regulators and authorities are different, or we may be subject to penalties and our business could be adversely affected. Further, to ensure compliance with the requirements of the Listing Regulations, it may need to allocate additional resources, which may increase its regulatory compliance costs and divert management attention. In the instance any regulatory action is taken against us, this may have an adverse effect on our business, results of operations and financial condition. For further details in relation to the Listing Regulations, see the section titled "*Regulations and Policies*" on page 156 of this Offering Circular.

If the RBI provisioning norms become applicable to us and if the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected.

In the past, our gross and net NPAs have been as follows:

	Gross NPA as percentage of total loans	Net NPA as percentage of total loans
As of 30 September 2016.....	4.72	3.49
As of 31 March 2016...........	5.71	4.32
As of 31 March 2015...........	5.34	4.16

Being a wholly-owned non-banking financing company by the Government, our Company is exempt from prudential norms as prescribed by the RBI. However, we have made provisioning in terms of prudential norms as approved by the Board in accordance with the internal policy of our Company. If the RBI provisioning norms become applicable to us, our level of NPAs and provisions with respect thereto could be higher. If we are not able to prevent increases in our level of NPAs, our business and our future financial condition could be adversely affected.

Our Company has received a qualification in the auditors' reports on our Company's financial statements for the six month period ended 30 September 2016.

We have received the following qualifications for the six months period ended 30 September 2016:

Interest income includes Rs.154.76 million being interest recognised on Non-Performing accounts (**NPAs**) without the same being received. Further, we did not make provision for Non-Performing accounts amounting to Rs.98.43 million on such accounts without their respective performance being in accordance with the prescribed guidelines. The auditor contends that our entitlement to refinance from National Clean Energy Fund instituted by Ministry of New and Renewable Energy, Government of India, in such cases enable them to treat such loans and income differently. In the auditor's opinion, the recognition of such interest and not making of provisions is not in accordance with income recognition norms as applicable to the company in respect of NPA loans.

As a consequence to the foregoing, the profit before tax for the period of six months ended 30 September 2016, shown at Rs.2093.84 million would have been Rs.1840.65 million and the Long Term Loans and advances would have been lower by Rs.154.76 million and Provision for Bad and doubtful advances would have been higher by Rs. 98.43 million.

In response to the above-mentioned qualification, we have taken remedial measures which are sufficient to avoid this happening again. However, we cannot assure you that our auditors will not qualify their audit reports on the audited financial statements in the future. Any qualifications in our auditors' reports in the future may impact our results of operations. For further details see our financial statements included in this Offering Circular.

We may not be able to recover, or there may be a delay in recovering, the expected value from security and collateral for our loans, which may affect our financial condition.

Although we endeavour to obtain adequate security or implement quasi-security arrangements in connection with our loans, we have not obtained collateral for certain loans. In addition, in connection with certain of our loans, we have been able to obtain only partial security or have made disbursements prior to adequate security having been created or perfected. There can be no assurance that any security or collateral that we have obtained will be adequate to cover repayment of our loans or interest payments thereon or that we will be able to recover the expected value of such security or collateral in a timely manner, or at all. As of 30 September 2016, our outstanding loans (advances) were Rs.119,473 million.

Our loans are typically secured by various movable and immovable assets and/or other collateral. We seek a first ranking *pari-passu* charge on the relevant project assets for loans extended on a senior basis. In addition, some of our loans may relate to imperfect security packages. The value of certain kinds of assets may decline due to operational risks that are inherent to power sector projects, the nature of the asset secured in our favour and any adverse market or economic conditions in India or globally. The value of the security or collateral obtained may also decline due to an imperfection in the title or difficulty in locating movable assets. Although some parts of legislations in India provide for various rights of creditors for the effective realisation of collateral in the event of default, there can be no assurance that we will be able to enforce such rights in a timely manner, or at all. Furthermore, inadequate security documentation or imperfection in title to security or collateral, requirement of regulatory approvals for enforcement of security or collateral, or fraudulent transfers by borrowers may cause delays in enforcing such securities.

Furthermore, certain of our loans have been granted as part of a syndicate and joint recovery action implemented by a consortium of lenders may be susceptible to delay or not on favourable terms to us. In this regard, the RBI has also developed a corporate debt restructuring process to enable timely and transparent debt restructuring of corporate entities. The applicable RBI guidelines contemplate that, in the case of indebtedness aggregating Rs.100 million or more, lenders for more than 75 per cent. of such indebtedness by value and 60 per cent. by number may determine the restructuring of such indebtedness, and such determination shall be binding on the remaining lenders. In circumstances where other lenders account for such indebtedness by value and number and are entitled to determine the restructuring of the indebtedness of any of our borrowers, we may be required by such other lenders to agree to such debt restructuring, irrespective of our preferred mode of settlement of our loan to such borrower. Any such debt restructuring could lead to an unexpected loss that could adversely affect our business, financial condition or results of operations.

As a financial institution focused towards financing of renewable energy and energy efficiency, we have received certain grants and tax benefits and our borrowers have received certain tax benefits, subsidies and incentives in the past. We cannot assure you that such grants, benefits, subsidies and incentives will be available to us and/or our borrowers in the future, which may have an adverse effect on our business, profits, results of operations and financial condition.

We provide finance towards promotion and development of renewable sources of energy and have benefited from certain tax regulations and incentives that accord favourable treatment towards such sector. Furthermore, our Company is also eligible for certain tax benefits and incentives as a "Public Financial Institution", as defined under Section 2(72) of the Companies Act, 2013. As a consequence, our operations have been subject to relatively low tax liabilities. We cannot assure you that we would continue to be eligible for such lower taxes or any other benefits. In addition, it is possible that the draft Direct Tax Code, when notified, could significantly alter the taxation regime, including incentives and benefits, applicable to us. If the laws or regulations regarding the tax benefits applicable to us or the energy sector as a whole were to change, our taxable income and tax liability may increase to that extent, which would adversely affect our financial results. Additionally, if such tax benefits were not available or significantly reduced, renewable energy projects could be considered less attractive which could negatively affect the sector and be detrimental to our business, prospects, results of operations and financial condition.

If the central government or the state government policies are not favourable for renewable energy business, our business will be adversely affected. Furthermore, if the laws or regulations regarding the incentives applicable to the renewable energy sector as a whole were to change, the cost of operation of the projects funded by us may increase to that extent, which may have an adverse effect on our financial results.

Our borrowers' insurance of assets may not be adequate to protect them against all potential losses to which they may be subject, which could affect our ability to recover the loan amounts due to us.

Under our loan agreements, where loans are extended on the basis of charge on assets, our borrowers are required to create a charge on their assets in our favour in the form of a hypothecation, a mortgage or both. In addition, the terms and conditions of the loan agreements require our borrowers to maintain insurance against damage caused by any disasters including floods, fires and earthquakes or theft on their charged assets as collateral against the loan granted by us. However, in certain cases, our borrowers may not have the required insurance coverage, they have not renewed the insurance policies or the amount of insurance coverage may be less than the replacement costs of all covered property and is therefore insufficient to cover all financial losses that our borrowers may suffer. In the event the assets charged in our favour are damaged due to reasons, including among others, floods, fires and earthquakes, it may affect our ability to recover the loan amounts due to us.

We are affected by volatility in interest rates for our lending operations as well as the rates at which our Company borrows from banks and/or financial institutions, which could adversely affect our return on assets and profitability.

Our business depends on interest income from our loans and advances made by us and the interest rates at which we borrow from banks and/or financial institutions. Accordingly, we are affected by volatility in interest rates in our borrowing and lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Furthermore, the rise in inflation and consequent fluctuation in interest rates, repo rates (the rates at which the RBI lends to commercial banks) and reverse repo rates (the rates at which the RBI borrows from commercial banks) by the RBI has led to revision in the interest rates on loans provided by banks and financial institutions. Due to these factors, interest rates in India have experienced a relatively high degree of volatility.

Our net interest margins are determined by the cost of our funding relative to the pricing of our loan products. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control. In the event we were to suffer a decline in net interest margins, we would be required to increase our lending activity in order to maintain our profitability. However, there can be no assurance that we will be able to do so and we may suffer reduced profitability or losses in the event our net interest margins were to decrease, which may adversely affect our business, prospects, results of operations and financial condition.

Our domestic borrowings are usually on fixed interest rate basis and are primarily for a tenure in excess of 10 years. As a result, if interest rates fall, we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors. Although our loan sanctions typically contain an interest reset clause, in the event such reset does not serve to benefit from, or set off, the extent of the interest rate fluctuation, or if we are not able to pass on the increased cost of borrowing to our own borrowers, our net interest income and net interest margin could be adversely impacted.

Furthermore, the majority of the loans taken and provided by us are long-term in nature and the interest rates are subject to periodic resets. When interest rates decline, we may be subject to greater repricing and prepayment risks. During periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to reprice loans. When assets are repriced, the spread on loans, which is the difference between the average yield on loans and the average cost of funds, could be affected. If we reprice loans, our financial results may be adversely affected in the period in which the repricing occurs. To the extent that our Company's borrowers prepay loans, the return on our capital may be impaired as any prepayment premium we receive may not fully compensate us for the redeployment of such funds elsewhere. When interest rates increase, we may be unable to pass on such increase to the borrowers in full by increasing the corresponding borrowing interest rates and increase in the interest rate on reset may also result in the borrowers' prepayment of such loans. Such prepaid loans may not be immediately redeployed by our Company which may result in loss of interest income. Our inability to effectively and efficiently manage such interest rate variations over the duration of the project loans may adversely affect our results of operations and profitability.

If any of our contingent liabilities materialise, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.

As of 30 September 2016 and 31 March 2016, the contingent liabilities of our Company which were not provided for were Rs746.83 million and Rs761.83 million, respectively. Our contingent liabilities include income tax cases pending appeal before the Commissioner of Income Tax (Appeals), claims against our Company in respect of petition filed against us, which were not acknowledged as debt, and counter indemnity against the issue of a bank guarantee as security for the subscription of public issuer of tax free bonds.

If any of our Company's contingent liabilities materialise, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.

We are subject to credit and market risks. If any such risks were to materialise, our credit ratings and our cost of funds could be adversely affected.

Our revenues depend on our ability to efficiently manage our credit and market risks. We are required to identify, and mark-to-market, changes in the value of financial instruments caused by changes in market prices or interest rates. Our earnings depend on the effectiveness of our management of credit quality and risk concentration, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove to be inaccurate or are not predictive of actual results, we could incur higher than anticipated losses.

The successful management of credit, market and operational risk is an important consideration in managing our liquidity risk because it affects the evaluation of our credit ratings by rating agencies. Rating agencies may reduce, or indicate their intention to reduce, the ratings at any time. There can be no assurance that we will not experience any downgrade in our debt ratings in future. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in our ratings. Any reduction in, or withdrawal of, our ratings may increase our borrowing costs, limit our access to capital markets and adversely affect our ability to engage in business transactions, particularly longer term transactions, or retain our customers. This, in turn, could reduce our liquidity and negatively impact our operating results and financial condition.

Although we believe that we have adequate risk management policies and procedures in place, we may still be exposed to unidentified or unanticipated risks, which could lead to material losses and an adverse effect on our business, prospects, results of operations and financial condition. For more information, see "*Business*" on page 112 of this Offering Circular.

Unavailability of financing at commercially acceptable terms, or at all, may adversely affect our liquidity and financial condition.

The liquidity and on-going profitability of our business depend on our timely access to, and the costs associated with raising, resources. Our total finance cost for Fiscal 2016 was Rs.6,680.70 million and comprised 88.34 per cent. of our total expenditure for Fiscal 2016. The total finance cost incurred by our Company as of 30 September 2016 is Rs.4,261.56 million and comprised 84.24 per cent. of our total expenditure. Our borrowings primarily include secured long term bonds and secured and unsecured term loans obtained from various domestic and multilateral and bilateral institutions. We cannot assure you that we would be able to borrow funds at commercially acceptable terms, or at all, in the future. Furthermore, in case the credit rating of debt instruments issued by us is downgraded for any reason in the future, investors and/or lenders may not be willing to invest in our debt instruments at commercially acceptable interest rates, or at all. Therefore, in order to honour our lending commitments, we may be required to avail ourselves of loans at high costs, which may in turn affect our spread on loans and our financial condition. Furthermore, due to our nature and tenure of the loans, it may not be possible for us to pre-pay the existing loans by incurring additional indebtedness without payment of penalty and interest.

Furthermore, an increase in debt would lead to leveraging the balance sheet, thereby exerting pressure on the financial covenants that we are required to maintain under our various loan agreements. In such an event, we cannot assure you that we would continue to be in compliance with our loan agreements conditions in the future. Any future default under a loan agreement may further affect the availability of funding for our Company.

Unavailability of borrowings at commercially acceptable terms, or at all, may adversely affect our capacity to lend in the future and would therefore have an adverse effect on our business, prospects, results of operations and financial condition.

In addition to our Rupee-denominated borrowings and financial activities, we currently have foreign currency borrowings as well as financing activities, which are likely to continue or increase in the future. This will expose us to fluctuations in foreign exchange rates, which could adversely affect our financial condition.

As of 30 September 2016, our Company had foreign currency borrowings of Rs.62,787.57 million. We may seek to obtain additional foreign currency borrowings in the future. We are therefore affected by adverse movements in foreign exchange rates. In recent times, the rupee has depreciated against US$, Euro and JPY and such depreciation has been significantly volatile. If the rupee depreciates against the currencies in which we borrow in, it will result in a higher outflow in relation to the foreign currency denominated loan. Although we have hedged our foreign currency open position in accordance with our Company's approved foreign exchange and derivatives risk management policy, we cannot assure you that such hedges will cover sufficiently, or at all, an increase in foreign currency loans resulting from the depreciation of the rupee against such currencies. Volatility in foreign exchange rates could adversely affect our business, prospects, results of operations and financial condition.

If we are unable to manage our growth effectively, our business, prospects, results of operations and financial condition could be adversely affected.

For Financial Years 2016, 2015 and 2014 and the six month period ended 30 September 2016, our profits before tax was Rs.4,176.23 million, Rs.3,785.75 million, Rs.3,403.07 million, and Rs.2,093.84 million respectively, and our profit after tax was Rs.2980.37 million, Rs.2,719.06 million, Rs.2,405.13 million, and Rs.1,446.79 million, respectively. Our Company's compounded annual growth rate (**CAGR**) over the last three Fiscals of the profit after interest but before tax and profit after tax is 10.78 per cent. and 11.32 per cent., respectively. We seek to continue to grow our business rapidly, which could place significant demands on our operational, credit, financial and other internal risk controls. Rapid growth could expose us to a wide range of increased risks, including business risks, such as the possibility that a number of our loans may become impaired faster than anticipated, as well as operational risks, fraud risks and regulatory and legal risks. Our growth may also exert pressure on our capital adequacy, making management of asset quality increasingly important. Our growth also increases the challenges involved in preserving and improving our internal administrative, technological and physical infrastructure. Addressing the challenges arising from our growth would put significant demands on our management and other resources.

We intend to grow our loan portfolio, income and profits by leveraging on inherent strengths towards providing loans at competitive rates, entering into consortium and/or co-financing with other lenders for financing large size renewable energy projects, by diversifying customer and financial portfolio and maintaining strong asset quality through continued focus on risk management among others.

We cannot assure you that we will be able to sustain our growth or that we will be able to further expand our loan portfolio. As we grow and diversify, we may not be able to implement, manage or execute our strategy efficiently in a timely manner or at all, which could adversely affect our business, prospects, results of operations and financial condition.

The renewable energy sector in general has many challenges and effective addressing of these risks are key to the growth of the sector. In the event that risks in the sector are not managed effectively, the sector growth will suffer and our business and operations will in turn also be adversely affected.

The Ministry of New and Renewable Energy of the Government has set a target of renewable energy capacity addition of 175 GW by 2022, comprising 100 GW solar, 60 GW wind, 10 GW biomass and 5 gW small hydro. Any adverse situation of achieving this target may also affect our business.

The viability of the renewable energy sector is linked to a favourable policy framework and the related fiscal and financial incentives available thereunder. Reduction or withdrawal of these benefits may impact the sector adversely. Issues relating to land availability, grid evacuation, infrastructure, open access permission, grid management problem arising from the variable and intermittent nature of solar and wind power, prolonged project commissioning periods on account of delay in approvals from the state governments due to a lack of single window clearances, large capital outlay, frequent policy changes can affect project viability during the implementation and operational stages, with negative impact on debt servicing capability of our borrowers and in turn will also adversely affect our business and operations.

A separate draft Renewable Energy Act aimed at creating an institutional, economic and policy framework at the national level is under formulation. The act would cover, *inter alia*, critical issues of grid planning, grid operation and grid management, including cost sharing of each of these aspects, as well as also the stipulation and compliance of mandatory national renewable purchase obligation targets. In case of delays and withholding of the formulation of the Act, the business environment of the renewable energy sector may be adversely affected, which would also impact our Company's business.

The poor health of distribution companies (the DISCOMs) often lead to delays in payments and the irregular payment cycles are a major concern for renewable energy projects financed by our Company. This poses a risk which may adversely affect the repayment capability of our borrowers.

The power off-take from the renewable energy projects is largely through long-term power purchase agreements (**PPAs**) with the DISCOMs. However, many of the DISCOMs in India are in poor financial health. This often results in delayed payments to the renewable energy power generators and irregular payment cycles, due to which the working capital and other short term expenses are increased, leading to lower profitability of the renewable energy projects. This may affect the repayment capability of our borrowers and in turn may adversely affect our business and operation.

A decline in our capital adequacy ratio could restrict our future business growth.

We are a non-deposit taking systemically important NBFC and we are required to maintain a capital to risk asset ratio (**CRAR)** of at least 15.0 per cent. in accordance with applicable laws and regulations. Our CRAR was 18.25 per cent. as of 30 September 2016. If we continue to grow our loan portfolio and asset base, we will be required to raise additional tier 1 capital in order to continue to meet applicable capital adequacy ratios. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us and this may adversely affect the growth of our business.

The renewable energy projects for which we have provided, or may in the future provide, financing may be delayed, modified or cancelled, which would adversely affect the ability of our borrowers to repay their loans.

Factors beyond our control or the control of our borrowers may postpone a project or cause its cancellation. Such factors could include delays or failures to obtain necessary environmental and other permits and approvals, rights-of-way, labour disputes and other types of difficulties or obstructions. Any delay, failure or execution difficulty with respect to projects for which we provide financing could materially affect the ability of the borrowers to repay their loans, which would have an adverse effect on our business, prospects, results of operations and financial condition.

We are subject to restrictive covenants under our financing arrangements that could limit our flexibility in managing our business and maintaining the growth of our loan portfolio, which may in turn have a material adverse effect on our business, results of operations and financial condition.

There are restrictive covenants in agreements we have entered into with our lenders. These restrictive covenants require us to intimate and/or seek the prior permission of these lenders for various activities, including, among other things, affecting undertaking any merger, amalgamation, and/or restructuring, utilising loans for purposes other than those set out in the financing agreement, effecting any amendments in our Company's Memorandum and Articles.

Such financing agreements may also require us to maintain certain financial ratios. In the event of any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, financing arrangements also contain cross default provisions which could automatically trigger defaults under other financing arrangements. Any or a combination of some or all of these factors may result in a failure to maintain the growth of our loan portfolio, which may in turn have a material adverse effect on our business, results of operations and financial condition.

A high level of indebtedness could adversely affect our ability to react to changes in our business environment, which will in turn affect our prospects and results of operations.

As of 30 September 2016, our indebtedness aggregated Rs.107,659.99 million. A significant portion of our funding is obtained through credit facilities and loans provided by bilateral and multilateral institutions and bonds. A high level of indebtedness could:

- in the event our cash flows do not increase in the same proportion, require us to dedicate a substantial portion of our cash flows from operations to payments in respect of our indebtedness, thereby reducing the availability of cash flow to fund our working capital requirements, capital expenditures and other general corporate expenditures;
- increase our vulnerability to adverse general economic and industry conditions;
- limit our flexibility in planning for, or reacting to, competition and/or changes in our business or industry;
- limit our ability to borrow additional funds; and
- place us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

Debt agreements entered into by us, at present or in the future, may contain restrictive covenants including maintaining certain financial ratios. These restrictions may impede the growth of our business. Any inability to comply with the provisions of our debt agreements and any consequent action taken by our lenders may adversely affect our business, prospects, results of operations and financial condition.

Our success depends on our management team and skilled personnel and our ability to attract and retain such persons.

Our future performance will be affected by the continued service of our management team and our ability to attract and retain skilled personnel. Our senior and middle management personnel have significant experience and in-depth industry knowledge and expertise. The majority of our senior management team has more than 14 years of experience in the renewable energy sector. We also face a continuing challenge to recruit and retain skilled personnel knowledgeable in the renewable energy sector to which we lend. There is significant competition in India for such personnel, and it may be difficult to attract, adequately compensate and retain the personnel we need in the future. Inability to attract and retain appropriate managerial personnel, or the loss of key personnel, could adversely affect our business, prospects, results of operations and financial condition.

We do not have a registration for our trademark, name and logo. Our ability to use the trademark, name and logo may be impaired.

The trademark, name and logo of our Company is neither registered nor has our Company applied for registration of the trademark. If our trademark, name or logo are registered by a third party, we will not be able to make use of this trademark, name or logo in connection with our business and consequently, we may be unable to capitalise on the brand recognition associated with our Company. Accordingly, we may be required to invest significant resources in developing a new name and logo. For further information, see "*Business*" on page 112 of this Offering Circular.

Our insurance policies provide limited coverage and may not adequately insure us against certain operational hazards, which may have an adverse effect on our business.

Our insurance policies currently consist of burglary policy (covering loss or damage to property due to burglary or break-in) and standard fire and special perils policy (covering loss or damage caused due to fire or special contingencies, like riot, earthquake or cyclone). However, our Company does not maintain key man insurance. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected.

While several properties used by our Company for the purposes of its operations are owned by our Company, the title deed is not in our Company's name. Any termination of the contractual agreements in connection with such properties or our failure to renew the same could adversely affect our business, results of operations and financial condition.

Currently, all properties used by our Company for the purposes of our operations, including the property where our registered office is situated, are owned by us. Although the title deed in respect of two properties, our registered office and our corporate office are not in our Company's name, the allotment is in our Company's name. For further details, please see the section titled "*Business*" on page 112 of this Offering Circular. Any termination of the contractual agreements in connection with such properties which are not registered in our name or our failure to renew the same in a timely manner, or at all, could adversely affect our business, results of operations and financial condition.

As our Equity Shares are not listed on any Indian stock exchange, we are not required to follow the same standards of corporate governance as would apply to those of our competitors whose equity shares are listed on Indian stock exchanges. Accordingly, our standard of corporate governance compliance and levels of internal controls may be limited.

Our Articles of Association require us to have not less than three and not more than 12 Directors on our Board. Furthermore, as per our Articles of Association, the President of India shall have powers to appoint, subject to the provisions of the Companies Act, 2013, the chairman, the managing director, the functional directors and the directors who shall hold office until removed by him or until the resignation, retirement, death or transfer from the respective offices by virtue of which they are the chairman, the managing director, functional directors or directors of our Company. Presently, there are five Directors on our Board. For more information, see "*Management*" on page 144 of this Offering Circular.

Pursuant to the equity listing agreement, companies whose equity shares are listed on the Indian stock exchanges and whose chairman is an executive director are required to ensure that at least one half of their board of directors is comprised of independent directors. Since our Equity Shares are not listed on any recognised stock exchange in India, the equity listing agreement is not applicable to us. However, through the Board resolution dated 25 February 2011, our Company has adopted the "Guidelines on Corporate Governance for Central Public Sector Enterprises" dated 14 May 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, the Government and accordingly, we implement certain policies and procedures to minimise risks associated with internal controls and risk management. For more information, see "*Business*" on page 112 of this Offering Circular. As of the date of the Offering Circular, our Company has three functional Directors and two Directors nominated by the Government. Furthermore, none of our Directors are members of more than ten committees or act as chairman of more than five committees across all companies in which they hold directorship.

We may not be in compliance with the DPE Guidelines on corporate governance and the Companies Act.

Our Company has complied with the requirements of Companies Act and the DPE Guidelines. However, as of the date of this Offering Circular, the composition of Board of Directors and the Committees is not in compliance with the requirements of the Companies Act and the DPE Guidelines. Presently, the Board of Directors comprises of two executive directors and two Government nominees. We do not have the requisite number of part time non-official independent directors on our Board, including a woman director. Being a Government company, the power of appointment of directors is vested with the President of India acting through the Ministry of New and Renewable Energy. Accordingly, our Company has requested the Government for the appointment of the requisite number of part-time non-official independent directors, including a woman director. Our Company has received a Show Cause Notice under Section 172 of the Companies Act, 2013 through the e-mail dated 18 June 2015 regarding the violation of the provisions of the Act in connection with the appointment of at least one woman director on the Board. In response to the show cause notice, on 25 June 2015, our Company had filed a reply to the ROC and requested for a grant of time for compliance with the statutory provisions. While no further communication has been received from the ROC, our Company cannot assure you that no further action, levy of fine or penalty will be imposed by the ROC in this regard in the future.

Our provisioning and/or reserve norms may not be indicative of the expected quality of our loan portfolio. Accordingly, in the event a significant portion of our exposure was to materialise or general economic conditions were to deteriorate, our results of operations and our financial condition would be adversely affected.

Special reserves required to be maintained under section 36(1)(viii) of the Income Tax Act by companies providing long term finance for the development of renewable energy power projects in India amounted to Rs.5,413.61 million as of 31 March 2016. The amount in the special reserve maintained by our Company as of 30 September 2016 was Rs.5,869.04 million. We also have a corporate social responsibility provision in compliance with the Companies Act 2013. Our Board had approved an allocation for CSR for Fiscal 2017, equivalent to two per cent. of the average net profit (of immediately preceding two financial years). During the six months ended 30 September 2016 and for Fiscal 2015 and Fiscal 2016, our Company allocated Rs.37.54 million, Rs.64.53 million and

Rs.52.64 million, respectively, for the CSR Fund and spent Rs.17.29 million, Rs.58.54 million and nil, respectively, on CSR activities.

Please see the risk factor "*Our Company has received a qualification in the auditors' reports on our Company's financial statements for the six month period ended 30 September 2016.*", for details in connection with qualifications made by the statutory auditors.

For information on non-performing advances as of 31 March 2016, see "*Financial Statements*" of this Offering Circular. If the size of our loan portfolio increases in the future, then we may have non-performing loans on account of an increase in loan portfolio, sectoral exposures, or on account of default under existing loans. If we are not able to prevent increases in our level of non-performing accounts, our business, prospects, results of operations, financial condition and asset quality could be adversely affected.

While we believe that the risk management measures adopted by us, including policies relating to creation of reserve for standard assets, are sufficient, there is no assurance that they will continue to be sufficient or whether additional risk management policies will be required, which may adversely affect business, prospects, results of operations and financial condition. For more information, see "*Business*" on page 112 of this Offering Circular.

We may fail to obtain certain regulatory approvals in the ordinary course of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses which may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

We may require certain new regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business. We may not receive or be able to renew such approvals in the time frames anticipated by us, or at all, which could adversely affect our business. If we do not receive, renew or maintain the regulatory approvals required to operate our business, it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

In addition to the numerous conditions required for the registration as an NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frame anticipated by us, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Furthermore, the RBI has not provided for any ceiling on interest rates that can be charged by non-deposit taking NBFCs. There may be future changes in the regulatory system or in the enforcement of the laws and regulations, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls that could have an adverse effect on non-deposit taking NBFCs. In addition, we are required to make various filings with the RBI, the RoC and other relevant authorities pursuant to the provisions of the RBI regulations, Companies Act and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with such requirements, we may be subject to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses in complying with such laws and regulations, which could materially and adversely affect our business. In addition, any historical or future failure to comply with the terms and conditions of our existing regulatory or statutory approvals may cause us to lose or become unable to renew such approvals. For further details, see the section titled "*Regulations and Policies*" on page 156 of this Offering Circular.

There are outstanding legal proceedings in which our Company is involved, and any adverse decision in such proceedings may have a material adverse effect on our business, result of operations and financial condition.

Our Company is currently involved in certain proceedings and claims in India pending at different levels of adjudication before various authorities. For details in relation to the legal proceedings involving us for an amount equal to, or more than, Rs.10 million, disputed income tax liabilities and labour proceedings against us, please see the section titled "*Business – Legal Proceedings*".

Additionally, should any new development arise against us by the appellate courts or tribunals, we may need to make provisions in our financial statements, which may reduce our profitability. We can give no assurance that these legal proceedings will be decided in our favour. Any adverse outcome in any or all of these proceedings may have a material adverse effect on our business, results of operations and financial condition.

We may face asset-liability mismatches, which could affect our liquidity, and which may as a consequence have a material and adverse effect on our business, financial performance and results of operations.

Our funding requirements are primarily met through a combination of equity investments by the Government, the issuance of secured and unsecured non-convertible debentures and unsecured long term loans made available from domestic as well as multilateral and bilateral institutions. As of 31 March 2016, our indebtedness aggregated to Rs.100,047.34 million, and the cumulative amount of gross loans outstanding was Rs.104,649.99 million. Our long term borrowings during Fiscal 2016 was Rs.100,044.64 million compared to Fiscal 2015 of Rs.74,391.65 million reflecting an increase of 34.48 per cent, whereas gross outstanding loan reflecting an increase of 16.36 per cent. during Fiscal 2016 was Rs.104,649.99 million as compared to Fiscal 2015 which was Rs.89,933.36 million. The aggregate amount of financial indebtedness by our Company as of 30 September 2016 was Rs.107,659.99 million and the gross outstanding loan as of 30 September 2016 was Rs.119,472.50 million.

The maturity of long term domestic borrowing with bullet payments, primarily in the tenor of 5-20 years, amounts to Rs.38,076.55 million, which was 35.37 per cent. of the total borrowing as of 30 September 2016. Our lending is for a period of 10-15 years. If we are unable to effectively manage our funding requirement and the financing we provide (which may be aggravated if our borrowers are unable to repay any of the financing facilities we grant to them or if we are unable to obtain additional credit facilities in a timely and cost effective manner, or at all), we may have mismatches in our assets and liabilities, which in turn may adversely affect our liquidity, financial performance and results of operations.

Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to an investor's assessment of our Company's financial condition and results of operations.

Our Company's financial statements, including the audited and unaudited financial statements, were prepared in accordance with Indian GAAP. Our Company has not attempted to explain in a qualitative or quantitative manner the impact of IFRS or US GAAP on the financial data included in this Offering Circular, nor does it provide a reconciliation of its financial statements to those under IFRS or US GAAP. IFRS and US GAAP differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Offering Circular will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Offering Circular should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms and conditions of the Notes and the financial information contained in this Offering Circular.

The Government holds a 100.0 per cent. equity stake of our Company, which enables the Government to influence the outcome of matters submitted to shareholders for approval.

As of 30 September 2016, the Government had a 100.0 per cent. stake in the equity share capital of our Company. As a result, the Government, acting through the MNRE, will continue to exercise significant control over our Company. The Government also controls the composition of the Board and determines matters requiring shareholder approval or approval by the Board. The Government may take or block actions with respect to our Company's business, which may conflict with our Company's interests. By exercising its control, the Government could delay, defer or cause a change of our Company's control or a change in our Company's capital structure, a merger, consolidation, takeover or other business combination involving our Company, or discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. In addition, as long as the Government continues to exercise control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interest of our Company's other shareholders and may take positions with which our Company or our Company's other shareholders may not agree. In addition, the Government significantly influences our Company's operations both directly and indirectly through its various departments and policies in relation to the power industry generally. In particular, given the importance of the power industry to the economy, the Government could require our Company to take actions designed to serve the public interest in India and not necessarily to maximise our Company's profits.

The Government may sell all or part of its shareholding in our Company that may result in a change in control of our Company.

Whilst the Government's shareholding in our Company equals or exceeds 51.0 per cent., our Company will continue to be classified as a Government company and will be subject to various regulations, regulatory exemptions and benefits generally applicable to public sector companies in India. As of the date of this Offering Circular, there is no legislation that places a mandatory requirement on the Government to hold a minimum 51.0 per cent. shareholding in our Company. Therefore, the Government may sell all or part of its shares in our Company, which may result in a change in control of our Company and which may, in turn, disqualify our Company from benefiting from certain regulatory exemptions and other benefits that may be applicable to our Company due to it being a public sector company. If a change of control were to occur, our Company cannot assure investors that it will have sufficient funds available at such time to pay the purchase price of such outstanding debt or repay such loans, which are required to be purchased and/or repaid as per their respective finance covenants, as the source of funds for any such purchase and/or repayment will be available cash or third party financing which our Company may not be able to obtain at that time.

The escrow account mechanism and the trust and retention account arrangements implemented by us as a quasi-security mechanism in connection with the payment obligations of our borrowers may not be effective, which could adversely affect our financial condition and results of operations.

Loans to our borrowers involve security through escrow account mechanism, first priority *pari-passu* charge on the relevant project assets, and a trust and retention account mechanism.

The escrow account mechanism and the trust and retention account arrangements are effective in the event that revenue from the end users or other receipts, as applicable, is received by our borrowers and deposited in the relevant escrow accounts or trust and retention accounts. Although we monitor the flow into the escrow accounts and trust and retention accounts, we do not have any arrangement in place to ensure that such revenue is actually received or deposited in such accounts and the effectiveness of the escrow account mechanism and the trust and retention account arrangements is limited to that extent. In the event that end users do not make payments to our borrowers, the escrow account mechanism and the trust and retention account arrangements will not be effective in ensuring the timely repayment of our loans, which may adversely affect our financial condition and results of operations. In addition, as we diversify our loan portfolio and enter into new business opportunities, we may not be able to implement such or similar quasi- security mechanisms or arrangements and there can be no assurance that even if such mechanisms and arrangements are implemented, they will be effective.

We have granted loans to private sector borrowers on a non-recourse or limited recourse basis, which increases the risk of non-recovery and may adversely affect our financial condition.

As of 30 September 2016, our loan and advances amounted to Rs.119,473 million which mainly included loans to private sector borrowers. Under the terms of our loans to our borrowers, our loans are secured by project assets, and in certain cases, we also obtain additional collateral in the form of a pledge of shares by the relevant promoter or sponsor guarantee. The ability of our borrowers to perform their obligations under our loans will depend primarily on the financial condition and results of the relevant projects, which may be affected by many factors beyond the borrowers' control, including competition, operating costs, regulatory issues and other risks. If borrowers with non-recourse or limited recourse loans were to be adversely affected by these or other factors and were unable to meet their obligations, the value of the underlying assets available to repay the loans may become insufficient to pay the full principal and interest on the loans, which could expose us to significant losses.

Any change by the RBI in the regulatory regime for Government NBFCs in respect of exposure limit may adversely affect our business, financial condition and results of operations.

Our Company, being a Government company is exempt from the RBI prudential norms as applicable to NBFC-ND, including concentration of credit (exposure limits) to the borrowers. However, we follow same exposure norms as prescribed by RBI and approved by our Board of Directors, which are set out below:

Lending Ceilings	Percentage
Lending to any single borrower	15 + 5*
Lending to any single group of borrowers	25 + 10*

*As per RBI guidelines, the NBFC may exceed the concentration of credit by 5% for any single borrower and by 10% for a single group of borrowers for infrastructure loans. Since Renewable Energy projects falls under the infrastructure category, the 5% and 10% additional exposure limits are available to us.

Any changes by the RBI withdrawing the exemptions presently available to 100.0 per cent. Government-owned NBFC shall adversely affect our business due to restrictions on exposure norms.

We are required to comply with specific conditions prescribed by the Government in relation to our business. If we fail to comply with these specific conditions or if we or our clients are required to comply with new or additional regulations or guidelines requiring reorganising or restructuring, there may be an adverse effect on our business, prospects, results of operations and financial condition.

We are a 'Government Company' under Section 2(45) of the Companies Act, 2013 wholly owned by the Government. Our business and our sector depend, directly and indirectly, on the policies and support of the Government in many significant ways, including with respect to the cost of our capital, the financial strength of our borrowers, the management and growth of our business and our sector. Like any other public sector undertaking, the Government can influence key decisions about our

Company, including with respect to the appointment and removal of members of our Board. We are required to follow the public policy directives of the Government by concentrating our financing on specific projects or sectors in the public interest.

We were set up by the Ministry of New and Renewable Energy (**MNRE**), as a non-banking financial institution which promotes, develops and extends financial assistance for Renewable Energy and Energy Efficiency and Conservation Projects. Our Company has been notified as a "Public Financial Institution" under section 2(72) of the Companies Act, 2013 and registered as NBFC with the RBI.

Our borrowers are also significantly impacted by the Government policies and support in a variety of ways. In particular, the Government has in the past made sustained increases to budgetary allocations towards projects and schemes generating energy through non-conventional and renewable material to encourage greater private sector participation. Since governmental entities are responsible for awarding concessions and maintenance contracts and are parties to the development and operation of such renewable energy projects. Any withdrawal of support or adverse changes in their policies may lead to our financing agreements being restructured or renegotiated and could adversely affect our business, prospects, results of operations and financial condition.

Our Directors may have interests in corporations, companies, and/or entities similar to ours, which may result in a conflict of interest that may adversely affect future financing opportunity from referrals.

As of the date of this Offering Circular, our Directors are not interested in corporations, companies, and/or entities similar to ours. However, in the future, our Directors may have an interest in such corporations, companies and/or entities having operations similar to ours and such directorships of our Directors may result in potential conflict of interest situations.

Our business may be adversely affected by future regulatory changes.

We are subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliances. The introduction of additional government control or newly implemented laws and regulations including, among other things, in relation to provisioning for NPAs, recoveries, capital adequacy requirements, exposure norms, depending on the nature and extent thereof and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future expansion plans in India. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. We cannot assure you that we will be able to timely adapt to new laws, regulations or policies that may come into effect from time to time with respect to the financing of new and renewable energy power projects specifically and regulatory regime in general. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, results of operations and financial condition. For further details, see the section titled "*Regulations and Policies*" on page 156 of this Offering Circular.

Our Associate Company is not in compliance with the provisions of the Companies Act, 2013 in relation to the preparation of its cash flow statement.

Our Associate Company is not in compliance with respect to the provisions of the Companies Act, 2013 and has not prepared the cash flow statements for Fiscal 2015 and six months ended 30 September 2015, due to which the consolidated financial statements have been prepared and based on the management representations.

The security of our Company's IT systems may fail and adversely affect our Company's business, operations, financial condition and reputation.

Our Company is dependent on the effectiveness of its information security policies, procedures and capabilities to protect its computer and telecommunications systems and the data such systems contain or transmit. An external information security breach, such as a hacker attack, fraud, a virus or worm, or an internal problem with information protection, such as a failure to control access to sensitive systems, could materially interrupt our Company's business operations or cause disclosure or modification of sensitive or confidential information. Our Company's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Our Company's computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security. Although our Company maintains procedures and policies to protect its IT systems, such as a data back-up system, disaster recovery and a business continuity system, any failure of our Company's IT systems as mentioned above could result in business interruption, material financial loss, regulatory actions, legal liability and harm to our Company's reputation. Furthermore, any delay in implementation disruption of the functioning of our Company's IT systems could disrupt its ability to track, record, process financial information or manage creditors and/or debtors or engage in normal business activities.

We have entered, and may enter, into certain transactions with related parties, which may not be on an arm's length basis or may lead to conflicts of interest.

We have entered, and may enter, into transactions with related parties, including our Directors. There can be no assurance that we could not have achieved more favourable terms on such transactions had they not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with related parties have involved or could potentially involve conflicts of interest. For details of related party transactions in the last five financial years, please refer to *"Financial Statements"*.

RISKS RELATING TO THE INDIAN ECONOMY

Occurrence of natural calamities could have a negative impact on the Indian economy and could cause our business to be adversely affected.

India and other parts of the world has experienced due to global climate changes, natural calamities such as earthquakes, floods, Tsunami and drought in the recent past. For example, unprecedented rains in Tamil Nadu, earth quake in Nepal, flash floods in Tamil Nadu, Uttrakhand and the earthquake in Sikkim. Such unforeseen circumstances or other natural calamities could have a negative impact on the economy, projects financed by us, thereby affecting our business, prospects, results of operations and financial condition.

Private participation in the renewable energy sector in India is dependent on the continued growth of the Indian economy and regulatory developments in India. Any adverse change in policy/ implementation/ industry demand may adversely affect us.

Although the RE sector is rapidly growing in India, we believe that further development of this sector is dependent upon the formulation and effective implementation of regulations and policies that facilitate and encourage private sector investment in RE projects. Many of these regulations and policies are evolving and their success will depend on whether they are designed to adequately address the issues faced and are effectively implemented. In addition, these regulations and policies will need continued support from stable and experienced regulatory regimes that not only stimulate and encourage the continued investment of private capital into RE projects, but also lead to increased competition, appropriate allocation of risk, transparency, and effective dispute resolution. The availability of private capital and the continued growth of the private RE sector in India are also linked to continued growth of the Indian economy. Many specific factors in the RE sector may also influence the success of power projects, including changes in policies, regulatory frameworks and market structures. Any adverse change in the policies relating to the RE sector may leave us with unutilised capital and interest and debt obligations to fulfil. If the central and state governments' initiatives and regulations in the RE sector do not proceed in the desired direction, or if there is any downturn in the macroeconomic environment in India, our business prospects, financial condition and results of operations could be adversely affected. In addition, it is generally believed that demand for RE in India will increase. However, there can be no assurance that demand for RE in India will increase to the extent we expect or at all. In the event demand for RE in India does not increase as anticipated, the extent to which we are able to grow our business by financing the growth of the RE sector would be limited and this could have a material adverse effect on our business, financial condition and results of operations.

A slowdown in economic growth in India and other countries in which we operate could cause our business to suffer.

Any slowdown in the Indian economy or in the growth of any of the industries to which we provide financing to, or future volatility in global commodity prices, could adversely affect our borrowers and the growth of our business, which in turn could adversely affect our business, results of operations and financial condition.

India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Furthermore, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The recent global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the effect of the global financial turmoil, which is evident from the sharp decline in indexes of stock exchanges. On 23 June 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave (**Brexit**). There is significant uncertainty at this stage as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on our business, financial condition and results of operations.

Political instability, changes in the Government or natural calamities may adversely affect economic conditions in India, which may impact our business, financial condition and results of operations.

The Government has traditionally exercised, and continues to exercise, influence over many aspects of the economy. Our business and the market price and liquidity of the Notes may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian Governments have pursued policies of economic liberalisation and financial sector reforms. Various factors could trigger significant changes in India's economic liberalisation and deregulation policies, disrupt business and economic conditions in India generally and our business in particular. Our financial performance and the market price of the Notes may be adversely affected by changes in inflation, exchange rates and controls, interest rates, the Government, social stability or other political, economic or diplomatic developments affecting India in the future.

India has experienced, and may continue to experience, natural calamities such as earthquakes, floods and drought. The extent and severity of these natural disasters determines their effect on the Indian economy. Such natural calamities could have a negative effect on the Indian economy, adversely affecting our business.

Economic developments and volatility in securities markets in other countries may negatively affect the Indian economy.

The Indian securities market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effect on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The collapse of the sub-prime mortgage loan market in the United States that began in September 2008 led to increased liquidity and credit concerns and volatility in the global credit and financial markets in following fiscal years. The European sovereign debt crisis has led to renewed concerns for global financial stability and increased volatility in debt and equity markets. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi (Chinese Yuan) devaluation, Brexit, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and global credit and financial markets.

In the event that the current difficult conditions in the global financial markets continue or if there are any significant financial disruptions, this could have an adverse effect on our Company's cost of funding, loan portfolio, business, future financial performance and the trading price of any Notes issued under the Programme. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt in other emerging market countries, may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our securities trade and also adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and adversely affect our business, financial condition and results of operations. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of the Notes.

India has also witnessed civil unrest including communal disturbances and riots in recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on the price of the Notes.

Any downgrade of credit ratings of India may adversely affect our ability to raise debt financing.

India's sovereign ratings reflect an assessment of the Indian government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

No assurance can be given that any statistical rating organisation will not downgrade the credit ratings of India. Any such downgrade could adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. Further declines in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Notes.

Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For instance, the GoI has proposed a comprehensive national Goods and Services Tax (**GST**) regime that will combine taxes and levies by the central and state governments into a unified rate structure. In this regard, the Constitution (One Hundred and First Amendment) Act, 2016, which received presidential assent on 8 September 2016, enables the GoI and state governments to introduce GST. The Indian Parliament passed the Central GST Act, 2017, the Integrated GST Act, 2017, the GST (Compensation to States) Act, 2017 and the Union Territory GST Act, 2017 (collectively, the **GST Acts**) on 6 April 2017. The GST Acts aim to create a GST regime to tax supply of goods and services and create a regulatory framework for its administration and regulation. The GoI also lays down the procedure for levy and collection of GST, registration, filing of returns and payment of tax under the GST regime. This legislation also deals with the taxability of interstate supply of goods and services and disbursement of tax to states and union territories by the GoI. As regards the implementation of the GST, the GoI has indicated 1 July 2017 as the date of implementation of GST. While the GoI and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this, or any other aspect of the tax regime, following the implementation of the GST. The implementation of this rationalised tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materialising, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

Further, the General Anti-Avoidance Rules (**GAAR**) have been implemented from 1 April 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us.

The statutory corporate income tax in India, which includes a surcharge on tax and an education cess on such tax and surcharge, is in the range of 25-30 per cent. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

Trade deficits could adversely affect our business.

India's trade relationships with other countries and its trade deficit may adversely affect Indian economic conditions. In the third quarter of fiscal year 2017, India experienced a current account deficit of U.S.$7.9 billion reported by the RBI in its press release dated 23 March 2017, which was an increase from the current account deficit of U.S.$7.1 billion in the third quarter of fiscal year 2016. If trade deficits increase or are no longer manageable, the Indian economy, and therefore our business and our financial performance could be adversely affected.

Financial difficulty and other problems in certain financial institutions in India could adversely affect our business.

As an Indian NBFC, we are exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis and who may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and hence could adversely affect our business. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme.

Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

Investors may have difficulty enforcing foreign judgments in India against our Company or our management.

Our Company is a limited liability public company incorporated under the laws of India. Most of our Company's directors and executive officers named herein are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India. In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. For further detail on recognition and enforcement of foreign judgments in India, please see "*Enforcement of Foreign Judgments in India*" on page 6 of this Offering Circular. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999, as amended to execute such a judgment or to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have an adverse effect on our business and results of operations.

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concerns could have a negative effect on the economies, financial markets and business activities in the countries in which our end markets are located, which could have an adverse effect on our business. Since 2012, an outbreak of the Middle East Respiratory Syndrome corona virus has affected several countries, primarily in the Middle East. Although we have not been adversely affected by such outbreaks yet, we can give no assurance that a future outbreak of an infectious disease among humans or animals or any other serious public health concerns will not have an adverse effect on our business.

There may be less company information available in Indian securities markets than in securities markets in other more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities market and the activities of investors, brokers and other participants, and that of markets in the United States and other more developed economies. The SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, investors may have access to less information about the business, results of operations and financial conditions, and those of the competitors that are listed on the Bombay Stock Exchange and the National Stock Exchange and other stock exchanges in India on an on-going basis than you may find in the case of companies subject to reporting requirements of other more developed countries.

There is a lower level of regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants than in certain Organisation for Economic Cooperation and Development (**OECD**) countries. The SEBI received statutory powers in 1992 to assist it in carrying out its responsibilities for improving disclosure and other regulatory standards for the Indian securities market. Subsequently, the SEBI has prescribed certain regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities markets. However, there may still be less publicly available information about Indian companies than is regularly made available by public companies in certain OECD countries.

Indian corporate and other disclosure and accounting standards differ from those observed in other jurisdictions such as U.S. GAAP and IFRS.

Our financial statements are prepared in accordance with Indian GAAP, which differs in significant respects from U.S. GAAP and IFRS. As a result, our financial statements and reported earnings could be significantly different from those which would be reported under U.S. GAAP or IFRS, which may be material to your consideration of the financial information prepared and presented in accordance with Indian GAAP contained in this Offering Circular. You should rely on your own examination of our Company, the terms and conditions of the Notes and the financial information contained in this Offering Circular.

The effects of the adoption of the "Indian Accounting Standards converged with IFRS" (IND-AS) are uncertain.

Our Company's financial statements are prepared in accordance with the Indian GAAP. In January 2016, the Ministry of Corporate Affairs laid out a road map for implementation of the Indian Accounting Standards (**IND-AS**) for scheduled commercial banks, insurance companies and NBFCs. In accordance with such notification, we are required to prepare our financial statements in accordance with IND-AS for the accounting period commencing 1 April 2018. Under the road map, NBFCs are required to prepare IND-AS based financial statements (consolidated and individual) in two phases. Under Phase I, NBFCs that have a net worth of Rs.5 billion or more, including our Company, and their holding, subsidiary, joint venture or associate companies are required to prepare IND-AS based financial statements for accounting periods beginning from 1 April 2018 onwards with comparatives for the periods ending 31 March 2018 or thereafter. Under Phase II, NBFCs whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and have a net worth less than Rs.5 billion, NBFCs that are not listed and have a net worth of more than Rs.2.5 billion but less than Rs.5 billion, and their respective holding, subsidiary, joint venture or associate companies are required to prepare IND-AS based financial statements for accounting periods beginning from 1 April 2019 onwards with comparatives for the periods ending 31 March 2019 or thereafter. NBFCs that have a net worth below Rs.2.5 billion shall continue to apply the accounting standards specified in Annexure to Companies (Accounting Standards) Rules, 2006.

IND-AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, accordingly, our financial statements for the period commencing from 1 April 2018 may not be comparable to our historical financial statements. Moreover, IND-AS also differs materially in certain respects from IFRS. There can be no assurance that our financial statements will not appear to be materially different under IND-AS from that under Indian GAAP or IFRS. Furthermore, as we adopt IND-AS reporting, it may encounter difficulties in the process of implementing and enhancing our management information systems for such implementation. Our management may also have to divert its time and other resources for successful and timely implementation of IND-AS.

We may not be able to determine with a degree of certainty the impact of adoption of IND-AS on our financial reporting. There can be no assurance that our Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under current Indian GAAP and will not adversely affect our reported results of operations or financial condition. Furthermore, our inability to successfully implement IND-AS in accordance with the prescribed timelines will subject us to regulatory action and other legal consequences.

Direct capital market access by our borrowers could adversely affect us.

The Indian capital markets are developing and maturing and, as such, there may be a shift in the pattern of vehicle and housing financing and insurance distribution. Financially stronger borrowers might source their fund requirements directly from the market. We have a large exposure to vehicle financing and such changes may have an adverse impact on our business, financial condition and results of operations.

The demonetisation of currency notes in India may affect the Group's business, results of operations, financial condition and prospects.

In November 2016, the GoI demonetized Rs.1,000 and Rs.500 denomination currency notes with effect from 9 November 2016 and launched the revised Rs.500 denomination currency notes and introduced the new Rs.2,000 currency notes pursuant to the Ministry of Finance's notification no. S.O. 3407 (E) dated 8 November 2016 and other circulars and clarifications issued thereafter by the GoI and the RBI. The impact of the demonetisation on India's economic growth, credit demand, credit quality, liquidity and interest rates is uncertain. The short-term and long-term effects of demonetisation on the Company's business are uncertain and the Company cannot accurately predict the effect of the demonetization on its business, results of operations, financial condition and prospects.

Risks Relating to an Investment in the Notes

Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Early redemption of the Notes prior to its stated average maturity may require the prior approval of the RBI or other approvals in accordance with the ECB Guidelines.

Any early redemption of the Notes (whether due to certain tax events described in Condition 7.2 or due to change of control events described in Condition 7.3 or due to an Event of Default as specified in Condition 10 or otherwise) will be subject to limitations on our ability to redeem the Notes prior to the their stated maturity date, including obtaining the prior written approval of the RBI or any other approval, and maintaining compliance with any conditions that the RBI or other relevant Indian authorities may impose in accordance with ECB Guidelines at the time of such approval. Prior approval of the RBI may be required by us for the payment of withholding tax in any Tax Jurisdiction (as defined in Condition 8) other than India in a foreign currency. There can be no assurance that the RBI or other relevant Indian authorities will provide such approval in a timely manner, or at all.

Remittances of funds outside India by us in relation to the Notes require prior RBI approval.

Remittance of funds outside India by us under the Trust Deed, the Agency Agreement or any other agreements in relation to the Notes requires prior RBI approval. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and there can be no assurance that we will be able to obtain such approvals.

The Notes are not guaranteed by the Republic of India.

The Notes are not the obligations of, or guaranteed by, the Republic of India. Although the GoI owned 100% of our issued and paid up share capital as of 31 March 2016, the GoI is not providing a guarantee in respect of the Notes. In addition, the GoI is under no obligation to maintain our solvency. Therefore, investors should not rely on the GoI to ensure that we fulfil our obligations under the Notes.

There is no public market for the Notes.

The Notes will not be rated by a rating agency and will be a new issue of securities with no existing trading market. The Notes will not be listed or available for trading on any stock exchange. Therefore, there can be no assurance that an active market will develop for the Notes or as to the liquidity of, or the secondary market for, the Notes. If an active market does develop, future trading prices of the Notes will depend on many factors, including, among others, prevailing interest rates.

Our Company may not be able to meet its obligations to pay or redeem the Notes.

In certain circumstances, Noteholders may require our Company to redeem all or a portion of the Notes and our Company would be required to pay all amounts then due under the Notes. In particular, upon a change of control of our Company, Noteholders may require our Company to redeem such Noteholders' Notes and following an acceleration of the Notes upon an event of default, our Company would be required to pay all amounts then due under the Notes which our Company may not be able to meet. Our Company may not be able to make required payments in connection with the Notes if the requisite regulatory approval is not received or if our Company does not have sufficient cash flows for those payments.

The Notes will be unsecured and, accordingly, the claims of our secured creditors will have priority with respect to their security over the claims of the holders of the Notes, to the extent of the value of the assets securing such indebtedness.

We have a significant amount of secured indebtedness and may incur additional secured indebtedness under the Terms and Conditions of the Notes. The Notes will be unsecured and, accordingly, claims of our secured creditors will have priority with respect to the assets securing their indebtedness over the claims of the holders of the Notes. No security has been provided over the assets of our Company to secure the Notes. In the event of any insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding-up of our Company, holders of such secured indebtedness will have prior claims to the assets that constitute their collateral.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Modification, waivers and substitution.

The Terms and Conditions of the Notes and the Trust Deed contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest or proven error, in the circumstances described in "*Terms and Conditions of the Notes*".

The Notes are subject to the risk of change in law.

The Terms and Conditions of the Notes are based on English law in effect as of the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes, and any such change could materially and adversely impact the value of any Notes affected by it.

The price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in our revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions and interest rates could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. If developments similar to the sub-prime mortgage crisis in 2008 occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

The Notes may have limited liquidity.

The Notes constitute a new issue of securities for which there is no existing market. Approval in-principal has been granted to list the Notes on the SGX-ST and application has been made to the London Stock Exchange for the Notes to be admitted to trading on the ISM. However, the offer and sale of the Notes is not conditional on obtaining a listing of the Notes on either the SGX-ST or the ISM or any other exchange.

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop, or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued, depending on many factors, including:

- prevailing interest rates;
- our results of operations and financial condition;
- political and economic developments in and affecting India;
- the market conditions for similar securities; and
- the financial condition and stability of the Indian vehicle finance sector.

Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Notes where denominations involve integral multiples: definitive Notes.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (as specified in the applicable Pricing Supplement) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

Noteholders are required to rely on the procedures of the relevant clearing system and its participants while the Notes are cleared through the relevant clearing system.

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, we will discharge our payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. We have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Noteholders' right to receive payments is junior to certain tax and other liabilities preferred by law.

The Notes will rank subordinated to certain liabilities preferred by law, such as claims of the Government on account of taxes and certain liabilities incurred in the ordinary course of our business. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

Decisions may be made on behalf of all Noteholders that may be adverse to the interests of individual Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Notes are subject to selling restrictions and restrictions on transfer, and may be transferred only to a limited pool of investors, which may adversely affect their liquidity and the price at which they may be sold.

The Notes have not been registered under the Securities Act or any U.S. state securities laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. As a result, investors may not resell or transfer the Notes unless such sale or transfer is exempt from the registration requirements of the Securities Act and applicable state securities laws or in transactions that have been registered under the Securities Act. As a result, the Notes can only be transferred to a limited group of investors, which may adversely affect their liquidity and the price at which they may be sold. See "*Subscription and Sale – India*".

Risks Related to the Market Generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Payments of principal and interest are subject to exchange rate risks and exchange controls.

For U.S. dollar denominated Notes, we will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to the devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes, and (iii) the Investor's Currency-equivalent market value of the Notes.

Investment in the Notes is subject to interest rate risks.

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Risks related to the structure of a particular issue of Notes.

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption.

An optional redemption feature of Notes is likely to limit their market value of the Notes. During any period when we may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

We may be expected to redeem Notes when our cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Inverse Floating Rate Notes.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Interbank Offered Rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which would further adversely affect the market value of those Notes.

Fixed/Floating Rate Notes.

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where we have the right to effect such a conversion, this will affect the secondary market and the market value of the Notes, since we may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If we convert from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If we convert from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing rates on its Notes.

Notes issued at a substantial discount or premium.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The secondary market generally.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, that are designed for specific investment objectives or strategies or that have been structured to meet the investment requirements of limited categories of investors. These types of Notes would generally have a more limited secondary market and more price volatility than would conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

We will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the **Specified Currency**). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Ratings of Notes

Credit ratings assigned to us or any Notes may not reflect all the risks associated with an investment in those Notes. One or more independent credit rating agencies may assign credit ratings to us or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks relating to an Investment in Rupee denominated Notes

Rupee denominated Notes are subject to exchange rate risks and exchange controls.

India maintains a managed floating exchange rate system under which market forces determine the exchange rate for Indian Rupees (**INR**). Under the RBI's policies, the RBI may intervene in the market to maintain orderly market conditions and limit sharp fluctuations in the exchange rate. Interventions by the RBI have taken the form of transparent measures and have included clearly delineated periods and amounts involved, as well as the explanations for these actions. The RBI's foreign exchange policy objectives include maintaining price stability, promoting and maintaining monetary stability and the convertibility of the INR and protecting its international reserves during times of impending or on-going exchange crises or national emergencies.

Rupee denominated Notes are denominated in the INR and payable in a foreign currency. This entails risks which are not associated with a similar investment in a foreign currency denominated security. Such risks include, without limitation, the possibility of significant changes in the exchange rate between the INR and the relevant foreign currency if such currency risk is unhedged, and the possibility of imposition or modification of exchange controls by the RBI. Such risks are usually dependent on various economic and political events over which we have no control. Recently, exchange rates have been volatile and such volatility is expected in the near future as well, so the risk pertaining to exchange rate fluctuation persists. However, the recent fluctuations in exchange rates are not indicative in nature. If the INR depreciates against the relevant foreign currency, the effective yield on the Rupee denominated Notes will decrease below the interest rate on the global Note, and the amount payable on maturity may be less than the investment made by the investors. This could result in a total or substantial loss of the investment made by the investor towards the Rupee denominated Notes. Rates of exchange between the foreign currency and the INR may be significantly varied over time. However, historical trends do not necessarily indicate future fluctuations in rates, and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in India or elsewhere could lead to significant and sudden changes in the exchange rate between the INR and the relevant foreign currency.

Furthermore, overseas investors are eligible to hedge the above mentioned exchange rate risk only by way of permitted derivative products with (i) AD Category — I banks in India; (ii) offshore branches or subsidiaries of Indian Banks; or (iii) branches of foreign banks having a presence in India.

Rupee denominated Notes are not freely convertible.

The Rupee is not a freely convertible currency. The convertibility of a currency is dependent, inter alia, on international and domestic political and economic factors, and on measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by revaluation or revaluation of a currency, or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency. The taking of any one or more of such measures could adversely affect the value of the Notes as well as any amount which may be payable upon redemption of the Notes.

Rupee denominated Notes are subject to selling restrictions and may be transferred only to a limited pool of investors.

Rupee denominated Notes can only be issued to, and held by, investors resident in jurisdictions who are a member of the Financial Action Task Force (**FATF**) or a member of a FATF-Style Regional Body and whose securities market regulator is a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the SEBI for information sharing arrangements. Additionally, investors should not be resident of a country identified in the public statement of the FATF as: (i) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

BUSINESS{ TC "Business" \f C \l "1" **}**

Overview

We are a Government enterprise under the administrative control of the MNRE dedicated to promote, develop and extend financial assistance to renewable energy and energy efficiency projects in India. We were incorporated in 1987 as a public limited company by the Government and are registered with the RBI as a non-banking financial institution. In 1995, we were categorised as a 'Public Financial Institution' by the Ministry of Corporate Affairs. The President of India, directly and through nominee shareholders, holds 100.0 per cent. of our paid up equity share capital. As of 30 September 2016, we operated through a registered office and a corporate office each located in Delhi, two branch offices located in Chennai and Hyderabad and a camp office located in Ahmedabad.

We are primarily engaged in providing finance and/or re-financing to specific projects and schemes that generate energy through new or renewable energy sources and aim to promote energy efficiency in India. Our objective is to devise and offer innovative financing and consolidate our position as a leading non-banking financial institution in the renewable energy sector.

We provide financial assistance to the following renewable and energy efficiency projects:

- Wind power
- Hydro power
- Biomass power co-generation
- Energy efficiency and conservation
- Solar energy
- Waste to energy and miscellaneous

The Government has regularly provided us financial support in the form of guarantees for our loans from international agencies. In the Union Budget 2013-14, the Government announced the allocation of funds to us for a five-year period from the National Clean Energy Fund (the **NCEF Fund**), for the purposes of on lending to viable renewable projects and refinancing part of the loan at a concessional rate of interest. As per the latest guidelines for refinancing under the scheme for revival of projects under biomass and small hydro sector, 30% of the loan outstanding and 30% of the funded interest are eligible to be funded from the NCEF Fund. This scheme is applicable to all banks and financial institutions including our Company for stressed projects under the biomass and small hydro sector. In 2015, we were awarded the Mini Ratna (Category – 1) status by the Department of Public Enterprises. In 2016, we were awarded the "Golden Peacock Award" for "Excellence in Corporate Governance" by the Institute of Directors.

For the six month period ended 30 September 2016 and for the years ended 31 March 2016, 2015 and 2014, our profits before tax was Rs.2,093.88 million, Rs.4,176.23 million, Rs.3,785.75 million and Rs.3,403.07 million, respectively, and our profits after tax was Rs.1,446.79 million, Rs.2,980.37 million, Rs.2,719.06 million and Rs.2,405.13 million, respectively.

Our outstanding loan portfolio grew at a CAGR of 11.86 per cent. from Rs.83,640.15 million as of 31 March 2014 to Rs.104,649.99 million as of 31 March 2016. Similarly, our profit after tax grew at a CAGR of 11.32 per cent. over a period of three years from Rs.2,405.13 million for the year ended 31 March 2014 to Rs.2,980.7 million for the year ended 31 March 2016. Our gross NPA was 4.72 per cent., 5.71 per cent., 5.34 per cent. and 4.17 per cent. and our net NPA was 3.49 per cent., 4.32 per cent., 4.16 per cent., and 2.78 per cent. as of 30 September 2016, 31 March 2016, 2015 and 2014, respectively.

As of 30 September 2016, our total borrowings were Rs.107,659.99 million and our CRAR was 18.25 per cent. As of 31 March 2016, our long-term borrowings, were Rs.100,044.64 million and our CRAR as of 31 March 2016 was 19.99 per cent.

We enter into memorandums of understanding (**MoU**) with the MNRE on an annual basis. Pursuant to the MoUs, we set our annual targets with respect to loan sanctions, disbursements, profitability and other dynamic parameters such as revenues from operations, cost of funding, net worth and non-performing accounts (**NPAs**) as a percentage of loan assets. For the Financial Years 2013, 2014 and 2015, the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises of India recognised our actual achievement vis-à-vis the targets set out in the MoUs as "Very Good", "Excellent" and "Excellent" respectively. In Financial Year 2016, our achievement was recognised as "Very Good".

Our 50 MW Solar Photovoltaic Project

As per our green commitment to the Prime Minister of the Government of India, we are developing a 50 MW Solar Photovoltaic Project in 200 MW Kasaragod Solar Park in the state of Kerala, which we have budgeted approximately Rs.3 billion. The project is at an advanced stage of completion with 36 MW commissioned and currently injected into the Karela State Electricity Board grid. The Chief Electrical Inspector of Karela Government has granted approval for the balance of 14 MW.

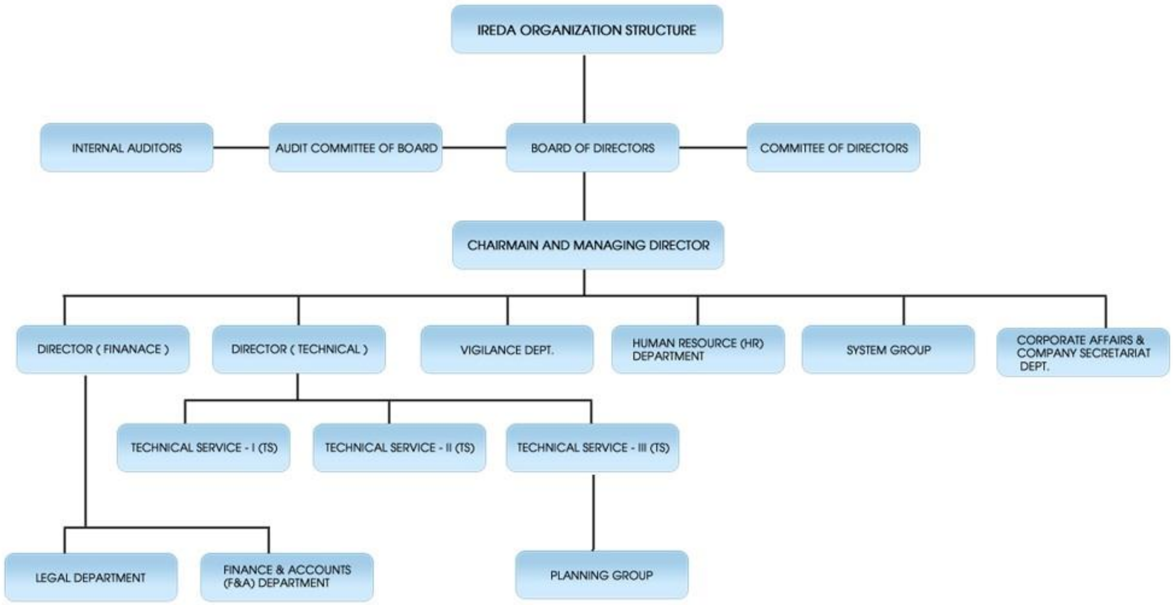
Our 50 MW Solar Photovoltaic Project will act as a pilot project for solar energy generation encouraging project developers and investors to invest and participate in the renewable energy sector, enabling economies of scale, cost reduction, technical improvements and achieving large scale reduction in greenhouse gas emissions.

Our Potential Initial Public Offering

The Government of India has increased its renewable energy targets to 175 GW by the year 2022 which includes 100 GW from solar, 60 GW from wind, 10 GW from bio-power and 5 GW from small hydro-power. To achieve these targets, substantial investments in the renewable energy sector will be required. As one of the leading financial institutions in the renewable energy sector, we may need to raise equity for loan financing in the renewable energy sector. The initial public offering will enable us to increase our equity which in turn will allow us to raise more debt for funding renewable energy projects. In accordance with the policies of the Government of India, all Central Public Sector Enterprises with a positive net worth, no accumulated losses and positive net profits in the three preceding consecutive years are required to be listed on a stock exchange. Accordingly, our Board has approved for an initial public offering on stock exchange(s).

Organisational Structure

The following diagram sets forth an overview of our organisational structure:



We entered into an MoU dated 14 July 1994 with Consolidated Energy Consultants (P) Limited and M.P. Urja Vikas Nigam Limited, a Government of Madhya Pradesh undertaking to form a joint sector company namely, M.P. Wind Farms Limited (**MPWL**) for the establishment of wind power projects in Madhya Pradesh. Our initial paid up share capital contribution in MPWL was Rs.1.2 million representing 24.0 per cent. of the total paid up share capital of MPWL. MPWL is required to operate schemes in accordance with the guidelines of the MNRE. MPWL reported a profit after tax of Rs.4.84 million for Fiscal Year 2016 and no dividends was paid by MPWL for Fiscal Year 2016.

In addition, in the Financial Year 2015, we entered into an MoU with Solar Energy Corporation of India (**SECI**), a central public sector enterprise to set up a 50 MW solar power project for the generation of electricity.

Our key milestones are as follows:

Year	Key Milestone
1986-87	- We were incorporated under the Companies Act on 11 March 1987.
1987-88	- Our first meeting of the Board of Directors was held on 12 March 1987. - International assistance of Deutsche Mark 10 Million from the Royal Government of Netherlands was approved. - Loan sanction of Rs.56.7 million for 19 projects and loan disbursements of Rs.15.5 million.
1988-89	- Sanctions extend to 11 states.
1989-90	- Cumulative loan sanctions and disbursements rose to Rs.156.6 million and Rs.111.2 million respectively.
1990-91	- First issue of 9% taxable bonds for Rs.250 million completed. - First Entrepreneur Development Programme conducted in Delhi in collaboration with USAID and Indian Institute of Technology.
1992-93	- The World Bank approves our Renewable Resources Development Projects involving financial assistance of US$195 million. - Asian Development Bank provides Technical Assistance grant amounting to

		US$30 million for Renewable Energy Development Project Study.
	-	Targets relating to sanctions and disbursements were exceeded by 13.94% in our first MoU signed with the MNRE.
1994-95	-	We raised a sum of Rs.500 million through an issue of taxable bonds.
1995-96	-	Cumulative loan sanctions exceed Rs.10 billion.
	-	Rs.300 million taxable bonds were issued.
	-	The Government classified us as a Public Financial Institution under section 4(A) of the Companies Act.
	-	The Planning Commission classified our programmes under the Socially Oriented Sector.
1996-97	-	Loan documents were signed with Asian Development Bank for lien of credit of US$100 million.
	-	The Reserve Bank of India classified us as a loan company.
2001-02	-	We opened two camp offices at Chennai & Hyderabad.
	-	We received the Second Prize in Water Globe Award category of the "Energy Globe Award 2002" from o.Oe Energies pervar band, Linz, Austria.
2004-05	-	IREDA awarded ISO 9001:2000 Certification by the Bureau of Indian Standards with effect from January 2005.
2005-06	-	IREDA awarded the iCORE 2006 Award during the SESI Annual Conference.
2006-07	-	National Long Term Credit Rating of A+ assigned for our Rs.1 billion non-convertible debenture issue.
	-	We co-financed a 85.40 MW Wind Power project with Asian Development Bank.
2009-10	-	Implementation of Generation Based Incentive (GBI) scheme for wind projects by Government of India to be passed through us. We had the opportunity to finance the projects, partly recover amounts out of GBI schemes improving our profitability.
	-	Government of India implemented the Jawaharlal Nehru National Solar Mission towards building Solar India. We were granted the right to implement off-grid connected projects for the purpose of lighting homes.
2015-16	-	We were granted "Mini Ratna-Category I Status" in June 2015 by the Government of India. The provided us with greater financial autonomy and delegation of powers in our operations in line with the DPE Guidelines.
	-	We signed MoUs with leading domestic and international financial institutions such as Yes Bank and International Finance Corporation (IFC) to develop strategic partnerships and co-finance large scale Renewable Energy projects.

Our key financial information are as mentioned in the table below:

(Rs. In millions)

	Six month period ended 30 September	**Financial Year**		
	2016	**2016**	**2015**	**2014**
Paid up equity share capital	7,846	7,846	7,846	7,446
Net worth	24,407	22,961	21,786	19,329
Total Debt (of which)				

	Six month period ended 30 September	Financial Year		
	2016	2016	2015	2014
- Non-Current Maturities of Long Term Borrowing	103,422	96,159	71,295	63,311
- Short Term Borrowing	-	3	-	1,154
- Current Maturities of Long Term Borrowing	4,238	3,886	3,096	3,175
Net Fixed Assets	746	434	396	372
Non-Current Assets (including net fixed assets)	96,845	90,416	79,722	73,460
Cash and Cash Equivalents	11,745	9,807	8,221	4,909
Current Investment	Nil	Nil	Nil	Nil
Current Assets (including Cash and Cash Equivalents)	44,998	41,357	23,082	17,345
Current Liabilities (excluding loans)	6,184	5,448	3,313	2,585
Assets under Management	138,303	130,058	101,491	89,863
Off Balance Sheet Assets	-	-	-	-
Interest Income	6,876	11,116	9,769	8,470
Interest Expense	3,696	5,870	5,166	4,176
Provisioning & Write-offs	518	393	443	303
Profit After Tax (**PAT**)	1,447	2,980	2,719	2,405
Gross NPA (per cent.)	4.72	5.71	5.34	4.18
Net NPA (per cent.)	3.49	4.32	4.16	2.78
Tier I Capital Adequacy Ratio (per cent.)	18.25	19.99	23.14	23.79
Tier II Capital Adequacy Ratio (per cent.)	N.A	N.A	N.A.	N.A.
Long Term Borrowings (including current maturities)	107,660	100,044	74,392	66,486
Profit After Interest Before Tax	2,094	4,176	3,786	3,403
Loans and advances	119,472	104,649	89,933	83,640
2014 to 2016 growth assets growth		11.11%		
2014 to 2016 profit after tax CAGR		11.32%		

Our Strengths

Our major strength comes with our 28 years of extensive experience in financing sustainable energy projects and delivering financial services with the most competitive terms of lending. Over a period of time, we have acquired unique insights into financing of the Renewable Energy Sector and provides a comprehensive range of financial services and products from project conceptualization to the post commissioning stage for our clients. We are continuously developing innovative financial solutions at competitive terms to meet market requirements and strong in-house technical expertise in appraising the projects for financing. We have developed intensive in-house expertise in financing each segment of the Renewable Energy and Energy Efficiency sector in India at competitive terms of lending in the market. We are a highly recognized and widely respected brand in these sectors in the country and we have a robust risk management and recovery mechanisms in place.

Our Strategies

We have face strong competition from other banking and non-banking financial institutions despite our competitive terms of lending. However, our strategies are as follows:

Strategy for core business sectors (Solar, Wind, SHP, Biomass and Cogeneration)

Client retention and business development are two of our most essential requirements to maintain our position as a market leader in the core business segments. In this regard, we focus on streamlining our delivery process and also increase our market visibility. To accomplish this business strategy for our core business sectors, we have implemented the following strategies are proposed:

Streamline our delivery processes by

– reducing the transaction costs of customers

– improved geographical reach by increasing branch offices at different locations

– improved customer satisfaction parameters such as employee performance and professionalism, willingness to solve problems, friendliness, level of knowledge, communication skills and selling skills

– reduction of transaction time by strengthening key departments such as legal

Increase our market visibility by

– clearly defining the differences between our services from our competitors and increasing the visibility of these differences in the products and services offered by us

– corporate re-branding and commercial advertising

– undertake significant business developmental activities through seminars and workshops to showcase our offerings during such events

Revisit sector where we have had past experience by

– leveraging Partial Risk Guarantee Fund and Partial Risk Sharing Fund by World Bank to finance Energy Conservation projects

– providing short term loans to renewable energy developers, suppliers and contractors

Diversification strategy

Diversification is one of the key strategies for us to maintain our competitive advantage over other lenders entering the renewable energy financing domain. We have reconsidered our strategic planning process by diversifying our customer portfolio. The opportunities in financing renovation and modernization projects, non-fossil fuel based technologies, RE evacuation and storage infrastructure and in advisory/consulting services also seem to be promising for expanding our lending operations.

Key areas for diversification include:

- Venture into financing transmission and evacuation infrastructure projects expected in the near future. We target RE evacuation projects promoted by State Transmission utilities (STU), Power Grid Corporation, Independent Private Transmission Companies (IPTC) and RE project developers for financing.

- Venture into financing renovation and modernization (R&M) projects in hydro power stations in the country.

- Venture into financing non fossil fuel based technologies including medium and large hydro projects (>25 MW) and nuclear power plants by leveraging co-financing/syndication with other banks and financial institutions in the market.

- Within the core areas of solar and wind, diversify into providing funds for new technologies or business models including offshore wind, aggregators of rooftop solar etc.

- Introduce new financial products including:

    - increased focus on refinancing to banks/financial institutions for on-lending to renewable energy projects under National Clean Energy Fund.

    - expand the scope of providing loan against securitization of future receivables from the renewable energy projects

    - expand line of credit to other institutions financing renewable energy or energy efficiency projects

- Venture into advisory/consulting services like due diligence, financial feasibility assessment, risk minimization and mitigation services. The introduction of International Solar Alliance would give rise to new opportunities for venturing in advisory/consulting services. This strategy can help strengthen the relationship with existing clients and create new clientele.

- Commence offering long term letter of credit services to RE developers especially solar power developers for importing key project components.

Our products and services

Currently we offer the following financial services:

- Term Loan for Renewable Energy and Energy Efficiency / Conservation projects

- Term Loans for Manufacturing of Renewable Energy and Energy Efficiency / Conservation products and components

- Take-out financing from banks and financial institutions

- Bridge Loans for solar viability gap funding, generation based incentives etc.

- Securitization of Project Receivables

- Bill Discounting against Power Receivables

- Short term loan to RE Developers/ Suppliers

- Non-fund services

    - Performance Guarantees to RE Suppliers/ Promoters

    - Underwriting/ Syndication

- Refinance to banks and financial institutions under the National Clean Energy Fund Scheme

The following table sets forth the composition of our outstanding portfolio as of 30 September 2016, 31 March 2016, 2015 and 2014:

Project Type	As on 30 September 2016		
	Total Advance		% of Total Advances
	Rs. (Million)	USD Million	
Wind	37,180.82	557.77	31.82
Solar	31,803.98	477.11	27.22
Hydro	17,571.49	263.60	15.04
COGEN & EEC	15,031.18	225.49	12.86
Short term	6,576.57	98.66	5.63
LOC for Refinance	5,000.00	75.01	4.28
Biomass & WTE	1,550.65	23.26	1.33
NCEF	1,317.04	19.76	1.13
Miscellaneous	818.93	12.29	0.70
Total	**116,850.65**	**1,752.95**	**100.00**

Project Type	As of 31 March 2014			2015			2016		
	Total Advance		% of Total Advances	Total Advance		% of Total Advances	Total Advance		% of Total Advances
	Rs. (Million)	USD Million		Rs. (Million)	USD Million		Rs. (Million)	USD Million	
Wind	44,243	663.72	54.11%	42,144	632.23	47.71%	33,539	503.14	32.58%
Hydro	17,928	268.95	21.93%	19,722	295.87	22.33%	16,888	253.35	16.41%
COGEN & EEC	11,612	174.20	14.20%	12,987	194.83	14.70%	15,047	225.73	14.62%
Solar	4,841	72.62	5.92%	10,420	156.31	11.80%	22,719	340.82	22.07%
Biomass & WTE	2,144	32.17	2.62%	2,062	30.93	2.33%	1,880	28.21	1.83%
NCEF	1,000	15.00	1.22%	996	14.94	1.13%	657	9.86	0.64%
Miscellaneous	0	0.00	0.00%	0	0.00	0.00%	862	12.93	0.84%
Short term	0	-	0.00%	0	-	0.00%	6,347	95.21	6.17%
LOC for Refinance	0	-	0.00%	0	-	0.00%	5,000	75.01	4.86%
	81,768	1,226.66	100.00%	88,331	1,325.10	100.00%	102,940	1,544.26	100.00%

Notes:
(1) Using the exchange rate of U.S.$1 = Rs.66.6596.

Lending Policies and Procedures

We have a detailed business process in place for providing financing to specific projects and schemes for the generation of energy through new and renewable sources of energy. Generally, we determine the actual loan amount for each Financial Proposal by taking into account various factors including

- Sectors Eligibility for Assistance
- Types of Schemes for Funding (use)
- Nature of Entity
- Minimum Loan amount for various category of borrower
- Borrower Investment (Debt Equity Ratio)
- Financing Norms relating to maximum moratorium repayment period and minimum promoter contribution

Applicants are also required to submit certain approvals maintained by them in respect of their business and operations.

We finance renewable projects per our financing norms and operational guidelines. Our guidelines for financing renewable project are as follows:

- Preliminary Scrutiny of Application: - Application is scrutinized by the appraisal officers of the concerned sectors.
- Pre-sanction inspection: - Pre-sanction inspection of the project site as well as the office(s) (Registered/ Corporate) of the applicant company is carried out by the relevant officer.
- Projection and Cost Assessment: - Assessment is made for loan assistance and costs required to cover New & Renewable Sources of Energy (**NRSE**)/ Energy Efficiency & Conservation (**EEC**) projects/ schemes/ systems.
- Assessment of Promoters' contribution: - we expect maximum possible contribution from the promoters of projects, normally we finance up to 70% of the project cost, however core promoters' contribution shall normally not be less than 20%.
- Consideration of Debt Equity Ratio: - generally, we do not finance cases where applicants whose Debt Equity Ratio (**DER**) exceeds the ratio limit specified under our financing norms.
- Assessment of Cost Overrun: - we do not normally finance cost overrun of projects, except for additional cost arising out of changes in project parameters / scope of work due to unforeseen conditions beyond the control of borrower, and/ or, force majeure conditions.
- Acceptability of Financing Norms & Schemes: - handle terms regarding maximum moratorium and repayment period, minimum promoter contribution and interest rate applicability as per our internal rating system.
- Assign External Rating for Renewable Energy Projects.

- Refer the case to Credit Committee: - Credit Committee assesses the project and appraisal undertaken by our Project & Technical Services Department or appraisal officer, after taking into consideration both internal & external credit rating reports.

- Credit Committee refers the case to the relevant authority for consideration..

- Authority considers the project/proposal and approves/rejects/approves with some condition the proposal.

Our lending process primarily begins with receiving the loan application from the applicant, subsequent to which, the applicant is provided with an application registration number. The applicant is then required to obtain an external credit rating (if the applicant has not already done so). Our various departments screen the documents submitted by the applicant and seek additional details, if required. Based on the documents submitted, an internal rating is assigned by our credit risk rating system division. Once we receive the internal credit rating on the project, we undertake a technical and financial appraisal of the project. We have a strong team of experienced officers in our credit appraisal and risk management teams to develop and implement our credit approval policies. Our credit approval policies focus on credit structure, credit approval authority, customer selection and documentation provided by the customer.

Each of the proposals under consideration for loan sanction is graded using our Credit Risk Rating System (**CRRS**) for determining its risk profile. The applicable interest rates are based upon the rating obtained by a proposal. All applicants venturing into the RE/EE sector, or, first time borrowers would be required to obtain credit rating from external rating agencies in accordance with our Credit Rating Model (**ICRM**). This external rating is intended to provide independent input for our credit appraisal team to consider and is used in conjunction with our existing CRRS system.

Our Credit Committee led by our Senior Function Director of the Board considers credit proposals in light of detailed appraisal notes and the recommendations of the TS Department, the external credit rating report received from the external credit rating agency, whilst taking into account business and commercial considerations and corporate strategy. A sanction letter is issued to the applicant within 3 days of receipt of minutes of meeting or approval of the loan sanctioning authority. The applicant is required to communicate the acceptance of the terms and conditions within 30 days of receipt of the Loan Sanction Letter issued by us and the Loan Sanction Letter shall be valid for 6 months from the date of issuance and the borrowers have to sign a loan agreement with us within this period. Our risk management and appraisal systems are regularly reviewed and upgraded to address changes in the external environment.

Once a prospective customer has submitted a completed application, concern officers verify various details, and empanelled third-party agencies conduct various on-site checks to verify the prospective project or scheme's details. We will check the credit history and creditworthiness of the customer with various credit bureaus to ascertain the financial obligations of the customer and to ensure that the customer has a clean repayment track record, obtaining documents such as consumer credit reports from CIBIL for delays/defaults by the borrower. Once KYC categorisation and essential information collected, proposal is sent to credit committee for their review.

After project review is conducted by our Credit Committee, it is sanctioned by the competent authority depending on the size of the loan amount. Once the project is sanctioned, we issue the sanction letter to the applicant. Thereafter, a loan agreement is signed and securities are issued in accordance with the terms of the sanction and we provide the loan to the borrower.

Loans are generally repaid in equated/structured Quarterly instalments, however in case of some projects instalment repaid in monthly basis. The size of the instalment depends on the quantum of loan, interest rate and tenure of loan. Prepayment of the loan, ahead of the contracted schedule in part or full, is permitted. Our Long term loans vary in tenure from 10 to 15 years. Our prime lending rate as of 30 September 2016 was 9.90 per cent to 11.90 per cent.

Portfolio Monitoring

Our Finance and Technical department reviews and monitors our loan portfolio. This department monitors debt repayment levels of particular loan exposures on a weekly/monthly basis. This allows us to identify potentially problematic loans at an early stage and prepare for immediate action if any principal or accrued interest repayment problems arise. The portfolio is monitored by way of various analyses consisting of:

- bucket-wise ageing analysis (i.e. number of days past due) of the outstanding portfolio;
- concentration risk monitoring in segments of the portfolio;
- early warning delinquency analysis; and
- historical case review on a periodical basis, including review of credit risks and operational risks.
- Provisions for contingencies are made for diminution in investment value and on non-performing loans and other assets as per the prudential norms prescribed by the RBI. We also make certain additional provisions to meet unforeseen contingencies.

Our participation in government programmes

The Government of India (MNRE) have initiated a number of programmes aimed at accelerating the growth and development of renewable energy projects in India. We have been involved in programmes implemented by the MNRE such as the schemes for revival of sick renewable projects, promoting grid interactive power generation projects which are focused on renewable energy technologies such as small hydro, biomass and wind power, energy efficiency and conservation project, Rooftop PV & Small Solar Power Generation Programme (RPSSGP) under "National Solar Mission", National Clean Energy Fund (NCEF), etc.

Currently, we play a key role in implementing the following programmes:

Wind GBI

The MNRE has provided incentives for grid-interactive wind power generation companies under the Generation Based Incentive (GBI) Scheme .The Wind GBI Scheme came into effect from July 2008 and was extended from FY 2012 to FY 2017.We have assisted the MNRE in implementing the Wind GBI Scheme by organising consultations between the MNRE and wind electricity producers, handling applications from wind energy producers and assisting with the disbursement of the GBI funds.

Solar GBI

We have been designated as a 'Programme Administrator' by the MNRE for administering the GBI programme for Rooftop PV & Small Solar Power Generation Programme (RPSSGP) under " National Solar Mission"(Phase-I) for providing Generation Based Incentive (GBI) for the projects Registered and commissioned under RPSSGP Scheme launched during June'2010.

The MNRE has provided incentives for grid-interactive solar power generation projects under the Demo Solar GBI scheme, which came into effect in January'2008.

Solar Water Heating System Capital Subsidy Scheme

Under the Solar Water Heating System capital subsidy Scheme for the Financial Year 2013-14, the MNRE provided capital subsidies to all MNRE-approved channel partners and State Nodal Agencies through IREDA for the systems installed by them.

Resource mobilisation

Our initial paid up equity share capital at the time of our incorporation was Rs.7,000 which comprised of 7 equity shares. As of the date of this Offering Circular, our issued, subscribed and paid-up equity share capital was Rs.7,846 million. We also fund our assets, primarily comprising of loans, with borrowings of various maturities by domestic and multilateral and bilateral agencies. Our market borrowings include bonds, domestic loans and foreign currency loans and as of 30 September 2016, we had total borrowings of Rs.107,659.99 million which included Rs.47,560.3 million raised through domestic borrowings and Rs.60,099.73 million from international multilateral and bilateral agencies. Of total borrowings, Rs.45,000.53 million were secured and Rs.62,659.46 million were unsecured and of the unsecured borrowings, Rs.55,617.97 million were guaranteed by Government of India.

Our Involvement in Solar Power Projects

Our 50 MW Solar Photovoltaic Project

As per our green commitment to the Prime Minister of the Government of India, we are developing a 50 MW Solar Photovoltaic Project in 200 MW Kasaragod Solar Park in the state of Kerala, which we have budgeted approximately Rs.3 billion. The project is at an advanced stage of completion with 36 MW commissioned and currently injected into the Karela State Electricity Board grid. The Chief Electrical Inspector of Karela Government has granted approval for the balance of 14 MW.

Our 50 MW Solar Photovoltaic Project will act as a pilot project for solar energy generation encouraging project developers and investors to invest and participate in the renewable energy sector, enabling economies of scale, cost reduction, technical improvements and achieving large scale reduction in greenhouse gas emissions

Domestic borrowings

Bonds

Taxable and Tax-free bonds

As of 30 September 2016, we have issued secured, non-convertible, redeemable taxable and tax free bonds under various series typically with a maturity period of ten years to twenty years from the date of allotment and bearing an interest rate ranging from 8.16 per cent. to 9.60 per cent. Our bonds were issued by way of private placements or public issuances and are currently listed on the "whole sale debt market segment" on the BSE and NSE.

Term Loans

We have secured and unsecured long term and short term loans from various banks and financial institutions. These loans are mostly term loans with a maturity period ranging from 7 to 10 years and bear a fixed as well as floating interest rate ranging from 9.30 per cent. to 9.35 per cent.

International Borrowings

Borrowing from Multilateral and Bilateral Agencies

As of 30 September 2016, our outstanding foreign currency borrowings from multilateral and bilateral institution was Rs.62,787 million which were either guaranteed by the Government or on non-sovereign basis. These loans have a typical maturity period ranging from 10 to 40 years from the date of disbursement and bear a fixed and floating interest rate.

Internal Policies and Committees

We have several internal policies and committees to ensure that the conduct of our business is streamlined, uniform procedures are followed, service standards are consistent and adequate controls exist throughout our business.

Risk management policy

Our major risks as an NBFC are:

Credit Risk: The risk of loss due to the inability or unwillingness of the borrower or counterparty to meet their obligations in accordance with the agreed terms in relation to lending, trading, hedging, settlement or other financial transactions resulting in default and consequential financial loss.

Market Risk: The risk of loss of earnings and capital due to adverse movement in market variables such as liquidity or interest rate changes.

Operational Risk: The risk of loss resulting from failed or inadequate processes, people and systems or from external events.

Foreign Exchange (Forex) Risk: The risk of adverse movement of foreign exchange rate. Unhedged foreign exchange borrowing may be more costly due to adverse movement. As of September 30, 2016, we had 58% of borrowing through international financial institutions and a substantial portion of such borrowing has been hedged. If there is depreciation in the domestic rate then this borrowing may be costly for us.

The fundamental principles of risk management remain relevant regardless of the size and complexity of our operations. The level of sophistication of our risk management framework needs to have a relationship to the nature, size and complexity of our activities. Accordingly, our risk management policy incorporates specific prescriptions covering each of the risks we face.

In order to protect the risks mentioned above, we have adopted the following risk management systems:

Credit Risk Management

To manage credit risk, we have adopted the following systems and procedures:

a) established a Credit Committee;
b) implemented an internal credit risk rating system for projects;
c) ensure independent external ratings are sought for projects; and
d) adopted financing guidelines and exposure norms and loan monitoring.

Market Risk

a) Interest Rate Risk: to monitor the interest on lending, we have established a committee for fixing interest rates and monitoring interest rate risk.
b) Foreign Exchange Risk: To hedge our foreign exchange exposure, we have adopted a foreign exchange risk policy which allows our committee on foreign exchange risk to make decisions related to foreign exchange risk.

c) Assets Liability Management: To manage our assets and liabilities, we have established an asset liability management committee. In compliance with the RBI guidelines, our asset liability management committee consists of the Chairman and Managing Director, our Directors and other senior officials. Our asset liability management committee conducts meetings as and when we need to manage our liquidity and other issues.

Operational Risk

Operational risk refers to the financial risk generally associated with internal and external systems for the monitoring, negotiation and delivery of financial transactions. We manage operational risk on accounting and loan management through our information technology system.

Forex Risk Management

We have adopted a Foreign Exchange and Derivatives Risk Management Policy duly approved by our board of directors. In terms of this policy, we have constituted a Risk Management Committee (RMC) as the authorizing committee for all forex risk, derivative related transactions and monitoring of risk limit.

Corporate Social Responsibility (CSR)

We aim to complement our primary business with overall social and environmental objectives, which are set out in our CSR policy. The main areas of our CSR strategy include community development, environment, education, and health and disaster management. Our CSR budget is in line with the guidelines from the Department of Public Enterprises and our annual CSR budget is transferred to a non-lapsable account. We have established a CSR Committee which coordinates and monitors our CSR functions. The CSR Committee meets at least once every quarter and the progress of our CSR programmes are placed before the Board on a quarterly basis. During the Financial Year 2016, we created a non-lapsable budget of Rs.64.53 million for meeting expenditures related to CSR activities.

In accordance with the provisions of the Companies Act, 2013, our Board has approved our CSR allocation for the Financial Year 2017, which is equivalent to 2 per cent. of our average net profit over the preceding three Financial Years, amounting to Rs.75.07 million. For the six months ended 30 September 2016, expenditure on CSR activities amounted to Rs.37.54 million.

We implemented the following CSR initiatives during the Financial Year 2016: We are committed to increasing our CSR impact in the near future, with an aim to playing a larger role in India's sustainable development.

Quality Management Certification

We received IS/ISO 9001:2008 certification by the Bureau of Indian Standards for our quality management systems (**QMS Certification**) in 2013. The QMS Certification was renewed in February 2017 and is valid for period of three years until February 2020 to be renewed thereafter.

Associates

We have entered into a memorandum of understanding dated 14 July 1994 with Consolidated Energy Consultants (P) Limited and M.P. Urja Vikas Nigam Limited, a Government of Madhya Pradesh undertaking to form a joint sector company, namely, M.P. Wind Farms Limited (**MPWL**), for the establishment of wind power estates in Madhya Pradesh. Our initial paid up share capital contribution in MPWL was Rs.1,200,000 representing 24 per cent. of the total paid up share capital of MPWL.

Competition

We face competition in all of our lines of business. Our primary competitors are banks, financial institutions and NBFCs. Both public and private sector banks with their large deposit base, technology and extensive branch network have greater reach to the retail clients. Foreign banks, although having small market penetration, have significant presence among non-resident Indians. Private sector and foreign banks with large product portfolios and technological sophistication also pose competition to us. As people are the prime asset of any service-oriented business, there is competition in the recruitment and retention of skilled and professional human resources.

We compete with the renewable financing market on the basis of faster turnaround time, service quality, and diversified product lines, specialization in renewable sector, better market focus and good HR practices to attract and retain talent in our teams.

Credit Rating

Our rating details as of 30 September 2016 are set out below:

Rating Agency	Amount (Rs. in millions)	Purpose	Rating	Date of Issue/revalidation of rating
ICRA	20,000	Long Term Tax-free Bonds Programme	ICRA AA+ (Stable)	18 September 2015, 7 December 2015, 30 December 2015
	20,000	Taxable Bond Programme	ICRA AA+ (Stable)	September, 2016
India Ratings	20,000	Tax-free bonds	'IND AA+' (SO) (Positive)	12 September 2016
	20,000	Fiscal Year 2017 Bond	'IND AA+ (SO) (Positive)	12 September, 2016
CARE	31,000	Long term bonds	CARE AAA (SO)	16 September, 2016
	20,000	IREDA Green Bonds	CARE AA+	
Brickwork Ratings	10,000	Long Term Tax-free Bonds (Series XIII)	BWR AAA (SO) (Stable)	10 February,2016
	10,000	Long Term Taxable Bonds (Series V)		
	4,500	Long Term Taxable Bonds (Series IV)		
	4,000	Long Term Taxable Bonds (Series III)		
	1,500	Long Term Tax-free Bonds (Series II)		

Capital Adequacy

We are subject to capital to risk asset ratio (**CRAR**) requirements prescribed by the RBI. We are currently required to maintain a minimum CRAR of 15 per cent. as prescribed under the prudential norms of the RBI based on our total capital to risk weighted assets. As of 30 September 2016 and 31 March 2016, 2015 and 2014, our capital adequacy ratio computed on the basis of RBI requirements was 18.25 per cent., 19.99 per cent., 23.14 per cent. and 23.79 per cent., respectively, as compared to a minimum of CRAR requirement of 15 per cent. stipulated by the RBI for the Financial Year 2016.

The following table sets out our capital adequacy ratios computed on the basis of applicable RBI requirements on a standalone basis as of the dates indicated below:

	As of 30 September 2016	As of 31 March		
		2016	2015	2014
CRAR (per cent.)	18.25	19.99	23.14	23.79
Tier I Capital (Rs. in Millions)	22,725.82	21,599.25	20,939.87	18,645.48

Our Business Process

We have a detailed business process in place for providing financing to specific projects and schemes for the generation of energy through new and renewable sources of energy and energy efficiency. The business process primarily begins with receiving the loan application from the applicant, subsequent to which, the applicant is provided with an application registration number. The applicant is then required to obtain an external credit rating (if the applicant has not already done so). Our various departments screen the documents submitted by the applicant and seek additional details, if required. Based on the documents submitted, an internal rating is assigned by our credit risk rating system division in Finance Department. Once we receive the external credit rating on the project, we undertake a technical and financial appraisal of the project. Once KYC categorisation by the committee is complete, an approval is sought from our Chairman and Managing Director. Once approval is granted, a project review is conducted by our Credit Committee and subsequently sanctioned by the competent authority. Once the project is sanctioned, we issue the sanction letter to the applicant. Thereafter, a loan agreement is signed and securities are issued in accordance with the terms of the sanction and we provide the loan to the borrower.

Green Bond Framework

Sustainability is an integral part of our ethos. We believe in creating value for all our stakeholders while contributing to environmental sustainability and societal development. In 2016, we developed a sustainability framework (the **Green Bond Framework**) that integrates stakeholder focus into our long-term vision and strategy. This sustainability framework is built on five pillars:

Customers	to consistently enhance customer service by focusing on customer experience, innovation and quality assurance to deliver superior "IREDA Experience".
Shareholders and Providers of Capital	to actively engage with shareholders and providers of capital to create value.
People	to create and sustain a diverse work culture through improving organisational effectiveness, providing a safe and ethical work environment and maintaining stability and sustainability amidst the rapidly changing business environment and growth.
Environment	to promote environmental sustainability and equitable growth through sustainable lending practices and to reduce any environment impact due to

our operations by actively managing our environmental footprint and supporting customers in making “green banking” choices.

Communities to create and sustain a mechanism that will propagate sustainable livelihoods and contribution back to society across various segments.

Green Bond Framework Overview

Our Green Bond Framework sets out how we propose to raise “green bonds” that meet the pre-issuance requirements of the Climate Bonds Standard Version 2.0 issued by the Climate Bond Initiative (**Green Bonds**). This framework also adheres to the Green Bond Principles, 2015, issued by the International Capital Markets Association (**ICMA**). Our Green Bond Framework also sets out how we propose to use the proceeds of those issuances to invest in renewable energy, urban mass transport and energy efficient buildings in a manner that is consistent with our values.

We have addressed the four pillars of ICMA’s Green Bond Principles and committed to annual reporting on the use of proceeds for the lifetime of any bond issued under our Green Bond Framework.

Use of Proceeds

We will utilise the net proceeds of the Green Bond into financing/refinancing to Renewable Energy/Energy Efficiency Projects and for setting up our 50MW Solar Project in Karela, India.

Eligibility Criteria:

Our Green Bonds proceeds shall be utilized for a project which must meet the following criteria:

- Renewable Sector Specific Project: - Project must be fallen in any of the following sectors:
    - Wind Power
    - Small Hydro Power
    - Biomass Power Co-generation
    - Energy Efficiency & Conservation
    - Solar Energy
    - Waste to Energy & Miscellaneous.
- Funding under specified schemes (for financing and refinancing): - Financing shall be made as per our scheme of funding for below purpose.
    - Project Financing
    - Equipment Financing
    - Loans for Manufacturing
    - Financial Intermediaries

- Financing of commissioned projects including takeover of Loans from other Banks / Financial Institutions

- Additional / Bridge Loan against Sugar Development Fund Loan

- Loan against Securitization

➢ Funding/Investment for the following prescribed entities:

- Private Sector Companies

- CPSU

- State Utilities/ Discoms/ Transcos/ Gencos/ Corporations, etc.

- Joint Sector Companies

- Other Entities against the security in form of Bank Guarantee/FD.

- Only for high value project where loan size not less than Rs.5,000,000

Renewable Energy Eligible Projects

Eligibility criteria for specific sectors of renewable energy shall comply with the guidelines set out on our website at http://www.ireda.gov.in/forms/contentpage.aspx?lid=733.

Project Selection Process

The process for assessing eligible financing/refinancing projects are as follows:

➢ Our technical team, in accordance with our financing policy and operational guidelines, will:

- assess and determine project eligibility; and,

- recommend the project for financing of proceeds.

➢ Approving authority will sanction the proposal for disbursement.

➢ Our finance department monitors the allocation of the bond proceeds for eligible projects and produce an internal report for funds utilized against it.

Management of Proceeds

Our Green Bonds proceeds shall be managed as follows: -

➢ After receiving the funds from our Green Bonds, we shall credit the funds into a separate bank account or/and short term deposit until we need to utilise these funds for Financing of Renewable Projects and/or Energy Efficiency Projects and setting up of Solar Energy Project of 50 MW in India.

➢ The disbursement amount for approved projects shall be made out of a separate account maintained for the Green Bonds proceeds only.

- Details of the projects funded from our Green Bonds shall be maintained by the Finance Department.

- We expect to spend the majority of our Green Bond proceeds within six months of the date of issuance.

Reporting

Throughout the term of the Green Bond and, until the proceeds have been fully allocated to eligible projects, we will commit to publishing annual updates of the allocation of the proceeds. These updates will be published on our website at www.ireda.gov.in.

Assurance

Our Green Bond Framework has been reviewed by M/s Emergent Ventures India Pvt Ltd and certified by the Climate Bond Initiative. After issuance of any Green Bonds, M/s Emergent Ventures India Pvt Ltd will provide assurance that Eligible Green Projects continue to be in alignment with our Green Bond Framework. All issued Green Bonds are expected to undergo the same selection and nomination process and be verified by the relevant committees. We will also receive post-issuance certification from the Climate Bonds Initiative to assure continued adherence to the Green Bond Framework. This post-issuance certification by the Climate Bond Initiative is expected to be obtained within one year after issuance of the relevant Green Bond and will be published on our website.

Intellectual Property

We currently use the following logo for commercial purposes:

इरेडा IREDA

Our logo and name are not registered as a trademark or service mark in any jurisdiction nor has any application been made by us to register such logo and name as a trademark or service mark.

Property

Our Registered Office is located at India Habitat Centre, First Floor, East Court, Core-4A, Lodhi Road, New Delhi – 110003 and was been sub-leased from India Habitat Centre on 25 August 1988. On 26 July 1989, we were allocated more space at such Registered Office. Our Corporate office is located at Third Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi – 110066 and is allotted by the Housing and Urban Development Corporation Limited by way of an allotment letter no. HUDCO/BCP/108D/IREDA/906 dated 4 December 2006 on a long term sub-lease basis.

We have one residential property situated at Jangpura, New Delhi. We entered into an agreement to sell our residential property to Hindustan Prefab Limited in 1994. We have not yet received government approval for the transfer of the lease rights from Hindustan Prefab Limited to us.

We also own a commercial property situated at 'SIDCO Electronic Complex', Guindy, Chennai.

Further, we have rented, and operate through, our branch offices located at Chennai and Hyderabad and camp office located at Ahmedabad. We do not own such premises. We have also received a letter of allotment for a leased property situated at New Delhi.

Human Resources

We place great emphasis and focus on recruitment and retention of our employees as people are the most valuable asset for a service industry such as ours. We believe we are a talent-driven company, with people being our principal investment towards driving our strategy, sustainability and success. We believe our robust performance management system helps identify high potential performers and ensuring adequate rewards along with career growth. We focus on adequate training for all of our employees and seminars, workshops and other courses have become a part of the regular activities of the organisation which helps the development and growth of our employees. As of 30 September 2016 and 31 March 2016, 2015 and 2014, we had a dedicated workforce of 134, 137, 124 and 130 employees, respectively.

Insurance Coverage

We currently maintain insurance coverage against fire and allied perils, burglary and housebreaking and damage to portable equipment at our offices, and a money insurance coverage for cash that is maintained in our offices and cash in transit. We also maintain a directors and officers' liability policy covering our directors, officers and employees against claims arising out of legal and regulatory proceedings and monetary demands for damages. Our insurance policies are renewed annually.

See "*Risk Factors – Risks relating to our business and industry – Our insurance policies provide limited coverage and may not adequately insure us against certain operational hazards, which may have an adverse effect on our business.*"

Information Technology and Communication

We recognize the importance of information technology, and use both internally and externally developed applications. Internally, we have developed applications catering to our business operations like Project Information and Documents Monitoring System (**PIDMoS**) and Workflow applications for internal use by our employees. Our organization also has an Enterprise Resource Planning System (**ERP System**), which has been developed through an external agency. The ERP System caters to various processes related to Finance & Accounts, Human Resource & Administration, which helps to improve our overall productivity. Information technology and communications has played an important role in speeding up the processing of proposals, creation of a data bank of past cases, collection of industry-specific information, access to such information through our network and effectively monitoring the progress of assisted projects.

Our Registered and Corporate offices are connected to the central servers located in our Data Centre at Registered and Corporate Office i.e. India Habitat Center and August Kranti Bhawan respectively. Data is processed and analysed using various tools, enabling us to efficiently and cost-effectively manage our business processes. Our data centers are ISO/IEC 27001:2013 Certified and we have implemented sufficient controls to mitigate the threat of data loss.

Our IT systems have the capability of end-to-end customer data capture and integration of accounts centrally. Loan appraisals and sanctions are controlled by our Loan Application System in conjunction with PIDMoS and the ERP System, including Credit Risk Rating System (CRRS) to ensure overall risk management control.

Legal proceedings

From time to time, the Issuer may be involved in various disputes and proceedings in its ordinary course of business. These proceedings are pending at different levels of adjudication before various governmental authorities, courts, tribunals and appellate authorities. However, other than described below, the Issuer is not involved in any litigation that may (individually or in aggregate) have a material effect on the financial position of the Issuer.

In respect of taxation proceedings for tax assessment years 2010 to 2014 which are pending with the Commissioner of Income Tax (Appeals), total contingent liabilities aggregate to approximately Rs.605 million. The Issuer from time to time has cases against it in relation to (i) employees' removal from employment where employees seek reinstatement of their employment and (ii) counter suits in relation in relation to enforcement suits commenced by the Issuer before Debt Recovery Tribunals or under the under the SARFAESI Act, 2002. Entities to whom the Issuer has lent monies may from time to time have money laundering cases against them which may affect the Issuer.

From time to time, the Issuer has made claims for recovery of monies loaned along with liquidated damages by filing recovery cases before the Debt Recovery Tribunals, by taking action under the SARFAESI Act, 2002 or the Board of Industrial and Financial Reconstruction, which as at 31 December 2016, total of approximately 44 cases pending with claim amounts aggregating to approximately Rs.3,156 million. The Issuer has also commenced criminal proceedings in relation to dishonour of cheques issued by borrowers for payment of loan utilised from the Issuer under Section 138, Sections 141 and 142 of the Negotiable Instruments Act, 1881 in various District Courts of New Delhi, which as at 31 December 2016, total 536 cases with claim amounts aggregating to approximately Rs.3,900 million.

As at 31 March 2016, the total amount involved in legal actions (including demands and claims by tax authorities and private parties and legal) in connection with such claims against the Issuer was approximately Rs.605 million. Since most of these cases are in trial or in processing, it is difficult to estimate a precise figure of the amounts of any losses that the Issuer is likely to sustain as a result of such actions being decided against the Issuer.

Even if a judgment or award in pending litigation or arbitrary proceedings is adverse to the Issuer, the Issuer does not anticipate that such cases (individually or jointly) would have a material adverse impact on its business, financial condition or results of operations.

ASSETS AND LIABILITIES{ TC "Assets and Liabilities" \f C \l "1" }

The following information should be read together with our financial statements included in this Offering Circular and the sections titled "Business" to the extent that our financial results and financial condition are discussed in those sections. All computations have been derived from financial information which has been prepared in accordance with Indian GAAP. Footnotes appear at the end of each related section of tables.

Yields, Spreads and Margins

The following table sets forth, the yields, spreads and interest margins on our interest-earning assets for the periods indicated.

Particulars	For the years ended 31 March		
	2014	2015	2016
	(in Rs. millions, except percentages)		
Interest income (income from financing activities)	8,469.84	9,768.74	11,116.36
Finance cost	4,879.52	6,463.30	6,680.69
Average income-earning assets	79,888.36	95,675.73	115,773.52
Average interest-bearing liabilities	59,285.68	71,015.60	87,219.50
Average total assets	80,353.24	96,805.03	117,381.31
Average income-earning assets as a percentage of average total assets	99.42%	98.83%	98.63%
Average interest-bearing liabilities as a percentage of average total assets	73.78%	73.36%	74.30%
Average income-earning assets as a percentage of average interest-bearing liabilities	134.75%	134.72%	132.74%
Yield	10.60%	10.21%	9.60%
Cost of funds	8.23%	9.10%	7.66%
Spread	2.37%	1.11%	1.94%
Dividend payout ratio	17.03%	24.08%	60.58%
Cost to average assets	6.07%	6.68%	5.69%

Notes:

Return on Equity and Assets

The following table presents certain selected financial ratios for the periods indicated.

Particulars	For the Fiscal Years ended 31 March		
	2014	2015	2016
	(in Rs. millions, except percentages)		
Average total assets	80,353.39	96,805.14	117,381.32
Average shareholders' equity fund	18,106.07	20,557.13	22,373.15
Net profit before tax	3,403.07	3,785.75	4,176.23
Net profit after tax	2,405.13	2,719.06	2,980.37
Return on equity	13.28%	13.23%	13.32%
Return on average asset (before tax)	4.24%	3.91%	3.56%
Return on average asset (after tax)	2.99%	2.81%	2.54%
Average shareholders' equity as a percentage of average total assets	22.53%	21.24%	19.06%

Notes:

Interest Coverage Ratio

The following table presents our interest coverage ratios for the periods indicated.

	Particulars	For the years ended 31 March		
		2014	2015	2016
		(in Rs. millions, except percentages)		
(i)	Net profit before tax	3,403.07	3,785.75	4,176.23
(ii)	Non-cash expenses – depreciation, bad debts written off, provision for bad and doubtful debts written off and general provisions for standard assets	336.06	498.05	436.03
(iii)	Finance cost	4,879.52	6,463.30	6,680.69
(1v)	**Total ((i)+(ii)+(iii))**	8,618.65	10,747.10	11,292.95
(v)	Interest coverage Ratio ((iv)/(iii))	1.77	1.66	1.69

Investment Portfolio

The following tables set forth, as at the dates indicated, certain information related to our investments.

Particulars	For the Fiscal Years ended 31 March		
	2014	2015	2016
	(in Rs. millions)		
Government securities	NIL	NIL	NIL
Other approved securities	NIL	NIL	NIL
Shares	1.2	1.2	1.2
Mutual Fund investments	NIL	NIL	NIL
Debentures, bonds, commercial papers and	NIL	NIL	NIL

certificate of deposits..............................			
Total	1.2	1.2	1.2

Borrowings

The following table sets forth, for the periods indicated, information related to our borrowings, which are comprised primarily loans from banks and non-convertible debentures.

Particulars	**For the years ended 31 March**		
	2014	**2015**	**2016**
	(in Rs. millions, except percentages)		
Period-end balance......................................	66,485.87	74,391.65	100,047.34
Average outstanding balance	59,285.68	71,015.60	87,219.50
Finance cost	4,879.52	6,463.30	6,680.69
Average interest rate during the period[1]..........	8.23%	9.10%	7.66%

Note:

1. Average interest rate during the period1 represents the ratio of finance cost on borrowings during the period to the average balances of borrowings.

Subordinated Debt

We have not issued non-convertible subordinated debt securities, which qualified as Tier II capital under the DPE guidelines for assessing capital adequacy. As at 30 June 2016, our outstanding subordinated debt aggregated was nil.

Perpetual Debt

We have not issued non-convertible perpetual debt securities, which qualified as Tier II capital under the DPE guidelines for assessing capital adequacy. As at 30 June 2016, our Company's outstanding perpetual debt aggregated was nil.

Loan Portfolio

As at 31 March 2016, 2015 and 2014, our AUM was Rs.130,058 million, Rs.101,491 million and Rs.89,863 million, respectively. As at 31 March 2016, 2015 and 2014, all of our loans under our AUM were to borrowers in India and were denominated in Indian Rupees.

The following table sets forth, for the periods indicated, our AUM classified by loan types.

Classification of Loans and Advances	**As at 31 March**					
	2016		**2015**		**2014**	
	Loans	**AUM**	**Loans**	**AUM**	**Loans**	**AUM**
	(in Rs. millions)					
Secured Loans	103, 993	129,400	89,174	100,731	82,881	89,103
Unsecured Loans............	657	658	759	760	759	760
Total............................	104,650	130,058	89,933	101,491	83,640	89,863

Concentration of Customers

The following table sets forth, as at the dates indicated, our fund-based loans outstanding categorised by customer type.

Project Type	As at 31 March 2016	2015	2014
	(in Rs. millions)		
Wind	33,539	42,144	44,243
Hydro	16,888	19,722	17,928
COGEN & EEC	15,047	12,987	11,612
Solar	22,719	10,420	4,841
Biomass & WTE	1,880	2,062	2,144
NCEF	657	996	1,000
Miscellaneous	862	-	-
Short term	6,347	-	-
LOC for Refinance	5,000	-	-
	102,940	88,331	81,768

Non-Performing Assets

As at 31 March 2016, our gross NPAs as a percentage of our AUM was 4.54% and its net NPAs as a percentage of our AUM was 3.43%. As at 31 March 2016, we made provisions for contingencies of Rs.1,776.99 million, representing 39.75% of our Net NPAs, which comprised Rs.1,440 million as provision for our NPAs and Rs.244 million as provision for our standard assets.

The following table sets forth, for the periods indicated, information about our NPA portfolio.

Particulars	As at 31 March 2014	2015	2016
	(in Rs. millions, except percentages)		
Opening balance at the beginning of the year	2,548.05	3,415.53	4,758.47
Increase/(decrease) in NPAs during the year	867.48	1,342.94	1,151.99
Gross NPAs at the end of the year	3,415.53	4,758.47	5,910.46
Net NPAs	2,274.93	3,711.09	4,470.43
AUM	89,862.72	101,491.13	130,058.32
Net loans	83,237.22	88,885.98	103,209.96
Gross NPAs as a percentage of AUM	3.80%	4.69%	4.54%
Net NPAs as a percentage of AUM	2.53%	3.66%	3.43%
Total provisions as a percentage of gross NPAs	25.40%	28.22%	19.49%
Net gearing ratio (times)	3.44	3.41	4.36

Notes:

Recognition of Non-Performing Assets

Our NPAs are recognised as per the DPE guidelines and as per the RBI guidelines for its subsidiaries which are NBFCs.

The NPAs are classified into various categories as follows:

(i)	NPA for a period not exceeding 18 months:	Substandard asset;
(ii)	NPA exceeding 18 months:	Doubtful asset; and
(iii)	An asset which has been considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value and where loss has been identified by the company or internal or external auditors or any other relevant Government authority but the amount has not been written off wholly or the asset remains doubtful asset for a period exceeding 5 years:	Loss asset

The following table is a summary of the risk classification of our gross NPAs (in absolute terms and as a percentage of our gross NPAs) and our provision for probable losses as at 31 March 2014, 2015 and 2016:

		Fiscal 2014			**Fiscal 2015**			**Fiscal 2016**		
Sr. No.	Non-Performing Assets	NPA Loan O/s	% of NPA	Total loan outstanding	NPA Loan O/s	% of NPA	Total loan outstanding	NPA Loan O/s	% of NPA	Total loan outstanding
1	Biomass Power	1299.72	1.59 %	1928.90	1,321.07	1.48 %	1,867.9	1318.0	1.27 %	1,742.2
	Sub	1142.68	1.40 %		234.73	0.26 %		30.3	0.03 %	
	Doubtful	156.98	0.19 %		1,086.28	1.22 %		1,287.7	1.24 %	
	loss	0.06	0.00 %		0.06	0.00 %		0.1	0.00 %	
2	Briquetting	0.00	0.00 %	0.00	0.00	0.00 %	0.1	0.00	0.00 %	0.1
	Sub	-	0.00 %		-	0.00 %		-	0.00 %	
	Doubtful	-	0.00 %		-	0.00 %		-	0.00 %	
	loss	0.00	0.00 %		0.00	0.00 %		0.00	0.00 %	
3	Co-generation	1228.8	1.50 %	9799.8	985.8	1.11 %	11,594.7	1,864.0	1.80 %	13,597.1
	Sub	907.2	1.11 %		-	0.00 %		895.8	0.87 %	
	Doubtful	321.5	0.39 %		985.7	1.11 %		968.2	0.94 %	
	loss	0.00	0.00		0.00	0.00		0.00	0.00	

		Fiscal 2014			Fiscal 2015			Fiscal 2016		
			%			%			%	
4	Small Hydro	332.1	0.41%	17,928.2	1,899.1	2.13%	20,173.6	2,093.2	2.02%	17,288.7
	Sub	-	0.00%		1,772.7	1.99%		1,729.1	1.67%	
	Doubtful	332	0.41%		126.3	0.14%		364.0	0.35%	
	loss	0.1	0.00%		0.1	0.00%		0.1	0.00%	
5	Solar Thermal / SPV	0.1	0.00%	4840.6	-	0.00%	10,1525	0.1	0.00%	22,628.1
	Sub	-	0.00%		-	0.00%		-	0.00%	
	Doubtful	-	0.00%		-	0.00%		-	0.00%	
	loss	0.1	0.00%		-	0.00%		0.1	0.00%	
6	Wind	9.4	0.01%	44,243.2	7.0	0.01%	42,119.4	104.2	0.10%	32,076.5
	Sub	-	0.00%		-	0.00%		97.2	0.09%	
	Doubtful	9.3	0.01%		6.9	0.01%		6.9	0.01%	
	loss	0.1	0.00%		0.1	0.00%		0.1	0.00%	
7	Waste to energy	52.2	0.06%	215.3	52.2	0.06%	209.2	37.5	0.04%	177.0
	Sub	52.2	0.06%		-	0.00%		-	0.00%	
	Doubtful		0.00%		52.2	0.06%		37.5	0.04%	
	loss	0.00	0.00%		0.00	0.00%		-	0.00%	
8	Energy Efficiency	493.2	0.60%	1,812.3	493.2	0.55%	1,667.3	493.2	0.48%	1,514.5
	Sub	-	0.00%		-	0.00%		-	0.00%	
	Doubtful	493.2	0.60%		493.2	0.55%		493.2	0.48%	
	loss	0.00	0.00%		0.1	0.00%		0.1	0.00%	
9	others	-	0.00%	1000.0	-	0.00%	1,287.3	0.00	0.00%	14,419.0
	Sub	-	0.00%		-	0.00%		-	0.00%	

	Fiscal 2014			Fiscal 2015			Fiscal 2016		
Doubtful	-	0.00%		-	0.00%		-	0.00%	
loss	-	0.00%		-	0.00%		0.00	0.00%	
Total	3415.6	4.18%	81,768.4	4758.4	5.34%	89,072.0	5,910.2	5.71%	103,443.2

The following table sets forth details of our Company's non-performing loans and defaulting loans as at 31 March 2014, 2015 and 2016.

Particulars	As at 31 March		
	2014	2015	2016
	(in Rs. millions, except percentages)		
Gross NPAs..	3,415.53	4,758.47	5,910.46
AUM...	89,862.72	101,491.13	130,058.32
Gross NPAs as a percentage of AUM............	3.80%	4.69%	4.54%
Provision for NPAs....................................	1,140.60	1,047.38	1,440.03
Provision for NPAs as a percentage of gross NPAs	33.39%	22.01%	24.36%
Net NPAs	2,274.93	3,711.09	4,470.43
Net NPAs as a percentage of AUM...............	2.53%	3.66%	3.43%

Notes:

The following table sets forth details of our non-performing loans as at 30 September 2016:

Particulars	As at 30 September 2016:
	(in Rs. millions, except percentages)
Gross NPAs..	4.72%
Net NPAs	3.49%

NPA Strategy

We rely on the SARFAESI Act to enforce security charged to it in the case of defaulting borrowers as well to take appropriate portfolio intervention such as the sale of non-performing loans to specialised asset reconstruction companies. We have also restructured loans to customers who have faced cash flow problems causing delay or default in servicing their loan obligations.

Capital Adequacy

The following table summarises certain key financial data and ratios as at and for the years 2014, 2015 and 2016.

Particulars	As at and for the years ended 31 March		
	2016	2015	2014
	(in Rs. millions, except percentages)		
CRAR	19.99%	23.14%	23.79%

Borrowings	100,047.34	74,391.65	67,639.56
Cash and cash equivalents (as per the cash flow statement)	9,806.55	8,220.57	4,908.78
Net worth	22,960.67	21,785.64	19,328.62
Current investments (Investments in liquid debt instruments)	Nil	Nil	Nil
Debt to equity ratio	4.36	3.41	3.44

Notes:

Funding Sources

We strive to maintain diverse sources of funds in order to reduce its costs of funding, to maintain adequate interest margins and to achieve liquidity goals. The following table sets out our sources of funding and their respective percentages of our total funding as at 31 March 2014, 2015 and 2016:

Source of Funding	As at 31 March		
	2016	2015	2014
	(in Rs. millions, except percentages)		
Loans from banks and financial institutions	2,441.94	4,712.12	5,039.98
Non-convertible debentures and other debt instruments	42,076.55	22,076.55	22,076.55
External commercial borrowings	55,528.86	47,602.98	39,369.34
Commercial papers	-	-	-
Subordinated debt	-	-	-
Perpetual debt	-	-	-
Total	100,047.34	74,391.65	66,485.87

Notes:

Cost of Funds

The table below sets forth the amount and cost of funds as at 31 March 2014, 2015 and 2016.

Funding Source	For the years ended 31 March		
	2016	2015	2014
	(in Rs. millions, except percentages)		
Banks & financial institutions	57,970.79	52,315.10	44,409.32
Capital Markets	42,076.55	22,076.55	22,076.55
Total	100,047.34	74,391.65	66,485.87
Cost of funds	7.66%	9.10%	8.23%

Notes:

Asset-Liability Gap Management

The following table sets forth the asset-liability gap position for our operations as at 31 March 2014, 2015 and 2016.

Maturity Pattern of Assets & Liabilities :

Items	Year	Less than or equal to 1 year	More than a year up to 3 years	More than 3 years up to 5 years
Loan Assets	2016	16,427	22,745	23,106
	2015	12,258	21,248	19,136
	2014	10,936	16,413	17,408
Foreign currency assets	2016	9,525	320	389
	2015	2,118	291	353
	2014	2,612	264	320
Total Assets	2016	25,952	23,066	23,495
	2015	14,377	21,538	19,489
	2014	13,547	16,676	17,728
Rupee liabilities	2016	6,161	2,250	3,454
	2015	476	874	5,437
	2014	328	835	1,892
Foreign currency liabilities	2016	3,175	6,430	7,860
	2015	2,680	6,186	5,651
	2014	2,847	4,683	3,067
Total liabilities	2016	9,336	8,679	11,314
	2015	3,156	7,061	11,088
	2014	3,175	5,518	4,959

Items	Year	More than 5 years up to 7 years	More than 7 years	Total
Loan Assets	2016	16,681	24,394	103,354
	2015	17,329	19,098	89,070
	2014	16,326	21,598	82,679
Foreign currency assets	2016	107	-	10,341
	2015	311	-	3,073
	2014	389	107	3,692
Total Assets	2016	16,788	24,394	113,695
	2015	17,640	19,098	92,143
	2014	20,224	21,705	86,371
Rupee liabilities	2016	3,012	61,553	76,431
	2015	1,965	18,096	26,849
	2014	5,853	18,148	27,056
Foreign currency liabilities	2016	7,030	31,033	55,529
	2015	3,413	29,672	47,603
	2014	2,566	26,206	39,369
Total liabilities	2016	10,043	92,585	131,958
	2015	5,378	47,769	74,452
	2014	8,419	44,354	66,425

RECENT DEVELOPMENTS{ TC "Recent Developments" \f C \l "1" **}**

There have been no material changes in our financials or operations since 30 September 2016.

MANAGEMENT{ TC "Management" \f C \l "1" }

Board of Directors

Our Articles of Association require us to have not less than three and not more than 12 Directors on the Board. Further, as per the Articles of Association, the President of India has powers to appoint, subject to the provisions of the Companies Act, chairman and managing director, the functional directors.

The following table sets out details regarding our Board as of the date of this Offering Circular:

Name, designation, age, nationality, occupation	Address	Other Directorships
MR. KULJIT SINGH POPLI **Designation:** Chairman & Managing Director **Director since:** 4 December 2007 **Nationality:** Indian **Age:** 56 years	11/1, Nehru Enclave (East), New Delhi, India - 110019	1 (Patron Member of Managing Committee of PHD Chamber of Commerce and Industry)
MR. SATISH KUMAR BHARGAVA **Designation:** Director (Finance) **Director since:** 26 December 2012 **Nationality:** Indian **Age:** 57 years	C-208, 1st Floor, Surya Nagar, Sector- 7, Tha Sahibabad, Ghaziabad, Uttar Pradesh- 201011	NIL
MR. CHANDER MOHAN BHATLA **Designation:** Ex-Offico Part-Time Director **Director since:** 4 September 2014 **Nationality:** Indian **Age:** 59 years	19, Sector-10, Nivedita Kunj, Q Block R.K Puram, New Delhi- 110 022	NIL
DR. ARUN KUMAR TRIPATHI **Designation:** Ex-Offico Part-Time Director **Director since:** 21 July 2015 **Nationality:** Indian **Age:** 55 years	G-45, Type 5B, Hudco Place Extansion, Andrewsganj, Defence Colony, Delhi-110049	NIL

None of our present Directors appear on the RBI and/or the Export Credit Guarantee Corporation default list.

Brief Profiles

Mr. Kuljit Singh Popli, aged 56 years, is the Chairman and Managing Director of our Company. He holds a bachelor's degree in science (electrical engineering) from Birla Institute of Technology, Mesra, Ranchi and a bachelor's degree of laws from the University of Delhi. He has been associated with our Company for approximately eight years. In the past, he has been associated with Power Finance Corporation Limited for more than 14 years and National Hydroelectric Power Corporation Limited for a period of 11 years. The total remuneration paid to him as of 30 September 2016 (for six months) was Rs.2,594,229.

Mr. Satish Kumar Bhargava, aged 57 years, is the Director (Finance) and CFO of our Company. He holds a bachelor's degree in commerce (Hons.) from the University of Delhi. He is a fellow member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. He has been associated with our Company for more than 16 years. In the past, he has been associated with National Thermal Power Corporation Limited for more than two years, HMT Limited for approximately one year and Central Electronics Limited for approximately 14 years. The total remuneration paid to him as of 30 September 2016 (for six months) was Rs.2,117,986.

Mr. Chander Mohan Bhatla, aged 59 years is the Government Nominee Director of our Company. He holds a bachelor's degree in law from the Delhi University and holds a master's degree in science –M.Sc. (Chemistry). He has worked with various ministries including the Ministry of Home Affairs, Ministry of Steel, Ministry of Textiles and Ministry of Human Resource and Development.

Dr. Arun Kumar Tripathi, aged 55 years is the Government Nominee Director of our Company. He is an engineer graduate and holds a master's degree in technology from the Indian Institute of Technology Kharagpur. He also holds a doctor of philosophy in the field of biomass energy from the Indian Institute of Technology Delhi. He also holds a master's degree in business administration (management) in Environmental Management. He is presently the Scientist-G in the Ministry of New and Renewable Energy with over two and a half decades of experience in planning, development and implementation of various renewable energy programmes on biogas, biomass, solar, waste to energy, village energy security, solar cities, green buildings, grid connected SPV rooftop, information and publicity in the country.

Relationship with other Directors

None of our Directors share any form of relationship, association or alliance with any of our other Directors except for professional purposes for carrying out our business efficiently.

Borrowing Powers of our Board

The aggregate value of the drawdown under the Notes to be offered under this Offering Circular, with our existing borrowings, are within the approved borrowing limits, being eight times our net worth as approved by shareholders resolution dated 26 September 2013 in accordance with Section 180(1)(c) of the Companies Act, 2013. The Issue is being made pursuant to the board resolution dated 16 March 2017.

Committees of Board of Directors

Our Board established, among others, the following committees of Directors: (i) Committee of Directors, (ii) Audit Committee, (iii) Nomination and Remuneration Committee, (iv) Stakeholders Relationship Committee, (v) Corporate Social Responsibility Committee and (vi) Investment Committee. The details of these committees are set forth below:

Committee of Directors

In terms of provisions contained in our Articles of Association, our Committee of Director was constituted on 1 October 2001. The Committee of Directors was re-constituted by the Board of Directors in its meeting held on 31 July 2008. The Committee of Directors was re-constituted from time to time and was last re-constituted in the board meeting held on 28 July 2015.

The members of our Committee of Directors, as of the date of this Offering Circular, include the following:

Name	**Directorship**
Shri Kuljit Singh Popli	Chairman and Managing Director
Shri Satish Kumar Bhargava	Director (Finance)
Dr. Arun Kumar Tripathi	Director (Government Nominee)

Objectives

The objectives of the Committee of Directors are as follows:

(i) To consider and sanction loans for projects within the Committee of Directors' approved scope. The Committee of Directors is currently permitted to sanction loans between Rs.100 million and Rs.700 million for individual projects (**CoD Loans**).

(ii) To consider the rescheduling of proposals and other issues relating to the CoD Loans.

(iii) To consider one time settlement proposals and other issues relating to the CoD Loans.

(iv) To consider the changes in financing, guarantee(s), loan periods and other terms and conditions of the CoD Loans.

Audit Committee*

In compliance with the provisions of Section 177 of the Companies Act, 2013, and the Guidelines on Corporate Governance by the Department of Public Enterprises (the **DPE Guidelines**), we established the Audit Committee on 209th Board meeting held on 26th April 2011 and the Audit Committee was re-constituted pursuant to 222th board meeting held on 29 June 2015.

The members of our Audit Committee, as of the date of this Offering Circular, include the following:

Name	**Directorship**
Shri Chander Mohan Bhatla	Director (Government Nominee), Chairman
Dr. Arun Kumar Tripathi	Director (Government Nominee), Member
Shri S.K. Bhargava	Director (Finance), Member

**Shri S.K. Bhargava, Director (Finance) is a special invitee of the Audit Committee.*

The scope and function of our Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the DPE Guidelines.

Objectives

The objectives of our Audit Committee are as follows, amongst other things:

(i) Oversight of our financial reporting process and the disclosure of our financial information to ensure that the financial statements are correct, sufficient and credible.

(ii) Recommendations to the Board on audit fees and appointments and appointment periods of our auditors.

(iii) Approval of payments to statutory auditors for services rendered by statutory auditors.

(iv) Reviewing with management the annual and half yearly financial statements before submission to the Board for approval.

(v) Reviewing, with the management, performance of internal auditors and adequacy of our internal control systems.

(vi) Reviewing the adequacy of our internal audit function, if any, including the structure of our internal audit team, staffing, reporting structure, coverage and frequency of internal audit.

(vii) Discussion with internal auditors and/or external auditors on any significant findings.

(viii) Reviewing the findings of any internal investigations by internal or external auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems.

(ix) Reviewing all our related party transactions (as per Accounting Standard-18) and approving or modifying any of our transactions with related parties.

(x) Evaluating our risk management systems.

(xi) Monitoring the end use of funds raised through public issuances and related matters.

(xii) Valuing our undertakings or assets, if necessary.

(xiii) Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

Nomination and Remuneration Committee*

We established our Remuneration Committee pursuant to a board meeting held on 27 July 2009 to consider and make decisions with respect to the performance related payments to our employees. The Remuneration Committee was renamed as the Nomination and Remuneration Committee pursuant to a board meeting held on 22 October 2014 and was re-constituted on 29th June 2016.

The members of our Nomination and Remuneration Committee, as of the date of this Offering Circular, include the following:

Member	Directorship
Dr. Arun Kumar Tripathi	Chairman, Director (Government Nominee)
Shri Chander Mohan Bhatla	Member, Director (Government Nominee)
Shri Satish Kumar Bhargava	Member, Director (Finance)

* *As of the date of this Offering Circular, there is no Independent Director on our Board..*

Objectives

The objectives of our Nomination and Remuneration Committee include deciding the annual bonus, variable pay pool and policy for distribution to executives and non-unionised supervisors, within the prescribed limits.

Stakeholders Relationship Committee

We established our Stakeholders Relationship Committee pursuant to a board meeting held on 18 December 2014.

Our Stakeholders Relationship Committee was reconstituted pursuant to a board meeting held on 10 November 2015.

The members of our Stakeholders Relationship Committee, as of the date of this Offering Circular, include the following:

Name	Directorship
Dr. Arun Kumar Tripathi	Chairman, Director (Government Nominee)

Name	Directorship
Shri Satish Kumar Bhargava	Member, Director (Finance)
Shri Chander Mohan Bhatla	Member. Director (Government Nominee)

Objectives

The objectives of our Stakeholders Relationship Committee include considering and resolving issues relating to any class of stakeholders such as debenture holders which have not been resolved within a reasonable period of time or which cannot be resolved without the Stakeholders Relationship Committee's intervention.

Corporate Social Responsibility Committee

We reconstituted our Corporate Social Responsibility Committee through a resolution by circulation on 10 August 2015, which was noted at the board meeting dated 20 August 2015. The members of our Corporate Social Responsibility Committee, as of the date of this Offering Circular, include the following:

Member	Directorship
Shri Kuljit Singh Popli	Chairman and Managing Director
Shri Satish Kumar Bhargava	Member, Director (Finance)
Dr. Arun Kumar Tripathi	Member. Director (Government Nominee)

Objectives

The objectives of our Corporate Social Responsibility Committee are as follows:

(i) overseeing the implementation of our CSR and sustainability policies;

(ii) assisting our board of directors to formulate suitable policies and strategies to implement our CSR goals;

(iii) ensuring all CSR activities complement our primary business; and

(iv) considering and organising other social welfare activities which may not be complementary to our primary business but fall within the eligible list of activities under Schedule VII of the Companies Act, 2013.

Investment Committee of Directors

We re-constituted our Investment Committee of Directors pursuant to a board meeting held on 28 July 2015.

The members of our Investment Committee of Directors, as of the date of this Offering Circular, include the following:

Name	Directorship
Shri Kuljit Singh Popli	Chairman and Managing Director
Shri Satish Kumar Bhargava	Member. Director (Finance)
Shri Chander Mohan Bhatla	Member, Director (Government Nominee)

Objectives

The objectives of our Investment Committee of Directors include making single investments greater than Rs.2,500 million or an aggregate total of investments of Rs.10 billion, subject to certain conditions. Funding for excess investments are taken from various lines of credit, proceeds from taxable and tax free bond issuances, allocation of funds and equity injections from the Government and prepayments by our borrowers.

INDUSTRY OVERVIEW{ TC "Industry Overview" \f C \l "1" **}**

RENEWABLE ENERGY SECTOR IN INDIA

Key Drivers of Energy Demand

India's overall GDP has increased significantly over the past several years due to increase in its population, rapid industrialisation and improvements in living standards, and this is placing enormous challenges on its energy resources. The traditional sources of energy have faced constraints in India (thermal, large hydro and nuclear power). While the per capita consumption of energy rises in urban centres, more than 50% of the population of India continue to face energy access and electrification issues

Overview of Renewables Sector

Over the years, the renewable energy sector in India has emerged as a significant player in the grid connected power generation capacity. It supports the government agenda of sustainable growth, while, emerging as an integral part of the solution to meet the nation's energy needs and an essential player for energy access. It has been realised that renewable energy has to play a much deeper role in achieving energy security in the years ahead and be an integral part of the energy planning process.

India has an estimated renewable energy potential of about 900 gigawatts (**GW**) from commercially exploitable sources through wind (102 GW at 80 metre mast height), small hydro (20 GW), bioenergy (25 GW), and solar power (750 GW), assuming three per cent. wasteland is made available. Renewable energy has a potential to usher in universal energy access. In a decentralised or standalone mode, renewable energy is an appropriate, scalable and viable solution for providing power to un-electrified or power deficient villages and rural areas. Over 1.2 million households are using solar energy to meet their lighting energy needs and almost similar numbers of the households meet their cooking energy needs from biogas plants. Solar Photovoltaic (**PV**) power systems are being used for a variety of applications such as rural electrification, railway signalling, microwave repeaters, mobile towers, TV transmission and reception and for providing power to border outposts.

There has been a visible impact of renewable energy in the Indian energy scenario during the last five years. Renewable energy sector landscape in India has, during the last few years, witnessed significant changes in the policy framework with accelerated and ambitious plans to increase the contribution of solar energy. There is a perception that renewable energy can now play a significant role and there is a confidence in the technologies and capacity to do so.

The UN Environment Program's (**UNEP**) 'Global Trends in Renewable Energy Investment 2016' report ranks India among the top ten countries in the world investing in renewable energy. The Government is also committed to clean energy and is driving efforts to achieve 40 per cent. power installed capacity from non-fossil-fuel-based energy resources and reducing emissions by 33- 35 per cent. of its GDP by 2030.

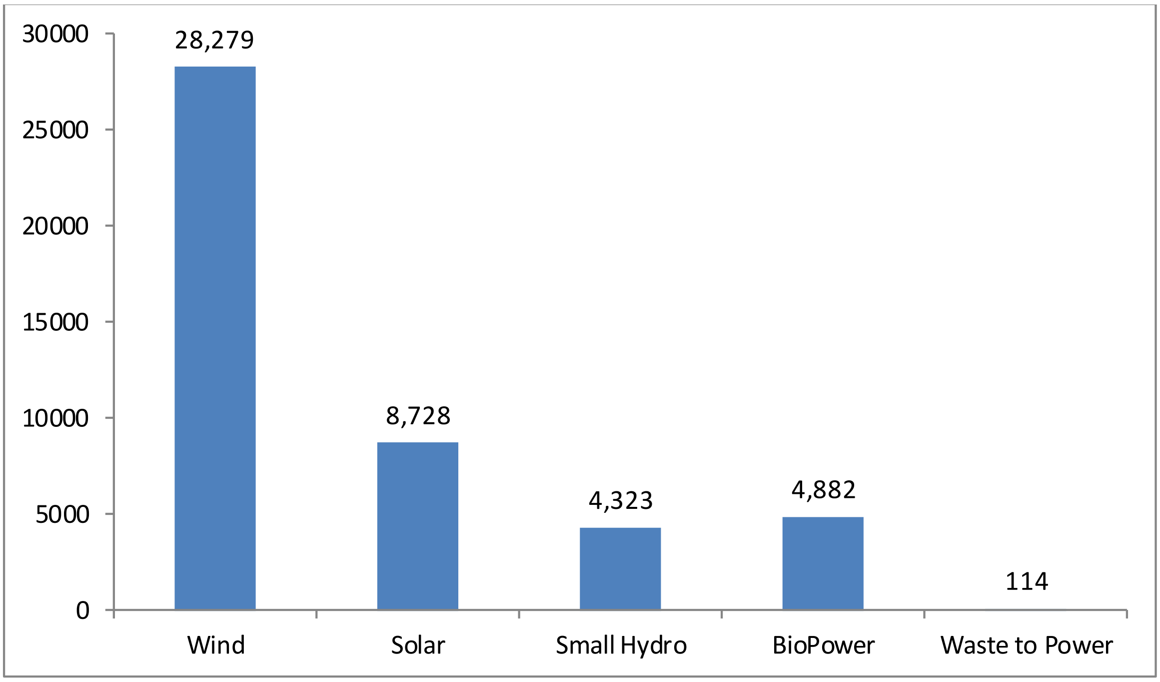
Key achievements in the sector during the last two years are:

- The world's largest 648-megawatts (**MW**) solar power plant was commissioned in Tamil Nadu on 21 September 2016.

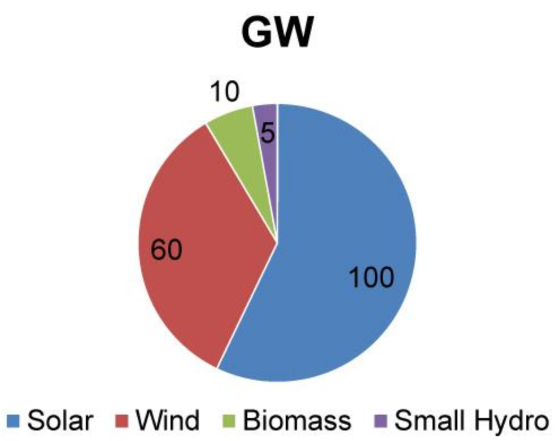
- A 157 per cent. increase in solar power capacity addition (4,132 MW) during the last two years (fiscal year 2015 and 2016).
- Highest ever wind power capacity addition of 3,300 MW in fiscal year 2016. In terms of installed wind capacity, India is globally placed at 4th position (after China, USA and Germany).
- 34 solar parks of aggregate capacity of 20,000 MW have been approved for 21 states. Rs. 3,566.3 million has been released to Solar Energy Corporation of India for the projects.
- 31,472 solar water pumps were installed in fiscal year 2016; this is higher than total number of pumps installed during the last 24 years since 1991.
- 501 MW grid connected solar rooftop projects have been installed in the country.

Renewable Energy Capacity Additions

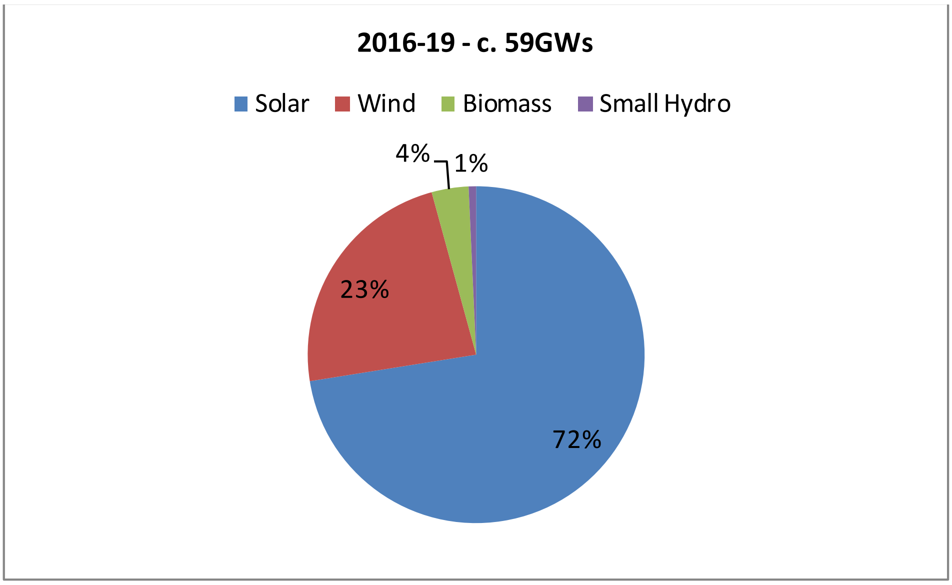
With a cumulative installed capacity of 46.33 GW (as of 31 October 2016), renewable power has a share of 15% to the total installed capacity of 307.27 GW in India.



The Government has revised its target of renewable energy capacity to 175 GW by end of 2022, making it the largest expansion in the world. The target capacity is as shown below:



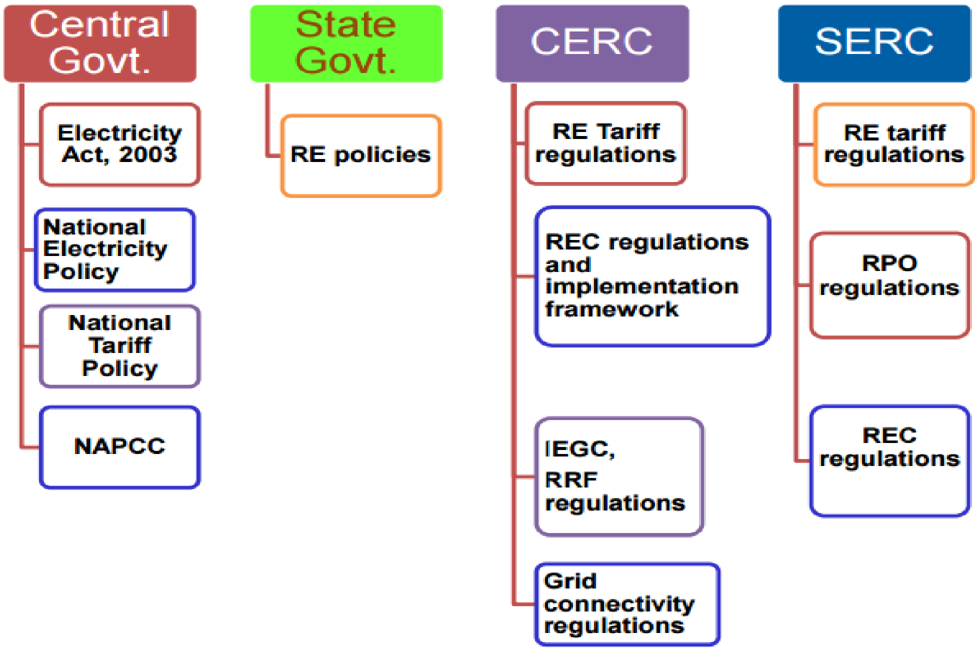
The capacity additions over the next three years are expected to come primarily from solar power, with wind and biomass also expected to show continuous growth. The target set by Ministry of New and Renewable Energy for capacity additions by various renewable energy sources for the next three years are as follows:



Apart from the traditional utility scale projects, the Government of India has also set a target of 40 GW grid connected solar rooftops by 2022 and launched a special programme for 100,000 solar pumps. With renewable energy increasing as a share of India's energy generation, the Government of India has also launched a programme (Rs. 38,000 crore) of Green Energy Corridor to ensure dedicated evacuation of renewable energy.

Policy and regulatory framework for Renewable Energy (RE)

India's Power sector is a concurrent subject, where both Central and State Governments have role to play. For Generation and Transmission of electricity, both Central and State agencies have an active role. To encourage the renewable energy sector, regulatory measures have been introduced through enactment of the Electricity Act 2003. Various agencies at central and state level have been proactive to ensure continuous growth in installed capacities of renewable energy projects.



Governmental initiatives regarding renewable energy

Electricity Act (EA), 2003

- Central Government to develop a national policy for optimal utilisation of resources including RE.
- Promotes RE by ensuring grid connectivity and sale of RE.
- State Electricity Regulatory Commission's (**SERC**) to fix a minimum percentage energy purchase from RE sources (**RPO**) and to determine tariffs for the promotion of RE.

National Electricity Policy (NEP), 2005

- Capital cost reduction in RE through competition.
- SERCs should specify appropriate tariffs to promote RE and specify targets for RE.
- Promotes private participation in RE.

National Tariff Policy (NTP), 2006

- A minimum percentage procurement should be made applicable by 1 April 2006.
- A preferential tariff to be determined by SERC to enable RET's to compete.
- Procurement of RE by distribution licensee through competitive bidding.
- Solar specific RPO starting from a minimum of 0.25 per cent. fiscal year 2013 to 3.0 per cent. by 2022 (Amendment in 2011).
- Solar RPO to be 8 per cent. by 2022 (Amendment in 2016).
- No interstate transmission charges and losses for Solar & Wind.
- Renewal General Obligation (RGO) introduced.

National Action Plan on Climate Change (NAPCC)

- The plan identifies eight core "National Missions" running through 2017.
- Regarding RE, starting fiscal year 2010, RPOs be set at 5 per cent. of total grids purchase, to increase by 1 per cent. each year for next 10 years.

Ministry of New and Renewable Energy

The Ministry of New and Renewable Energy (**MNRE**) is the Ministry of the Government of India for all matters relating to new and renewable energy. The broad aim of the Ministry is to develop and deploy new and renewable energy for supplementing the energy requirements of the country.

The Mission of the Ministry is to ensure:

1. Energy Security: Lesser dependence on oil imports through development and deployment of alternate fuels (hydrogen, bio-fuels and synthetic fuels) and their applications to contribute towards bridging the gap between domestic oil supply and demand;

2. Increase in the share of clean power: Renewable (bio, wind, hydro, solar, geothermal and tidal) electricity to supplement fossil fuel based electricity generation;

3. Energy Availability and Access: Supplement energy needs of cooking, heating, motive power and captive generation in rural, urban, industrial and commercial sectors;

4. Energy Affordability: Cost-competitive, convenient, safe, and reliable new and renewable energy supply options; and

5. Energy Equity: Per-capita energy consumption at par with the global average level by 2050, through a sustainable and diverse fuel- mix.

Institutions under the Ministry:

	Institution	Nature	Location	Objective/Focus Areas
1	National Institute of Solar Energy (NISE)	Society	Gurgaon	Solar Energy Development
2	Sardar Swaran Singh National Institute of Bio Energy (SSS-NIBE)	Society	Punjab	Bio-energy Development.
3	National Institute of Wind Energy (NIWE)	Society	Chennai	Wind Energy
4	Solar Energy Corporation of India (SECI)	Company	New Delhi	Implementation of Jawaharlal Nehru National Solar Mission
5	Indian Renewable Energy Development Agency (IREDA)	Non-Banking Financial Institution	New Delhi	Term-loans for Renewable Energy and Energy Efficiency Projects

Government Incentives and Grid Parity

The Government of India has taken several initiatives during the last two years. As a result, the sector has witnessed the highest ever-solar power and wind power capacity addition over the last two years since April 2014. The policy support has ranged from providing feed-in-tariffs, generation based incentives, managing auction based project allocations and viability gap funding to accelerated depreciation and excise & custom duty exemptions.

As a result of this policy support and on the back of global industry dynamics, solar and wind power have been edging towards grid parity. Based on recent MNRE press releases, the latest tariff auction processes have resulted in wind and solar power being awarded at INR 3.46/kWh and INR 3.15/kWh respectively. Renewable energy sources can now be seen not just as alternative energy, but also as primary means of supplementing India's energy requirements.

Non-Banking Financing Companies and Renewable Energy

In order to meet Government of India's ambitious target of 175 GW of renewable energy capacity by 2022, MNRE estimates a total capital outlay of U.S.$160 billion. In addition, investment would also be required to enhance transmission capacity and upgrade grid infrastructure. While public and private sector banks and foreign banks operating in India remain important to meet this capital outlay, a significant share of this outlay would also be expected to come from non-banking financial institutions (**NBFCs**).

NBFCs have been successfully lending to the India renewable energy sector and their success can be attributed to their better product lines and strong risk management capabilities to check and control bad debt.

In the first quarter of 2015, MNRE had organised Renewable Energy Global Investor Meet and Expo (RE-Invest 2015), that stipulates 40 major banks and NBFCs to commit to providing debt funding to renewable energy projects, aggregating to over 78.75 GWs. As of the first quarter of 2016, these banks and NBFCs had reported an approved amount of Rs.712.0 billion against the committed amount (18.63% of the commitments made). Over the years, development banks have also been signing deals with private and public sector banks, and NBFCs, to provide loans to renewable energy sector at concessional rates. These commitments by banks and NBFCs are further expected to bolster the growth of the Indian renewable energy sector.

Sources:

1) Department of Industrial Policy and Promotion, Ministry of New and Renewable Energy 'New and Renewable Energy Sector; Achievements report, dated 18 January 2017 (*www.makeinindia.com/article/-/v/renewable-energy-sector-achievement-report)*

2) Ministry of New and Renewable Energy Government of India, 'Renewable Policy Framework and Wind Energy Programme in India, 22 August 2016 (http:/*/mnre.gov.in/file-manager/UserFiles/Presentation-on-RE-Policy-and-Wind-Energy.pdf*)

3) Ministry of New and Renewable Energy Government of India Annual Report 2016-2017 (*http://mnre.gov.in/file-manager/annual-report/2016-2017/EN/content.html*)

REGULATIONS AND POLICIES{ TC "Regulations and Policies" \f C \l "1" }

*Our Company is a public limited government company and operates under the administrative control of the Ministry of New and Renewable Energy (**MNRE**), Government of India (**GoI**). Our Company is a systemically important, non-deposit taking NBFC and is notified as a public financial institution under section 4A of the Companies Act. The business activities of NBFCs and public financial institutions are regulated by various RBI regulations. Taxation statutes such as the Income Tax Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, and other miscellaneous regulations and statutes, apply to our Company as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

The following description is a summary of the relevant regulations and policies prescribed by the Government and other regulatory bodies, that are applicable to our Company's business. The information detailed below has been obtained from various legislations available in the public domain, and may not be exhaustive. It is merely intended to provide general information and is neither designed nor intended to substitute for professional legal advice.

I. NBFC Regulations

The Reserve Bank of India Act, 1934 (RBI Act)

The RBI is entrusted with the responsibility of regulating and supervising activities of NBFCs by virtue of the power vested in it under Chapter IIIB of the RBI Act. The RBI Act defines an NBFC under Section 45-I (f) as:

(i) a financial institution which is a company;

(ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

(iii) such other non-banking institution or class of such institutions, as the Bank may, with the previous approval of the central government and by notification in the Official Gazette, specify.

A "financial institution" and a "non- banking institution" have been defined under Sections 45-I(c) and 45-I (e) of the RBI Act, respectively.

The RBI has clarified that, while identifying a company as an NBFC, it will consider both the assets and the income pattern from the last audited balance sheet to decide its principal business. A company will be treated as an NBFC if: (a) if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration (**CoR**) and having a minimum net owned fund of Rs.20 million. In case an NBFC does not accept deposits from the public (**NBFC-ND**), it shall obtain a CoR without authorisation to accept public deposits. All NBFCs are required to submit a certificate from their statutory auditors every year to the effect that they continue to undertake the business of a non-banking financial institution, thereby requiring them to hold a CoR. All NBFCs must also have a minimum net owned fund of Rs.20 million.

NBFCs which are housing finance institutions, merchant banking companies, micro finance companies, mutual benefit companies, government companies, venture capital fund companies, insurance companies, stock exchanges, stock brokers or sub-brokers, nidhi companies, chit companies, securitization and reconstruction companies mortgage guarantee companies and core investment companies have been exempted from complying with certain specified provisions of the RBI Act.

NBFCs must create a reserve fund of 20 percent of their annual net profits before declaration of dividend, which may be appropriated only for purposes specified by the RBI. Further, every such appropriation is required to be reported to the RBI within 21 days.

Regulatory Framework by RBI

In order to ensure adherence to the regulatory framework by NBFC-NDs, the RBI has framed directives to the effect that such NBFCs are required to put in place a system for submission of an annual statement of capital funds, and risk asset ratio as of the end of March every year, in a prescribed format within a period of three months from the close of every financial year.

Additionally, all NBFCs are required to submit to the RBI a certificate from their statutory auditors every year to the effect that they continue to engage in the business of a non-banking financial institution and are required to hold a CoR, to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 as amended, auditors are also required to make a separate report to the board of directors on certain matters, including compliance with the minimum Capital to Risk-weighted Assets Ratio (**CRAR**).

Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

In 2016, the RBI issued the Master Directions on Non-Banking Financial Company for Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions. NBFC-NDs must comply with prescribed capital adequacy ratios, income recognition, asset classification, provisioning requirements applicable to NBFCs, exposure norms, restrictions and concentration of credits and investments, norms for restructuring of advances and flexible structuring of long term project loans to infrastructure and core industries, single and group exposure norms and other prudential requirements prescribed. Our Company, being classified as a government company, is exempted from these directions, apart from making requisite communications to the RBI in case of change in the information of the company.

Systemically Important NBFCs —ND

All NBFCs-ND with an asset size of Rs.1,000 million or more as per the last audited balance sheet will be considered as a systemically important NBFC — ND (**NBFC-ND-SI**). All NBFCs—ND—SI are required to maintain a minimum CRAR of 10 per cent. An NBFC—ND—SI is not allowed to:

a) lend to (i) any single borrower exceeding 15 per cent. of its owned fund; and (ii) any single group of borrowers exceeding 25 per cent. of its owned fund;

b) invest in (i) the shares of another company exceeding 15 per cent. of its owned fund; and (ii) the shares of a single group of companies exceeding 25 per cent. of its owned fund;

c) lend and invest (loans/investments taken together) exceeding (i) 25 per cent. of its owned fund to a single party; and (ii) 40 per cent. of its owned fund to a single group of parties.

NBFCs-ND-SIs may augment their capital funds by the issuance of perpetual debenture instruments in accordance with certain specified guidelines. Further, the RBI has permitted NBFCs-ND-SIs to raise short term foreign currency borrowings, under the approval route subject to certain conditions namely, (a) the NBFCs-ND-SIs would need to comply with the prudential norms on capital adequacy and exposure norms; (b) multilateral or bilateral financial institutions, reputable regional financial institutions, international banks and foreign equity holders with minimum direct equity holding of 25 per cent. would need to be the lenders; (c) the funds raised should be used only for refinancing of short term liabilities and no fresh assets should be booked out of the resources; (d) the maturity of the borrowing should not exceed three years; (e) the maximum amount should not exceed 50 per cent. of the net owned funds or USD 10 million (or its equivalent), whichever is higher; (f) the all-in-cost ceiling should not exceed 6 months LIBOR + 200 basis points; and (g) the borrowings should be fully swapped into Rupees for the entire maturity.

As a government-owned NBFC, loans made by us to central and state entities in the power sector have been exempted from RBI's prescribed prudential exposure norms applicable to other non-government owned NBFC-ND-SIs. We follow prudential lending norms and guidelines approved by the MNRE with respect to loans made to central and state entities in the Indian power sector, while our loans made to the private sector are generally consistent with lending exposure norms stipulated by the RBI.

Norms for excessive interest rates

All NBFCs must put in place appropriate internal principles and procedures in determining interest rates, processing and other charges. The board of directors of each NBFC shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances.

The rates of interest and the approach for gradation of risks shall have to be made available on the websites of the companies or published in the relevant newspapers. Further, the rates of interest should be annualised rates so that borrowers are aware of the exact rates that would be charged to the account. Additional provisions may apply in respect of different types of NBFCs.

Asset Liability Management

NBFCs are required to submit period asset liability management returns, which highlight liquidity, risk management, management of market risk, funding and capital planning, profit planning and growth projection, and forecasting/preparation of contingency plans of the NBFC. The board of directors of the NBFCs is required to oversee the implementation of the asset liability management systems and periodically review its implementation.

KYC Guidelines

The RBI has extended the Know Your Customer (**KYC**) guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC guidelines includes customer identification procedures, monitoring of transactions and risk management, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents. The KYC guidelines were further amended by the RBI in December 2016 to update the definition of risk categorisation by regulated entities and further to introduce the concept of e-one time password based KYC process for on-boarding of customers. The KYC Policy of our Company was formulated and approved by the Board in the 167th meeting held on 9 March 2007 and was amended at the 277th meeting held on 15 June 2016

Corporate Governance Guidelines

The RBI has mandated certain corporate governance rules for all NBFC-NDs, which include the constitution of an audit committee, a nomination committee and a risk management committee. The guidelines have also issued instructions for the framing of internal guidelines on corporate governance with the approval of the board of directors of the NBFC and also for the rotation of the partners of the chartered accountancy firm conducting its audit every three years.

Anti-Money Laundering

The RBI has specified that a proper policy framework for the Prevention of Money Laundering Act, 2002, as amended (**PMLA**) is put into place in all NBFCs. The PMLA seeks to prevent money laundering and extends to all banking companies and financial institutions, including NBFCs and intermediaries. In accordance with the provisions of the PMLA and the directions, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions.

II. Regulation of Corporates

Companies Act, 2013

Our Company is incorporated and registered under the Companies Act, 1956 and hence governed by its provisions and the rules made thereunder. In 2013, the Indian Parliament enacted the Companies Act, 2013 which was notified in the official gazette on 30 August 2013. The Companies Act, 2013 has replaced the Companies Act, 1956, although some provisions have yet to be notified. The Companies Act, 2013 seeks to overhaul the Companies Act, 1956 so as to make it more adaptable to the changing circumstances and make it comprehensive. The Companies Act, 2013 has introduced various sections which significantly and substantially modify, repeal and replace the entire framework of law governing Indian companies including our Company.

Company's Policy on Corporate Social Responsibility

Corporate Social Responsibility (**CSR**) is a company's commitment to operate in an economically, socially and environmentally sustainable manner. It is a continuing commitment by business to perform ethically and contribute to economic development while sustainable growth for the society at large. The Department of Public Enterprises (**DPE**) had issued guidelines dated 12 April 2013, on Corporate Social Responsibility for Central Public Sector Enterprises (**CPSE**). DPE is also monitoring the Implementation of CSR activities by CPSEs through MoU annually signed by the CPSEs with their administrative ministries.

The CSR Policy of our Company has been formulated in the context of these guidelines and approved by the Board on 11 March 2014 and was updated by the Board on 5 December 2016. According to our Company's CSR policy, our Company aims to complement the primary business of our Company with overall social and environmental concerns. As a part of our CSR strategy we have identified among others, community development, environment, education, health and disaster management as the thrust areas. Our Company's CSR budget will be in accordance with the DPE guidelines and the annual CSR budget will be transferred to a non-lapsable account. Our Chairman and Managing Director have the power to enhance the CSR budget and have constituted a CSR Committee which coordinates and monitors the CSR functions of our Company.

The thrust of CSR and sustainability is on community development, empowerment of communities through education, health care and sanitation, environment protection, promotion of green and energy efficient technologies, development of backward regions and disaster management.

In conformity with the provisions of the Companies Act, 2013 and the rules framed thereunder, for the Fiscal Year 2015, our Company made a provision of Rs.64.53 million which was 2 per cent of average net profit (Rs.3,227 million) of last three financial years. For Fiscal Year 2017, our provision for CSR expenses was Rs.75.07 million, and by 30 September 2016 Rs.17.28 million had been spent. It may be noted that the CSR provision created is non-lapsable and may be carried over to the next year. So the entire CSR provision will be utilized for CSR activities.

III. **Laws relating to the recovery of debts**

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (Securitisation Act) provides the powers of "seize and desist" to banks and grants certain special rights to banks and financial institutions to enforce their security interests. The Securitisation Act provides that a "secured creditor" may, in respect of loans classified as non-performing in accordance with RBI guidelines, give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the secured creditor may take possession of the assets constituting the security for the loan, and exercise management rights in relation thereto, including the right to sell or otherwise dispose of the assets.

Under the Securitisation Act, all mortgages and charges on immovable properties in favour of banks and financial institutions are enforceable without intervention of the courts. The Securitisation Act also provides for the establishment of asset reconstruction companies regulated by RBI to acquire assets from banks and financial institutions. A bank or financial institution may sell a standard asset only if the borrower has a consortium or multiple banking arrangements, at least 75 per cent. by value of the total loans to the borrower are classified as non-performing and at least 75 per cent. by value of the banks and financial institutions in the consortium or multiple banking arrangements agree to the sale. The banks or financial institution selling financial assets should ensure that there is no known liability devolving on them and that they do not assume any operational, legal or any other type of risks relating to the financial assets sold. Furthermore, banks or financial institutions may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation. However, banks or financial institutions may sell specific financial assets with an agreement to share in any surplus realised by the asset reconstruction company in the future. While each bank or financial institution is required to make its own assessment of the value offered in the sale before accepting or rejecting an offer for purchase of financial assets by an asset reconstruction company, in consortium or multiple banking arrangements where more than 75 per cent by value of the banks or financial institutions accept the offer, the remaining banks or financial institutions are obliged to accept the offer.

Recovery of Debts Due to Banks and Financial Institutions Act, 1993

The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 as amended from time to time (**Debts Recovery Act**) provides for establishment of Debt Recovery Tribunals for expeditious adjudication and recovery of debts due to any bank or public financial institution or to a consortium of banks and public financial institutions. Under the Debts Recovery Act, the procedures for recoveries of debt have been simplified and time frames been fixed for speedy disposal of cases. Upon establishment of the Debts Recovery Tribunal, no court or other authority can exercise jurisdiction in relation to matters covered by the Debts Recovery Act, except the higher courts in India in certain circumstances.

Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 (the Amendment Act)

The Amendment Act was passed by both houses of the Parliament on August 9, 2016 and received the assent of the President on August 12, 2016. The Amendment Act shall come into force as and when notified by the central government. The Amendment Act amends four laws: (i) Securitisation Act; (ii) Debts Recovery Act; (iii) Indian Stamp Act, 1899; and (iv) Depositories Act, 1996. Under the Securitisation Act, secured creditors can take possession over collateral, against which a loan had been provided, upon a default in repayment, which can be done with the assistance of the district magistrate. The Amendment Act provides that this process will have to be completed within 30 days by the district magistrate. In addition, the Amendment Act (i) empowers the district magistrate to assist banks in taking over the management of a company, in case the company is unable to repay loans by converting their outstanding debt into equity shares, and consequently holding a 51% stake or more in the company; (ii) creates a central database to integrate records of property registered under various registration systems with this central registry and secured creditors will not be able to take possession over the collateral unless it is registered with the central registry; (iii) provides that stamp duty will not be charged on transactions for transfer of financial assets in favour of asset reconstruction companies. In relation to the Debts Recovery Act, the Amendment Act (i) allows banks to file cases in tribunals having jurisdiction in the location of the bank branch and where the debt is pending; and (ii) provides further details of procedures that the tribunals will follow in case of debt recovery proceedings.

The Insolvency and Bankruptcy Code, 2016 (the Bankruptcy Code)

The Insolvency and Bankruptcy Code, 2016 was passed by both houses of the Parliament of India on May 11, 2016 and received the assent of the President of India on May 28, 2016. The Bankruptcy Code primarily consolidates the existing insolvency laws, inter alia, relating to companies and bodies corporate with the objective of providing clarity and consistency, in treatment, to all the stakeholders in the insolvency process. The Bankruptcy Code seeks to establish an Insolvency and Bankruptcy Board of India (Board) which will, *inter alia*, function as a regulator to oversee functioning of insolvency professionals, insolvency professional agencies and information utilities. The Board will exercise a range of legislative, administrative and quasi-judicial functions.

The Bankruptcy Code classifies creditors into, *inter alia*, financial creditors, and operational creditors, which include creditors of financial loans for interest and loans arising from the operational nature of the debtor, respectively. The Bankruptcy Code proposes to appoint specialised insolvency professionals to assist companies and bodies corporate through the insolvency process. The Bankruptcy Code provides a one hundred and eighty day timeline for insolvency resolution applications which may be extended by ninety days. As part of the insolvency resolution process, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 75% of financial creditors and by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation.

The National Company Law Tribunal will be the adjudicating authority with jurisdiction over companies and limited liability entities. However, the provisions and sections under the Bankruptcy Code are being notified in a staggered manner and some provisions and sections are not effective yet.

To the extent notified, the Bankruptcy Code has amended relevant provisions of, *inter alia*, the Companies Act, 2013 and the other legislations as specified therein, and shall further amend relevant provisions of, *inter alia*, the Companies Act, 2013 and such specified legislations upon future notification of the Bankruptcy Code.

IV. **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The disclosure norms for companies accessing the capital market in equity or debt segment are prescribed in detail in various regulations. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **Listing Regulations**), the Listing Regulations will consolidate and streamline the provisions of existing listing agreements for different segments of the capital market. The Listing Regulations have been sub-divided into two parts: (a) substantive provisions incorporated in the main body of Listing Regulations; and (b) procedural requirements in the form of Schedules to the Listing Regulations.

The main features of the Listing Regulations, include, *inter alia*, (i) principles for providing the periodic disclosures by listed entities in line with International Organization of Securities Commission and the principles for corporate governance in line with the principles of Organization for Economic and Co-operation Development; (ii) obligations for all the listed entities for appointing common compliance officer and filings on electronic platform; (iii) obligations with respect to specific types of securities; (iv) alignment of provisions and providing them at a common place; (v) aligning the provisions of the Listing Regulations in line with those of the Companies Act, 2013; (vi) incorporation of pre-listing requirements in SEBI Debt Regulations and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, in each case as amended; (vii) responsibility being given to the stock exchanges for monitoring of compliance of the provisions of the Listing Regulations and to take action for non- compliance; (viii) prescribing of an abridged version of the Listing Agreement for signing by the companies who are getting their securities listed on the stock exchanges; and (ix) provisions relating to compensation of employees of listed entities. The Company being a listed entity, have both their equity and debt listed will be required to comply with the Listing Regulations.

V. Legislative framework of the Ministry of New and Renewable Energy, Government of India

The MNRE is the nodal Ministry of the GoI for all matters relating to the new and renewable energy. The underlying objective of the MNRE is to develop and deploy new and renewable energy for supplementing the energy requirements of the country. In accordance with the Allocation of Business Rules, 1961, as amended, MNRE within its operational ambit, inter alia, encompasses our Company. The MNRE has prepared a strategic plan for the period of 2011-2017 which seeks to put forth the goals and objects of the ministry and strategies to be adopted to achieve such goals. The strategic plan deals with the specific, measurable, achievable, realistic, time-bound (SMART) targets for the period of 2011-17. The SMART Plan proposes to generate the power from sources including solar power, wind power, biomass power and small hydro power. The Minister of Finance, Mr. Arun Jaitley in the Union Budget 2015-16 had also announced revision in the target of renewable energy capacity to 1,75,000 MW till 2022, comprising 100,000 MW solar, 60,000 MW wind, 10,000 MW biomass and 5000 MW small hydro.

Electricity Act, 2003 (the "Electricity Act")

The Electricity Act, 2003, as amended repealed all the earlier enactments pertaining to the power sector, and provides for the requirement of licenses or permission for the activity of generation of power. The Electricity Act mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. As far as the tariff and wheeling charges are concerned, it is stipulated that they should be decided by respective regulatory commissions as provided under the Electricity Regulatory Commissions Act, 1998. The Electricity Act, inter alia, provides for regulatory interventions for promotion of renewable energy (**RE**) sources through a) determination of tariff; b) specifying renewable purchase obligation (**RPO**); c) facilitating grid connectivity; and d) promotion and development of market.

Electricity Amendment Bill, 2014

The Electricity (Amendment) Bill, 2014 (**Bill**) introduced by the government seeks to amend the Electricity Act, 2003. It seeks to segregate the distribution network business and the electricity supply business, and introduce multiple supply licensees in the market The Bill was introduced in the Lok Sabha on 19 December 2014 and was referred to the Parliamentary Standing Committee on Energy (Panel). The Panel gave its report on 7 May 2015, however the Bill is yet to be passed in the parliament.

Policies concerning the Solar Power Sector

The MNRE has approved a new policy on development of solar energy in India through Jawaharlal Nehru National Solar Mission (**Mission**). The Mission recommends the implementation of an installed capacity of 20,000 MW in three stages by the end of the Thirteenth Plan in 2022. It proposes to establish a single window investor-friendly mechanism, which reduces risk and at the same time provides an attractive, predictable and sufficiently adequate tariff for the purchase of solar power for the grid. The key driver for promoting solar power would be through a RPO mandated for power utilities, with a specific solar component.

The Mission will adopt a three-phase approach. The National Electricity Plan 2007 and the remaining period of the National Electricity Plan 2012 (up to fiscal 2013) constituted Phase 1, the subsequent four years (2013 to 2017) of the National Electric Plan will constitute Phase 2 and the National Electricity Plan 2017 (2017 to 2022) will constitute Phase 3. At the mid-point and end of the National Electricity Plan 2017, there will be an evaluation of progress, a review of capacity and targets set for subsequent phases, based on emerging cost and technology trends, both domestic and global. The immediate aim of the Mission is to focus on setting up an enabling environment for solar technology penetration in the country, both at a centralised and decentralised level.

The Union cabinet has revised the cumulative target of grid connected solar projects under the Mission from 20,000 MW by 2021-22 to 100,000 MW solar capacity by 2021-22. The Mission will create an enabling policy framework to achieve this objective and make India a global leader in solar energy. The target of 100,000 MW will be met through 40,000 MW of rooftop solar projects and 60,000 MW of large and medium-scale grid-connected projects. The capacity addition envisaged under the two categories shall be as under:

Category	**Year-wise Targets (in MW)**							
	2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**Total**
Rooftop Solar	1,000	4,000	5,000	6,000	7,000	8,000	9,000	**40,000**
Large Scale Solar Power Projects	3,000*	6,000	10,000	10,000	10,000	9,500	8,500	**57,000**
Total	**4,000**	**10,000**	**15,000**	**16,000**	**17,000**	**17,500**	**17,500**	**97,000***

*3,000 MW commissioned up to 2014-15.

Under the ambit of the Mission, the GoI and MNRE have approved the following schemes:

- A scheme for setting up of 25 Solar Parks, each with the capacity of 500 MW, which will be able to accommodate over 20,000 MW of solar power projects on 10th December, 2014; In February 2017, the Government enhanced the capacity from 20,000MW of solar power projects to 40,000 MW. The enhanced capacity will ensure setting up of at least 50 solar parks each with a capacity of 500 MW.

- A scheme for setting up of 2,000 MW grid-connected solar photo-voltaic (**PV**) projects with viability gap funding (**VGF**), to be implemented through SECI on 4th August 2015;

- A scheme for setting up of over 300 MW of grid-connected solar PV power projects by defence establishments and para military forces with VGF;

- A scheme for setting up of 1000 MW of grid-connected solar PV power projects with VGF support of Rs.1000 crore, by CPSUs under various central and state schemes, over the course of a three year period (2015-2018), with the mandatory condition that all PV cells and modules used in solar plants set up under this scheme, will be made in India; and

- A scheme for development of grid connected solar PV power plants on canal banks and canal tops in the country during the 12th Five Year Plan (2012-2017) (**12th Plan**) period at an estimated cost of Rs.975 crore and with Central Financial Assistance (**CFA**) of Rs.228 crore. The objective of this scheme is to achieve gainful utilization of the unutilized area on top of canals and vacant government land along the banks of canals wherever available, for setting up solar PV power generation plants for feeding the generated power to the grid and to set up a total capacity of 100 MW solar PV power projects.

Policies concerning Wind Energy Sector

The GoI has formulated a scheme for the promotion of grid interactive power generation project based on wind power for the 12th Plan period Under this scheme, a number of incentives and subsidies are provided for the wind energy sector which include subsidised indirect interest rate of 5 per cent on equipment which are part of wind operated electricity generators. Further, through a notification dated March 1, 2002 wind operated electricity generators, water pumping wind mills, wind aero- generators and battery chargers are exempted from the application of excise duty. The Central Board of Excise and Customs (**CBEC**) has clarified that parts such as towers, nacelles (consisting of gear-box, generator, yaw components, flexible couplings, brake hydraulics, brake calipers, sensors, nacelle plate, nacelle cover and other smaller components), rotors (consisting of blades, hub, nosecone, main shaft, special bearings), wind turbine controllers, nacelle controllers and control cables are also eligible for exemption.

The MNRE has also announced the extension of the scheme for continuation of Generation Based Incentive (**GBI**) for grid interactive wind power projects for the 12th Plan period. Under the=is scheme, a GBI will be provided to wind electricity producers at the rate of Rs.0.50 per unit of electricity fed into the grid for a period of 4-10 years with a cap of Rs.100 Lakhs per MW. The total disbursement in a year will not exceed one fourth of the maximum limit of the incentive, being Rs.25 lakhs per MW, during the first four years. The GBI scheme will be applicable for the 12th plan period having a target of 15,000 MW. Additionally, 80% accelerated depreciation has been stipulated on specified non- conventional renewable energy devices or systems in the first year of installation of projects. The MNRE in a press release dated December 01, 2016, has established guidelines for setting up of wind power projects.

Policies concerning Bio Energy Sector

The MNRE is granting CFA for setting up of biomass combustion based power projects and bagasse cogeneration projects in private, cooperative and public sector sugar mills at the following rates:

- CFA of Rs.20 lakh per MW (Rs.25 lakh per MW for special category states) for biomass power projects;

- CFA of Rs.15 lakh per MW (Rs.18 lakh per MW for special category states) for bagasse co-generation by private sugar mills and CFA of Rs.40-60 lakh per MW for cooperative or public sector sugar mills.

The sector also receives 80 per cent depreciation in the first year which can be claimed for equipment required for co- generation systems like back pressure, pass-out, controlled extraction, extraction–cum-condensing turbine for co-generation with pressure boilers, vapour absorption refrigeration systems, organic rankine cycle power systems and low inlet pressures small steam turbines. Further, concessional customs and excise duty exemptions may be claimed for machinery and components for the initial setting up of biomass power projects.

The GoI through the MNRE has formulated the 'National Policy on Bio-fuels' with the objective of mainstreaming of biofuels and facilitating a significant role for biofuels in the energy sector. The scheme proposed an indicative target of 20 per cent blending of biofuels, including bio-diesel and bio-ethanol by 2017. The GoI has also provided a number of incentives to investors in the sector.

Policies concerning Small Hydro Power (SHP)

The MNRE develops SHP projects up to 25MW station capacities and seeks to increase the SHP installed capacity to 7000 MW by the end of 12th Plan. The GoI has provided numerous incentives and subsidies to the sector which include the scheme for financial assistance to set up SHP projects in private, co-operative and government sectors and has provided for area (state) specific and capacity specific limits. SHPs, that are in the size of 0.1-25 MW receive a support of Rs.1 crore per MW (limited to Rs.5 Crore per project) and a support of Rs.1.5 crore per MW (Limited to Rs.5 crore per project) in special category states.

National Tariff Policy, 2006 (NTP)

The National Tariff Policy, 2006 as amended, requires state electricity regulatory commissions (**SERC**) to fix a minimum percentage of RPO from the sources of the renewable energy subject to the availability of the sources in a specific region. The NTP also regulates retail tariffs and procurement by distribution companies at preferential tariff rates, which are determined by the SERC. The NTP, after an amendment in January 2011, provides for the 3% solar specific RPO by the year 2022.

Other Government Initiatives applicable to our Company

National Clean Energy Fund

Through the Finance Act 2011, out of cess collected on production and import of coal , a corpus called the National Clean Energy Fund (**NCEF**) was created for purposes of financing and promoting clean energy initiatives, pursuant to which an Inter-Ministerial Group chaired by Finance Secretary to the GoI approves the projects or schemes eligible for financing under NCEF. The Department of Expenditure, Ministry of Finance in 2011, issued the "Guidelines for appraisal and approval of projects/schemes eligible for financing under the National Clean Energy Fund" (**NCEF Guidelines**). The NCEF Guidelines provide an indicative list of projects or schemes which may be eligible for funding, such as renewable or alternate energy projects, integrated community energy solutions, projects in development of critical renewable energy infrastructure and projects related to environment management in geographical areas surrounding energy sector projects including pilot and demonstration projects for commercialization of such projects. Projects sponsored by any Ministry or Department of the GoI and submitted by organizations in either government or public or private sector in form of loan or viability gap funding shall be eligible for funding under this scheme. In 2013-14, the Government announced in the Union Budget to provide funds from NCEF to our Company to on-lend to viable renewable energy projects. The Inter-Ministerial Group along with our Company, formulated the IREDA-NCEF Refinancing Scheme following this announcement whereby our Company utilises funds received from NCEF to refinance renewable energy projects such as such as wind, solar, bio-mass, small hydro, waste-to-energy which are eligible for financing. Subsequently, in accordance with MNRE guidelines, the Government of India revised the scheme for the revival of the stressed biomass power and small hydro power projects that were impacted by unforeseen circumstances, Refinancing of up to 30% of the loan was made available to banks and financial institutions at concessional rates for stressed biomass power and small hydro projects only, which shall be repaid within 10 years with a moratorium of 6 months.

VI. **Labour Laws**

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 as amended from time to time (**Gratuity Act**) establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the central government may, by notification, specify. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs.1.00 million.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 as amended from time to time (EPF Act) provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

The Minimum Wages Act, 1948

It provides for minimum wages in certain employments. The central and the state governments stipulate minimum wages, calculated based on the basic requirement of food, clothing and housing required by an average Indian adult.

The Industrial Disputes Act, 1947

It provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen. The Industrial Disputes (Amendment) Act 2010 passed by the Rajya Sabha on 3 August, 2010, inter alia, provides direct access for workmen to labour courts or tribunals in case of individual disputes, expands the scope of qualifications of presiding officers of labour courts or tribunals, constitute grievance settlement machineries in any establishment having 20 or more workmen.

VII. **Laws relating to Intellectual Property**

In India, trademarks enjoy protection under both statutory frameworks and common law jurisprudence. The Trademarks Act, 1999 as amended from time to time (Trademarks Act) and the Copyright Act, 1957 as amended from time to time, inter alia, govern the law in relation to intellectual property, including brand names, trade names and service marks and research works. The Trademark Act governs the statutory protection of trademarks in India. The Trademarks Act governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of 10 years, and can be renewed in accordance with the specified procedure.

VIII. **Tax Laws**

Income Tax Act, 1961

Income Tax Act, 1961, as amended from time to time, is applicable to every domestic and foreign company whose income is taxable depending upon its 'residential status' and 'type of income' involved.

Under Section 80IA, a tax deduction of 100 per cent is granted to undertakings which are involved in the business of generation and/ or distribution, transmission or distribution of power and commence operations before March 31, 2014, which has now been extended to undertakings that commence operations before March 31, 2017. The Government has provided specific incentives and subsidies for various sectors such as solar, wind and bio- energy within which our Company primarily carries on its financing activities.

Value Added Tax, 2005

Value Added Tax (**VAT**) is charged by laws enacted by each state on sale of goods affected in the relevant states. VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is not chargeable on the value of services which do not involve a transfer of goods. Periodical returns are required to be filed with the VAT department of the respective states by our Company.

Central Sales Tax Act, 1956

In accordance with the Central Sales Tax Act, 1956, as amended from time to time every dealer registered under the CST Act is required to furnish a return as required by the State sales tax laws of the assessing authority together with treasury challan or bank receipt in token of the payment of taxes due.

Service Tax

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government.

Goods and Service Tax

Under the goods and services tax reforms, it has been proposed to introduce unified goods and services tax structures to expand the tax base, rationalise the input tax credit and harmonise the current multiple taxation laws in India. The goods and services tax will replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise which, at the date of this Offering Circular, are being collected by the central and state governments. The Constitution (One Hundred and First Amendment) Act, 2016, which received presidential assent on 8 September 2016, enables the Government of India and state governments to introduce GST. The Indian Parliament passed the GST Acts on 6 April 2017, setting out a regulatory framework for administration, regulation, levy and collection, registration, filing of returns under the GST regime. The GoI plans to implement GST from 1 July 2017.

Foreign Tax Account Compliance Act (FATCA)

FATCA is a new chapter in the U.S. Internal Revenue Code. FATCA is one of the most extensive tax information reporting regimes created by the U.S. Internal Revenue Service (**IRS**) and U.S. Treasury with objective to address perceived abuses by US taxpayers with respect to assets held offshore, away from the USA. FATCA requires Foreign Financial Institutions (**FFI**) to identify, classify and report U.S. accounts and Passive Nonfinancial foreign entities (**NFFEs**) to report substantial U.S. owners or certify no U.S. ownership.

On July 9, 2015, India signed the Model 1 Inter-Governmental Agreement (**IGA**) with the US IRS for implementation of FATCA. Section 285BA of the Income Tax Act, 1961 was amended by the Finance (No.2) Act 2014 to require prescribed reporting financial institutions to register, identify accounts held by reportable persons and to report to the Indian tax authorities. The CBDT by its notification dated August 7, 2015 notified the Income–Tax (11th Amendment) Rules, 2015 (**Income Tax Rules**) to provide for registration of persons, due diligence, maintenance of information, and for matters relating to statement of reportable accounts. The RBI by its circular dated August 28, 2015 has issued instructions to all the concerned financial institutions to take steps for complying with the reporting requirement under FATCA and Common Reporting Standards (**CSR**). Further, on August 31, 2015, The RBI has also issued instructions for compliance of Guidance Note on implementation of reporting requirements under Rules 114F to 114H of the Income Tax Rules, as issued by Department of Revenue, Ministry of Finance on August 31, 2015, under which all the financial institutions based on the guidance notes are required to determine whether it is a "reporting financial institution" or not.

Further Indian institutions are generally not required to withhold tax as per section 285A of the Act and the IGA signed with USA. In case any withholding or deduction is required pursuant to section 1471 through 1474 of the US Internal Revenue Code of 1986, any regulation or agreements there under, official interpretations thereof, or any law implementing an intergovernmental approach thereto, our Company shall make such FATCA deduction and shall not be liable to compensate, reimburse, indemnify or otherwise make any payment whatsoever directly or indirectly in respect of such FATCA deduction.

This is not a complete analysis or listing of all potential tax consequences of FATCA. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them.

IX. **Environmental Laws**

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 (**EPA**). The Pollution Control Boards (**PCBs**), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

The Ministry of Environment and Forests through its notification dated September 14, 2006, issued the environmental impact assessment notification (**EIA Notification**) (which supersedes the notification dated January 27, 1994 - except in respect of acts done/omitted to be done before such supersession) pursuant to the provisions of the Environment (Protection) Act, 1986. Projects and activities have been classified into two categories, Category A and Category B, based on the spatial extent of potential impacts and potential impacts on human health and natural and man-made resources.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (**Water Act**) prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the State Pollution Control Board (**SPCB**). The Water Act also provides that the consent of the SPCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent. In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 requires a person carrying on any industry to pay a cess in this regard.

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (**Air Act**) under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must obtain consent from the state pollution control board prior to commencing any mining activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 fixes the responsibility of the occupier and the operator of the facility that treats hazardous wastes to properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the SPCB has to be immediately alerted and the occupier will have to pay for remedial and restoration expenses.

X. Regulations of Foreign Investment of Debt

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, GoI, effective from June 7, 2016.

FEMA and FDI Regulations

The RBI, in exercise of its powers under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India.

Foreign Direct Investment (**FDI**) is permitted, except in certain prohibited sectors, in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. However, if the foreign investor has any previous joint venture, tie-up, technology transfer or trademark agreement in the same field in India, prior approval from the Foreign Investment Promotion Board (**FIPB**) is required even if that activity falls under the automatic route, except as otherwise provided. Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items and activities that cannot be brought in under the automatic route may be brought in through the approval route.

FDI is allowed under the automatic route up to 100% in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of FDI.

Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000

The RBI in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 (the Borrowing Regulations) to regulate the borrowing and lending in foreign exchange by a person resident in India. Pursuant to the Borrowing Regulations, the RBI issued guidelines regulating external commercial borrowings from time to time. An External Commercial Borrowing (**ECB**) refers a to commercial loan, in the form of a bank loan, buyers' credit, suppliers' credit, securitised instrument availed from Non Resident lenders with minimum average maturity of three years. Under the current policy, an ECB can be accessed from internationally recognized sources under two routes, viz., (i) automatic route and (ii) the approval route. The guidelines regulate the maintenance of prudent limits for total external borrowings, end use, all in cost ceilings, reporting requirements amongst other terms of borrowing.

External Commercial Borrowings

The current laws relating to ECBs are embodied in the Master Direction- External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers dated January 1, 2016, as amended from time to time (**ECB Guidelines**). ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires a prior RBI approval. The ECB Guidelines classify ECBs under the categories:

a. medium term foreign currency denominated ECBs with minimum average maturity of three to five years (**Track I ECBs**);

b. long term foreign currency denominated ECBs with minimum average maturity of ten years (**Track II ECBs**); and

c. Indian Rupee denominated ECBs with minimum average maturity of three to five years (**Track III ECBs**).

Automatic Route

Under the automatic route, the following entities have been classified as recognised borrowers for raising Track I ECBs: (i) companies in the manufacturing and software development sectors; (ii) shipping and airlines companies; (iii) Small Industries Development Bank of India; (iv) units in special economic zones in India; (v) Export Import Bank of India; and (vi) companies in infrastructure sector, holding companies, core investment companies, infrastructure finance NBFCs and asset finance NBFCs. For Track II ECBs, all entities eligible under Track I ECBs can raise ECBs as well as real estate investment trusts and infrastructure investment trusts coming under the regulatory framework of SEBI. In respect of Track III ECBs, all entities eligible under Track II ECBs can raise ECBs in addition to (i) all NBFCs; (ii) NBFCs-micro finance institutions, not for profit companies, societies, trusts and co-operatives, non-government organisations engaged in micro-finance activities; (iii) companies engaged in miscellaneous services such as research and development, companies supporting infrastructure and companies providing logistics services; and (iv) developers of special economic zones and national manufacturing and investment zones.

The foreign lenders eligible to provide all three categories of ECBs include, inter alia: (i) international banks; (ii) international capital markets; (iii) multilateral financial institutions or regional financial institutions and Government-owned development financial institutions; (iv) export credit agencies; (v) suppliers of equipment; (vi) foreign equity holders; and (vii) overseas long term investors such as prudentially regulated financial entities, pension funds, insurance companies, sovereign wealth funds and financial institutions located in International Financial Services Centres in India. Foreign branches or subsidiaries of Indian banks may only participate in Track I ECBs.

ECB proceeds under Track I can be utilised for, inter alia (i) capital expenditure in the form of import and local sourcing of capital goods, new projects and modernisation or expansion of existing production units; (ii) overseas direct investment; (iii) acquisition of shares in the Government's disinvestment programme of public sector units; (iv) refinancing of existing ECBs, provided the residual maturity is not reduced. The proceeds of Track II ECBs and Track III can be used for all purposes, excluding (i) real estate activities; (ii) investing in capital markets or equity in the domestic market; (iii) on-lending to other entities for the above mentioned objectives; and (iv) purchase of land. NBFCs, under Track III ECBs, can use ECB proceeds only for (i) on-lending to infrastructure sector; (ii) providing hypothecated loans to domestic entities for acquisition of capital goods and equipment; and (iii) providing capital goods and equipment to domestic entities by way of lease and hire-purchases.

Further, developers of special economic zones (**SEZ**) and national manufacturing and investment zones (**NMIZ**) can raise ECB only for providing infrastructure facilities within the SEZ and NMIZ. NBFC and micro finance institutions, other micro finance institutions, non-governmental organizations and not for profit companies registered under the Companies Act can raise ECB only for on-lending to self-help groups or for micro-credit or for bona fide micro finance activity including capacity building.

Further, the maximum amount which can be raised every financial year under the automatic route is U.S.$750 million or its equivalent for companies in the infrastructure and manufacturing sector, NBFC — infrastructure finance companies, NBFC — asset finance companies, holding companies and core investment companies, U.S.$200 million or its equivalent for companies in the software development sector, U.S.$100 million or its equivalent for entities engaged in micro finance activities and U.S.$500 million or its equivalent for remaining entities. The all-in cost (which includes rate of interest, other fees and expenses in foreign currency or Indian Rupees but does not include commitment fees, prepayment fees, payments for withholding tax in Rupees) ceilings for (i) Track I ECBs is 300 basis points per annum over six month LIBOR for ECBs with minimum average maturity between three and five years and 450 basis points per annum over six month LIBOR for ECBs with minimum average maturity of more than five years; (ii) Track II ECBs is 500 basis points per annum over the benchmark; and (iii) Track III ECBs will be in compliance with market conditions.

Approval Route

All ECBs falling outside the automatic route limits are considered by the RBI under the approval route. ECBs which can be obtained with prior RBI approval include, inter alia: (i) import of second hand goods under the Director General of Foreign Trade guidelines for Track I ECBs; and (ii) on-lending by the Export-Import Bank of India under Track I ECB.

Filing and Regulatory Requirements in relation to Issuance of Notes

An ECB borrower is required to obtain a loan registration number (**LRN**) from the RBI before an issuance of Notes is effected. To obtain this, ECB borrowers are required to submit a completed Form 83 certified by a company secretary or a chartered accountant to the AD Bank of the ECB borrower. The AD Bank is then required to forward the completed Form 83 to the RBI.

Any ECB borrower is required to submit an ECB-2 Return on a monthly basis via its AD Bank to the RBI.

Procedure in relation to any change to the Terms and Conditions of the Notes

Any change in the terms and conditions of the Notes after obtaining the LRN requires the prior approval of the RBI or AD Bank, as the case may be. Certain changes (such as amendments to the repayment date, currency, the name of the borrower, recognised lender, the purpose for which the ECB is utilised, all-in costs, cancellation of LRN, reduction in amount of the ECB or any change to the AD Bank) may be approved by the AD Bank under a delegated authority from the RBI subject to certain conditions being complied with. Any redemption of the Notes prior to their stated maturity, including on occurrence of an event of Default or for taxation reasons (as further described in the Conditions) will require the prior approval of the RBI or the AD Bank, as the case may be.

Issuance of Overseas Rupee-Denominated Bonds

Pursuant to the ECB Guidelines, any company or body corporate (including NBFCs), as well as real estate investment trusts and infrastructure investment trusts, can issue plain vanilla Rupee-denominated overseas bonds with a three-year minimum maturity period. The Notes can only be subscribed or purchased by a resident of a country that is a member of the FATF or member of a FATF Style Regional Body and whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India for information sharing arrangements. Additionally, investors should not be resident of a country identified in the public statement of the FATF as: (i) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

Banks incorporated in India cannot subscribe to such Rupee denominated bonds; however, they can act as arrangers and underwriters for such issuances. There is no all-in cost ceiling for Rupee denominated bond issuances and pricing is in accordance with market conditions. Issuers can raise up to Rs.50 billion or its equivalent per financial year under the automatic route beyond which an RBI approval would be required. The proceeds of such issuance can be used for all purposes except for: (i) real estate projects other than development of integrated township and affordable housing projects; (ii) investment in capital markets and domestic equity investments; (iii) prohibited activities under the foreign direct investment guidelines; (iv) land acquisition; and (v) on-lending to other entities for any of the above objectives.

The foreign currency to Rupee conversion will be at the market rate on the settlement date. Furthermore, investors are allowed to hedge their Rupee exposure through permitted derivative products with: (a) an AD Bank in India; or (b) the offshore branches or subsidiaries of Indian banks on a back to back basis; or (c) branches of foreign banks with a presence in India on a back to back basis. Issuers issuing Rupee denominated bonds offshore are required to comply with provisions of the ECB Guidelines in relation to reporting requirement, security creation and parking of proceeds offshore.

TAXATION{ TC "Taxation" \f C \l "1" **}**

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts of circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents or countries of purchase, holding or disposal of the Notes. Additionally, in view of the number of jurisdictions where local laws may apply, this Offering Circular does not discuss the local tax consequences to a potential holder, purchaser or seller arising from the acquisition, holding or disposal of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposal of Notes at their place of ordinance, and the countries of which they are citizens or countries of purchase, holding or disposal of Notes.

Indian Taxation

The following is a summary of the existing principal Indian tax consequences for non-resident investors subscribing to the Notes issued by the Issuer. The summary is based on existing Indian taxation law and practice in force at the date of this Offering Circular and is subject to change, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or transfer of the Notes. Prospective investors should, therefore, consult their own tax advisers regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes.

Payments through India

Any payments the Issuer makes on the Notes, including additional amounts, made through India will be subject to the regulations of the RBI.

Taxation of interest

If the proceeds of the issuance of the Notes are to be used for the purposes of the business of the Issuer in India, non-resident investors will be liable to pay tax on the interest paid on the Notes. Presently, the rate of tax in accordance with the Income Tax Act, 1961 (the **Income Tax Act**) is 5 per cent. (plus applicable surcharge, education cess and secondary and higher education cess), for any long-term bond, including infrastructure bond, issued any time between October 1, 2014 and June 30, 2017, in accordance with the Section 115A,and Section 194LC of the Income Tax Act and CBDT Circular no. 15/ 2014 (dated October 17, 2014). The non-resident Noteholders shall be obliged to provide all necessary information and documents, as may be required by the Issuer.

In relation to Rupee Denominated Notes, although the rate of taxation of interest under the Income Tax Act is 40 per cent. (plus applicable surcharge, education cess and secondary and higher education cess), the CBDT, Ministry of Finance press release dated October 29, 2015 (the **Release**) clarified it to be 5 per cent. which is in line with the tax rate provided under the Income Tax Act for the offshore foreign-denominated long-term bond, including infrastructure bonds (referred above). The Release is clarificatory and is not binding in nature. Pursuant to Clause 67 of the Finance Act, 2017, section 194LC of the Income Tax Act has been amended to continue the rate of 5% for all Rupee denominated bonds issued from April 1, 2016 until July 1, 2020.

The rate of tax will stand reduced if the beneficial recipient is a resident of a country with which the Government has entered into a tax treaty and the provisions of such treaty, which provide for the taxation in India of income by way of interest at a rate lower than that stated above, are fulfilled.

Withholding tax

Since the interest payable on the Notes is subject to taxation in India, there is a requirement to withhold tax at the applicable rate i.e. at 5 per cent. (plus applicable surcharge, education cess and secondary and higher education cess), subject to any lower rate of tax provided by an applicable tax treaty. Pursuant to the Terms and Conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law or where the laws undergo any amendment, in which case pursuant to Condition 8, the Issuer will pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which will have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

Taxation of gains arising on disposal (transfer) of Notes

Any gains arising to a non-resident investor from the transfer of a capital asset held (or deemed to be held) will be chargeable to income tax in India if such capital asset is regarded as property situated in India. Transfer has, inter alia, been defined under the Income Tax Act to include sale, exchange, relinquishment of a capital asset or extinguishment of any rights therein. In this regard, the term "capital asset" has been defined under the Income Tax Act to mean property of any kind held by a tax payer, whether or not connected with his business or profession. A non-resident investor generally will not be chargeable to income tax in India from a transfer of the Notes held as a capital asset provided that the Notes are regarded as being situated outside India. The issue as to where the Notes shall properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by the Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being situated in India as the Issuer is incorporated in and resident in India. Potential investors shall, in any event, consult their own tax advisers regarding the Indian tax consequences, as well as the computation of tax liability in India as a result of transfer of the Notes.

If the Notes are regarded as situated in India by the Indian tax authorities, as the Issuer is incorporated and a resident of India, upon transfer of a Note:

(i) a non-resident investor, who has held the Notes for a period of more than 36 months (long-term capital asset) immediately preceding the date of their disposal, will be liable to pay capital gains tax at the rate of 10 per cent. of the capital gains (plus applicable surcharge, education cess and secondary and higher education cess) in accordance with the provisions of the Income Tax Act. These rates are subject to any lower rate provided for by an applicable tax treaty;

(ii) a non-resident investor who has held the Notes for a period of 36 months or less (short-term capital asset) will be liable to pay capital gains tax at rates ranging up to 40 per cent. (plus applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the non-resident investor (i.e. company, individual, trust, etc.) and his taxable income in India, subject to any lower rate provided for by an applicable tax treaty;

(iii) any income arising to a non-resident investor from the transfer of the Notes held as stock-in-trade would be considered as business income. Business income will be subject to income tax in India only to the extent, it is attributable to a ''business connection in India'' or, in case where a tax treaty is applicable, to a ''permanent establishment'' of the non-resident investor in India. A non-resident investor will be liable to pay Indian tax on such income at rates ranging up to 40 per cent. (plus applicable surcharge, education cess and secondary and higher education cess) depending on the legal status of the non-resident investor and his taxable income in India, subject to any lower rate provided for by a tax treaty;

(iv) any income arising to a non-resident investor from a transfer of the Notes held as stock-in-trade will be considered as business income. Business income will be subject to income tax in India only to the extent it is attributable to a "business connection in India" or, where a Tax Treaty applies, to a "permanent establishment" of the non-resident investor in India. A non-resident investor will be liable to pay Indian tax on such income at a rate of up to 40.0 per cent. (plus applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the non-resident investor and his taxable income in India, subject to any lower rate provided for by a Tax Treaty

(v) in the case of a non-resident investor holding the Rupee Denominated Notes, the Finance Act, 2016 provides that any gains arising on account of appreciation of the Rupee against a foreign currency at the time of redemption of Rupee Denominated Notes of an Indian company subscribed by such non-resident investor, shall be ignored for the computation of full value of consideration. Accordingly, such gains arising to the original non-resident investor on account of the appreciation of the Rupee against a foreign currency at the time of redemption of the Notes subscribed to by such non-resident investor, shall not be taxable as capital gains. It does not, however, deal with capital gains tax treatment in respect of: (a) the gains arising to investors prior to redemption during the life of the Rupee Denominated Notes; and (b) gains of the Rupee Denominated Notes acquired through secondary purchases. In respect of any disposition between non-resident investors after 1 April 2018, Section 47 of the Income Tax Act has been amended by Clause 23 of the Finance Act, 2017 such that any transfer of Rupee Denominated Notes outside India between one non-resident and another non-resident will not be regarded as a transfer of a capital asset and consequently not subject to capital gain tax under the Income Tax Act.

If applicable, under the tax law, tax shall be withheld by the person making any payment to a non-resident on long-term capital gains at 10 per cent. (plus applicable surcharge, education cess and secondary and higher education cess) and short-term capital gains at 30 per cent. or 40 per cent. (plus applicable surcharge, education cess and secondary and higher education cess), depending on the legal status of the recipient of income, subject to any lower rate provided for by a tax treaty. Tax payable shall be computed in such manner as prescribed in this regard under the Income Tax Act. For the purpose of tax withholding, the non-resident Noteholders shall be obliged to provide a Permanent Account Number allotted by the Tax Authorities and all prescribed information/documents, including a Tax Residency Certificate (issued by the Tax Authorities of the country in which the investor is resident) for claiming the tax treaty benefits.

Potential investors shall, in any event, consult their own tax advisers on the tax consequences of transfer of the Notes.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the Income Tax Act, may generally be subject to tax in India according to the personal rate applicable.

Estate Duty

No estate duty is payable at present in India in relation to the Notes.

Gift Tax

There is no gift tax payable at present in India in relation to the Notes.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Stamp duty will be payable if the Notes are brought into India for enforcement or for any other purpose. The amount of stamp duty payable will depend on the applicable State Stamp Act and the duty will have to be paid within a period of three months from the date the Notes are first received in India.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. We may be a foreign financial institution for these purposes. A number of jurisdictions (including the Republic of India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes — Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE{ TC "Subscription and Sale" \f C \l "1" }

The Dealers have, in a programme agreement dated 10 May 2017 as amended, restated and/or supplemented from time to time (the **Programme Agreement**), agreed with us a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, we have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to us.

In order to facilitate the offering of any Tranche of the Notes, a nominated Dealer participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the price of the relevant Notes, which support the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by us. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level higher than that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Under U.K. laws and regulations stabilising activities may only be carried on by the Stabilising Manager (or any person acting for the Stabilising Manager) named in the applicable Pricing Supplement and only for a period of 30 days following the Issue Date of the relevant Tranche of Notes.

Each of the Dealers and its affiliates may engage in investment or commercial banking and other dealings in the ordinary course of business with us or our affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Dealer and its affiliates may, from time to time after completion of the offering of Notes, engage in other transactions with, and perform services for, us or our affiliates in the ordinary course of their business. Each Dealer or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold the Notes on behalf of clients or in the capacity of investment advisors. While each Dealer and its affiliates has policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes. Further, each of the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of us or our subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

United States

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act;

(b) the Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Notes will be issued in accordance with the provisions of U.S. Treasury Regulation §1.163–5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012–20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010), unless the relevant Pricing Supplement specifies that Notes will be issued in accordance with the provision of U.S. Treasury Regulation §1.163–5(c)(2)(i)(c) (or any successor U.S. Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012–20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010). Terms used in this paragraph have the meanings given to them by the U.S. Revenue Code of 1986 and regulations thereunder;

(c) in connection with any Notes which are offered or sold outside the United States in reliance on exemption from the registration requirements of the Securities Act provided under Category 1 of Regulation S (**Category 1 Notes**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Category 1 Notes within the United States or to a United States person, as such term is defined in the U.S. Internal Revenue Code of 1986 and regulations thereunder. Each Dealer has agreed that it will not offer, sell or deliver any Notes within the United States, except as permitted by the Dealer Agreement. In addition, until 40 days after the commencement of the offering of any identifiable tranche of such Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

(d) until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act; and

(e) each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as we and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Terms used in this paragraph have the meanings given to them by Regulation S.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) if the pricing supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the pricing supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and we have consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require us or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (as amended including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (**FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Italy

Each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, that unless it is specified within the relevant Pricing Supplement that a non-exempt offer may be made into Italy, the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-*ter*, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will only be offered in The Netherlands to qualified investors (as defined in the Prospectus Directive), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

India

Notes with minimum average maturity of five years

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that (a) this Offering Circular has not been and will not be registered, produced or published as an offer document (whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of a private placement under the Companies Act, 1956, Companies Act, 2013 (each as amended, supplemented or re-enacted from time to time) and the rules framed thereunder or any other applicable Indian laws for the time being in force) with the Registrar of Companies, the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India, save and except any for information from part of the Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws; (b) the Notes will not be offered or sold and have not been offered or sold, in India by means of this Offering Circular or any other offering document or material relating to the Notes and will not be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of applicable Indian laws.

Notes with average maturity of ten years

Each Dealer represents and agrees (a) to the restrictions set out in "Notes with Minimum Average Maturity of five years"; and (b) this Offering Circular, any material relating to the Notes and the Notes will not be offered or sold and have not been offered or sold to any overseas branch or subsidiary of an Indian bank.

Rupee Denominated Notes

Each Dealer represents and agrees that in relation to any issuance of Notes denominated in Rupees and payable in a currency other than Rupees (the **Rupee Denominated Notes**), the Offering Circular or any other material relating to such Notes has not been and will not be circulated or distributed to (i) any prospective investor who does not meet the FATF Requirements; or (ii) any overseas branch or subsidiary of an Indian bank (except as permitted under the ECB Guidelines). For the purposes of this section, FATF Requirements pursuant to the RBI regulations mean an investor who is a resident of a country: (a) that is a member of FATF or a member of a FATF style regional body; (b) whose securities market regulator is a signatory to the International Organisation of Securities Commission's multilateral MoU (Appendix A Signatories) or a signatory to a bilateral MoU with the Securities and Exchange Board of India for information sharing arrangements; (c) should not be a country identified in the public statement of the FATF as: (i) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies; and (d) other requirements as specified by the RBI from time to time in relation to the above.

Eligibility of holders of the Notes

Holders and beneficial owners of the Notes shall be responsible for compliance with restrictions on the ownership of the Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

Disclosure of information relating to holders of Rupee Denominated Notes

The holders and beneficial owners of Rupee Denominated Notes shall be deemed to confirm that for so long as they hold any Rupee Denominated Notes, they will meet the FATF Requirements and the ECB Guidelines. Further, all Noteholders represent and agree that the Rupee Denominated Notes will not be offered or sold on the secondary market to any person who does not meet the FATF Requirements and comply with the ECB Guidelines. In relation to any issuance of Rupee Denominated Notes, the holders and beneficial owners represent and agree that they will provide all information and details about itself to the Issuer, to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required.

The holders and beneficial owners will provide all information and details that they have or can procure about any subsequent transferee Noteholders (and shall provide all assistance in relation thereto) to the Issuer so as to enable the Issuer to obtain the details of the transferee Noteholders or any other information pertaining to such transferee Noteholders to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required.

To comply with applicable laws and regulations, the Issuer or its duly appointed agent may from time to time to request Euroclear and Clearstream to provide them with details of the accountholders within Euroclear and Clearstream, as maybe appropriate that hold the Rupee Denominated Notes and the number of Rupee Denominated Notes held by each such accountholder. Euroclear and Clearstream, Luxembourg participants which are holders of the Rupee Denominated Notes or intermediaries acting on behalf of such Noteholders would be deemed to have hereby authorised Euroclear and Clearstream, Luxembourg, as may be appropriate, to disclose such information to the Issuer or its duly appointed agent.

Singapore

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, (Chapter 289 of Singapore) (the **Securities and Futures Act**) pursuant to Section 274 of the Securities and Futures Act, (ii) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) under Section 275(1) of Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the Securities and Futures Act; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance of Hong Kong and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has represented, warranted and undertaken and each further Dealer appointed under the Programme will be required to represent, warrant and undertake that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither we, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of us, the Trustee, the Arrangers and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as we and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

Other Relationships

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity as investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve our securities and instruments or of our subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Broker-dealer Affiliates

If a jurisdiction requires that such offering be made by a licensed broker or dealer and an Arranger or a Dealer or any affiliate of it is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by it or such affiliate on behalf of us in such jurisdiction.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IFRS { TC "Summary of Significant Differences Between Indian GAAP and IFRS" \f C \l "1" }

This Offering Circular has been prepared in accordance with the accounting policies followed by us which conform to Generally Accepted Accounting Principles in India and RBI Guidelines as applicable to us. The following are significant differences between Indian GAAP and IFRS, limited to those differences that are relevant to our financial statements. However, they should not be construed as being exhaustive, and no attempt has been made to identify possible future differences between Indian GAAP and IFRS as a result of prescribed changes in accounting standards or to identify future differences that may affect our financial statements as a result of transactions or events that may occur in the future. In certain respects, our financial statements reflect adjustments made in accordance with applicable statutory requirements and regulatory guidelines, and accounting practices in India, which change from time to time and may have been applied prospectively. As a result, the periods covered by our financial statements and our results on a period-by-period basis may not be directly comparable.

		IFRS	Indian GAAP
1.	**Contents of financial statements - General**	A complete set of financial statements comprises a statement of financial position (balance sheet), a statement of comprehensive income (profit and loss account), cash flow statement and statement showing changes in equity, accounting policies and other explanatory notes to financial statements with corresponding figures from the previous year.	A complete set of financial statements normally includes a balance sheet, profit and loss account and cash flow statement as of and for the last fiscal year, accounting policies and notes to financial statements. The presentation of these financial statements differs in certain respects compared to IFRS. Listed entities are required to produce consolidated financial statements and the related notes along with standalone financial statements.
2.	**Contents of financial statements — Disclosures**	No particular format is prescribed for the Statement of comprehensive income. However, an analysis of expenses must be presented in one of two formats (function or nature). Certain items must be presented on the face of the Statement of comprehensive income. Similarly, no particular format is prescribed for the statement of financial	The Indian Companies Act, 1956 prescribes the balance sheet format. There is no prescribed format for the profit and loss account but there are disclosure norms for income and expenditure items. In the case of banks, the format of the balance sheet and profit and loss account is prescribed in Schedule 3 to the Banking Regulations Act, 1949. Further, the RBI prescribes

		IFRS	Indian GAAP
		position; an entity may use a liquidity presentation of assets and liabilities, instead of a current/non-current presentation, only when a liquidity presentation provides more relevant and reliable information. Certain items must be presented on the face of the statement of financial position. However, banks shall present a Statement of comprehensive income which group's income and expenses by nature and disclose the amounts of principal types of income and expenses. Further, banks shall present a statement of financial position that groups assets and liabilities by nature and lists them in order that reflects their relative liquidity. Minority interest is presented as a component of equity.	various disclosures from time to time. Minority interests are presented separately from liabilities and equity. Amounts attributable to minority interest are presented as component of net income or loss.
3.	**Correction of errors**	Mandatory restatement of comparative amounts for the prior year period(s) presented in which errors have occurred. Prior Period errors are of significance nature then errors should be corrected by adjusting the opening retained earnings.	No restatement. The nature and amount of prior period items should be separately disclosed in the current year's profit and loss and the effect of the error must also be disclosed. Further for the banks recognition/ de-recognition of income/expenses as per RBI guidelines and accounting norms are reflected as part of natural head of accounts.
4.	**Changes in accounting policies**	Changes in accounting policy are applied retrospectively. Comparatives are restated and the effect of period(s) not presented is adjusted against opening retained earnings of	Impact of and adjustments resulting from the change to be shown in the income statement of the period in which the change is made except as specified in certain

		IFRS	Indian GAAP
		the earliest year presented. Policy changes made on the adoption of a new standard are made in accordance with that standard's transitional provisions.	standards where the change resulting from adoption of such standards has to be shown by an adjustment in the opening retained earnings. No such disclosure is required. However, in practice, if a standard is early adopted, it will be disclosed in the notes.
5.	**Statement of recognised gains and losses**	The total of gains and losses recognised in a period is comprised of net income together with the following gains and losses which are recognised directly in equity: • revaluation increase/decrease; • fair value gains/(losses) on land and buildings, AFS, investments and certain financial instruments; • foreign exchange translation differences; • the cumulative effect of changes in accounting policy; and • changes in fair values of certain financial instruments if designated as cash flow hedges, net of tax, and cash flow hedges reclassified to income and/or the relevant hedged asset/ liability. Recognised gains and losses can be presented either in the notes to financial statements or highlighted separately within the primary statement of changes in shareholders' equity.	No concept of comprehensive income. However, accounting standards, statute and industry practices allow for certain adjustments in reserves. RBI specifically requires gain on sale of held-to-maturity securities to be appropriated from the profit/loss account to capital reserve.

		IFRS	Indian GAAP
6.	**Statement of Changes in Shareholders' Equity**	The statement must be presented as a primary statement. The statement must show capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity.	No separate statement required. However, any adjustments to equity and reserve account must be shown in the schedules that accompany the financial statements.
7.	**Cash-flow statement - Formats and method**	Headings are standardised but there is a limited flexibility over content. Direct or indirect method may be used.	Headings are standardised and the direct or indirect method may be used. Banks in India generally use the indirect method.
8.	***Cash-flow statements — Definition of cash and cash equivalents***	Cash and cash equivalents include overdrafts repayable on demand and investments with original short-term maturities (less than three months).	Cash includes cash on hand and demand deposits with bank and cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.
9.	**Liabilities and equity**	A financial instrument is classified as a liability where there is a contractual obligation to deliver either cash or another financial asset to the holder of that instrument, regardless of the manner in which the contractual obligation will be settled. Preference shares, which carry a mandatory coupon or are redeemable on a specific date or at the option of the shareholder, are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised in the income statement as interest expense on an amortised cost basis using the effective interest	Classification is based on the legal form rather than substance. All preference shares are disclosed separately as share capital under shareholders' funds.

		IFRS	Indian GAAP
		method.	
10.	**Consolidation of subsidiaries**	The consolidated financial statements include all subsidiaries of the parent. IFRS focuses on the concept of the power to control in determining whether a parent-subsidiary relationship exists. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist where the parent company owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control can also exist in certain situations where the parent company owns one half or less of the voting power of an enterprise. Companies acquired (disposed of) are included in (excluded from) consolidation from the date on which control passes. Presently exercisable potential voting rights should also be considered. A subsidiary which meets the criteria to be classified as held for sale in accordance with IFRS 5 should be shown as an asset held for sale rather than being consolidated. A subsidiary can be excluded when there is evidence that control is intended to be temporary and such a	Consolidation is required only when there is controlling interest, directly or indirectly through subsidiaries, by virtue of holding the majority of the voting shares of an enterprise or controlling the board of directors of an enterprise except in case of entities such as gratuity trust where the objective is not to obtain economic benefits from their activities. A subsidiary should be excluded from consolidation when: • control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; or • it operates under severe long-term restrictions that significantly impair its ability to transfer funds to the parent. The reasons for not consolidating a subsidiary should be disclosed in the consolidated financial statements. In separate financial statements of banks, investments in such subsidiaries should be accounted for in accordance with guidelines prescribed by the RBI.

		IFRS	Indian GAAP
		subsidiary should be shown as an asset held for sale.	
11.	**Accounting for joint ventures in the form of a jointly controlled entity**	Both the proportional consolidation method and equity method are permitted. A venturer with an interest in a jointly controlled entity is exempted from proportionate consolidation and equity method accounting when it meets the following conditions: • there is evidence that the interest is acquired and held exclusively with a view to its disposal within twelve months from acquisition and that management is actively seeking a buyer; • the exception in paragraph 10 of IAS 27 Consolidated and Separate Financial Statements allowing a parent that also has an interest in a jointly controlled entity not to present consolidated financial statements is applicable; or • all of the following apply: • the venturer is a wholly- owned subsidiary, or is a partially-owned subsidiary of another entity and its owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the venturer not applying proportionate consolidation or the	In its separate financial statements, the venturer must recognise its interest in a joint venture as an investment. In the consolidated financial statements, the venturer should consolidate the joint venture in case it is a subsidiary or else report its interest in the jointly controlled entity using the proportionate consolidation method.

		IFRS	Indian GAAP
		equity method; • the venturer's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); • the venturer did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation, for the purpose of issuing any class of instruments in a public market; and • the ultimate or any intermediate parent of the venturer produces consolidated financial statements available for public use that comply with IFRS. Interests in jointly controlled entities that meet the condition mentioned above shall be classified as HFT and accounted for in accordance with IAS 39.	
12.	**Presentation of associate results**	Equity method must be used. Presentation must show share of post-tax results.	Similar to IFRS. However, the accounting for associate results using the equity method was not required under Indian GAAP until 1 April 2003. Upon transition to the equity method from the cost method, an increase in Investment in Associate in Shareholders' Equity should

		IFRS	Indian GAAP
			be recorded as an adjustment to reserves for the period of change. The equity method of accounting is not required in the separate/standalone financial statements of the investor.
13.	**Employee benefits**	Actuarial assumptions required to measure the obligation, must use the projected unit credit method to determine benefit obligation. Rules are also given for termination benefits arising from redundancies and other post-employment benefits (short-term and long-term). Account for termination indemnity plans as pensions. IAS 19 provides options to recognise actuarial gains and losses as follows: i by following a "Corridor Approach", which results in deferred recognition of the actuarial gains and losses, or ii immediately in the statement of profit and loss, or iii immediately outside the profit or loss in a statement of changes in equity titled "statement of recognised income and expense".	The AS 15 does not admit options and requires that actuarial gains and losses should be recognised immediately in the statement of profit and loss. AS 15 is broadly similar to the IFRS. However, the standard provides a clause for Transitional Liability to be written off till 1 April 2010 or within the pay-back period whichever is less. Such provision has not been provided in IFRS.
14.	**Property, plant and equipment**	Use historical cost or revalued amounts. Frequent valuations of entire classes of assets are required when the revaluation option is chosen.	Use historical cost or revalued amounts. Revaluation of an entire class of assets or of a selection of assets is carried out on a systematic basis. No current restriction on the frequency

		IFRS	Indian GAAP
			of valuation.
15.	**Depreciation**	Depreciation is recorded over the asset's estimated useful life. The residual value and the useful life of an asset and the depreciation method shall be reviewed at least at each financial year-end.	Depreciation is recorded over the asset's useful life. Schedule XIV of the Indian Companies Act, 1956 and Banking Regulations Act, 1949 prescribe minimum rates of depreciation and these are typically used as the basis for determining useful life.
16.	**Capitalisation of borrowing costs**	Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are required to be capitalised as part of the cost of that asset.	Similar to IFRS.
17.	**Deferred expenditure**	Costs in respect of any start-up are expensed as incurred. Costs for advertising are expensed as incurred. Equity issue costs should be accounted for as a deduction from equity (net of any related income tax benefit).	Costs are not allowed to be deferred unless permitted by RBI. Equity issue costs can be adjusted against the securities premium account to the extent available as provided for by the Companies Act, 1956.
18.	**Provisions for liabilities and charges**	The amount recognised as a provision is the best estimate at the balance sheet date of the expenditure required to settle the obligation, discounted using a pre-tax market discount rate if the effect is material.	Similar to IFRS. Discounting is not permitted.
19.	**Financial Assets — Classification**	Financial assets are to be classified as one of the following four categories depending on certain conditions to be satisfied for each category: • financial asset or financial liability at fair value through profit or loss; • HTM investments; loans	AS-13, Accounting for Investments is not applicable to banks. The RBI has given guidelines for classification of investments into: • HTM • AFS and • HFT. Loans and advances are classified on the basis of the

		IFRS	Indian GAAP
		and receivables; and • available-for-sale financial assets.	Income Recognition and Asset Classification norms of RBI.
20.	**Financial Assets — Measurement**	Initially, a financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent recognition depends on the classification of the investment — if HTM investments and loan receivables, carry at amortised cost, using effective interest method otherwise state at fair value. Unrealised gains and losses on fair value through Profit or Loss classification (including trading securities) recognised in the income statement and on available-for-sale investments recognised in equity. Entity can also transfer from the available-for-sale category to the loan and receivable category by satisfying certain conditions.	Investments are measured and valued on the basis of the guidelines issued by the RBI from time to time. Loans and advances are measured in accordance with the Income Recognition and Asset Classification norms of the RBI. Investments classified as AFS or HFT are measured at lower of cost or market value and those classified as HTM are measured at amortised cost.
21.	**Financial liabilities — Classification**	Capital instruments are classified depending on the substance of the obligations of the issuer. There are two categories of financial liabilities: • financial liabilities at fair value through the Profit and Loss Account; and • others. Preference shares that are mandatory to redeem are classified as liabilities.	Generally accepted accounting practice follows legal form rather than substance.

		IFRS	Indian GAAP
22.	**Financial Liabilities — Measurement**	Initially, a financial liability is measured at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, an entity shall measure all financial liabilities at amortised cost using the effective interest method, except for: • financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost less impairment until settlement; and • financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or is accounted for using the continuing involvement approach. Financial liabilities that are designated as hedged items are subject to measurement under the hedge accounting requirements.	Liabilities are recognised based on the legal obligation of the entity.
23.	**Debt Issue Costs**	Direct incremental costs of issuing debt are reduced from debt and the debt is carried at amortised cost. Issue costs are included in the	Expensed as incurred.

		IFRS	Indian GAAP
		calculation of the effective interest rate over the life of the instrument.	
24.	**Discount on issue of debt**	Amortised as an adjustment to the yield.	Amortised on a straight line basis.
25.	**Dividends**	Dividends to holders of equity instruments, when proposed or declared after the balance sheet date, should not be recognised as a liability on the balance sheet date. A company, however, is required to disclose the amount of dividends that were proposed or declared after the balance sheet date but before the financial statements were authorised for issue.	Dividends are reflected in the financial statements of the year to which they relate even if proposed or approved after the year end.
26.	**Deferred Income taxes**	Deferred tax is determined based on temporary differences, being the difference between the carrying amount and tax base of assets and liabilities, subject to certain exceptions. Deferred tax assets are recognised if it is probable (more likely than not) that sufficient future taxable profits will be available to utilise to deferred tax assets.	Deferred tax is determined based on timing differences, being the difference between accounting income and taxable income for a period that is capable of reversal in one or more subsequent periods. Deferred tax assets recognised only if virtually certain with entities with tax losses carried forward or if reasonably certain with entities with no tax losses.
27.	**Post balance sheet events**	Adjustments in the financial statements for events occurring after the balance sheet date, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Disclose non-adjusting events.	Similar to IFRS for adjusting events, except that non-adjusting events are not required to be disclosed in the financial statement but are disclosed in the report of the approving authority.
28.	**Interim financial reporting**	Not mandatory to prepare interim statements but must use standard if prepared. Basis should be consistent with the full-year statements	Interim financial reporting is not mandatory, but AS-25 “Interim Financial Reporting” under the accounting standards must be

		IFRS	Indian GAAP
		and include comparatives. Publicly traded companies are encouraged to provide interim financial reports.	used. Basis should be consistent with the full year statements and included comparatives. Publication of quarterly results is mandatory for listed entities as specified by the Securities and Exchange Board of India (SEBI).
29.	**Guarantees**	Recognise a liability at fair value in the statement of financial position at the inception of the guarantee.	Guarantees must be disclosed as a contingent liability.
30.	**Related Party Disclosures**	Disclose the name of the related party and the nature of relationship and types of transactions. For control relationships, disclosures are mandatory regardless of whether the transactions occur. Exemptions are available from disclosure requirements for transactions between state-controlled entities regardless of whether influence actually exists in such relationship. Some exemptions are available for separate financial statements of subsidiaries.	Similar to IFRS except that disclosure is not required in the case of control relationships where no transaction has taken place. RBI has also laid down guidelines for disclosure of related party transactions.
31.	**Accounting for Foreign Currency Transactions**	All exchange differences are included in determining net income for the period for which it arise.	Similar to IFRS except as per AS 11 to allow amortisation or capitalisation of foreign exchange difference arising on long-term monetary items, in respect of accounting periods commencing on or after 7 December 2006 and ending on or before 31 March 2020. Such exchange differences are adjusted to the carrying cost of the assets, if the item relates to the acquisition of a depreciable capital asset or in

		IFRS	Indian GAAP
			other cases accumulated in the foreign currency monetary item translation difference Accounts and amortised over the life of the monetary items but not beyond 31 March 2020.
32.	**Contingent Assets**	A contingent asset is disclosed in financial statements where an inflow of economic benefits is probable.	A contingent asset cannot be disclosed in Financial Statements. However, the same can be disclosed in the Director's report.
33.	**Extraordinary items**	Disclosure as extraordinary items either on the face of the income statement or in the notes prohibited.	Are defined as income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly. Each such item should be separately disclosed in the accounts together with its nature so that its impact on net profit or loss for the period can be ascertained.
34.	**Acquired and internally generated intangible assets**	Intangible assets are recognised if the specific criteria are met. Assets with a finite useful life are amortised on a systematic basis over their useful life. An asset with an indefinite useful life and which is not yet available for use should be tested for impairment annually.	Intangible assets are capitalised if specific criteria are met and are amortised over their useful life, generally not exceeding 10 years. The recoverable amount of an intangible asset that is not available for use or is being amortised over a period exceeding 10 years should be reviewed at least at each financial year-end even if there is no indication that the asset is impaired.
35.	**Interest income and expense**	Interest income and expense is recognised in the income statement using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected	In the absence of a specific effective interest rate requirement, premiums and discounts are usually amortised on a straight line basis over the term of the instrument.

		IFRS	Indian GAAP
		life of the financial instrument.	

GENERAL INFORMATION{ TC "General Information" \f C \l "1" }

Authorisation

1. The establishment of the Programme and the issue of Notes have been duly authorised by resolutions of our Board dated 26 May 2016 and 16 March 2017. The borrowing limits of the Company have been duly authorised by the special resolution of our shareholders dated 26 September 2016.

Listing

2. It is expected that each Tranche of Notes which is to be admitted to trading on the ISM will be admitted separately as and when issued, subject only to the issue of a Temporary Global Note initially representing the Notes of such Tranche. Application has been made to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's ISM. The listing of the Programme in respect of the Notes is expected to be granted on or around 11 May 2017.

3. Approval-in-principle has been granted for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List.

   Admission to the Official List and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of us, the Programme or the Notes. So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes is exchanged for definitive Notes. In addition, in the event that the Global Notes is exchanged for definitive Notes, announcement of such exchange shall be made through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

4. Notes may be issued pursuant to the Programme which will not be admitted to the Singapore Official List or to trading on the ISM or listed on any other stock exchange or which will be listed on such stock exchange as we and the relevant Dealer(s) may agree.

Clearing systems

5. The Notes to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

No significant change

6. Save as disclosed in this Offering Circular, there has been no significant in our financial or trading position since 30 September 2016 and there has been no material adverse change in our prospects since 31 March 2016.

Litigation

7. We are not involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which we are aware) which may have or have had in the 12 months preceding the date of this document a significant effect on our financial position.

Accounts

8. Our auditors in respect of the financial statements for the year ended 31 March 2016 and the six months ended 30 September 2016 was Jain Chopra & Co., who audited our non-consolidated and consolidated financial statements, without qualification, in accordance with generally accepted auditing standards in India for each of the periods mentioned above.

Documents Available

9. So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from our corporate office and from the specified office of the Paying Agent in Hong Kong:

   (a) our audited non-consolidated and consolidated financial statements in respect of the financial years ended 31 March 2014, 2015 and 2016;

   (b) our unaudited non-consolidated financial statements for the six months ended 30 September 2016;

   (c) the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

   (d) a copy of this Offering Circular;

   (e) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplement (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to us and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and

   (f) our Memorandum and Articles of Association.

INDEX TO FINANCIAL STATEMENTS{ TC "Index to Financial Statements" \f C \l "1" **}**

Consolidated Financial Statements of Indian Renewable Energy Development Agency Limited for the Year Ended 31 March 2015

Non-Consolidated Financial Statements of Indian Renewable Energy Development Agency Limited for the Year Ended 31 March 2014

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Jain Chopra & Company

Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Indian Renewable Energy Development Agency Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Indian Renewable Energy Development Agency Limited**, ("the Company"), which comprise the Balance Sheet as at Sept 30, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the half year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan

JAIN CHOPRA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at Sept 30, 2015, and its profit and its cash flows for the half year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the standalone financial statements

i. No. 24(1)(b) regarding provisions relating to Asset classification/provisioning of restructured/rescheduled accounts not being in conformity with the Articles of Association of the company.
ii. No. 24 (3) related to provision for accounts which may or may not be classified as NPA at the end of the financial year.
iii. No. 24 (4)(b) which describes the uncertainty related to the outcome of the petition filed against the company by M/s Mahakrishna Financial Services Pvt. Ltd.
iv. No. 24 (11) regarding the obligation under section 135 of The Companies Act, 2013 on Corporate Social Responsibility (CSR) having not been discharged during the half year.
v. No. 24 (24) which states that audit of accounts of Generation based Incentive funds has not been done.

Our opinion is not modified in respect of these matters

JAIN CHOPRA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable and in terms of sub-section (5) of section 143 of the Act we give in the Annexure-II information in respect of the directions issued by the Comptroller and Auditor-General of India.

2. As required by Section 143 (3) of the Act, we report that:
   a) we have sought and 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 it appears from our examination of those books;
   c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e) the provision of section 164(2) of the Act is not applicable to Govt. Company.
   f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements-Refer Note 24 (4)(b) to the standalone financial statements;
      ii. the Company does not have any long term contract including derivative contracts for which there are any material foreseeable losses;
      iii. there is no amounts, required, to be transferred by the Company to the Investor Education and Protection Fund

For JAIN CHOPRA & COMPANY
Chartered Accountants
Firm's Registration No.02198N

Ashok Chopra
Partner
(Membership No. 017199)

JAIN CHOPRA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Place: Delhi
Date : 17.12.15

Annexure-I to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the half year ended Sept 30, 2015, we report that:

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) We are informed that the management has not physically verified the fixed assets during the half year ended Sept 30, 2015.

(ii) (a) The company does not hold any inventories as such the provisions are not applicable

(b) The company does not hold any inventories as such the provisions are not applicable

(c) The company does not hold any inventories as such the provisions are not applicable

(iii) In our opinion and according to the information explanations provided, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

(iv) In our opinion and according to the information explanations provided, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services. *However in following activities internal control needs to be strengthened*

a. application of interest/reversal of interest in borrowers' accounts
b. delegation of authority at various levels to be reviewed
c. information technology system for maintenance of records

(v) The company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder, where applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, in the case of the Company.

(vii) (a) As per the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

JAIN CHOPRA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

(b) The Company is in appeal in the following case:

Name of the Statute	Subject	Ass. Yr.	Amount in Rs.	Forum
Income Tax Act, 1961	Income Tax/	2010-11	13.44 crore	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax/	2011-12	14.96 crore	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax/	2012-13	15.54 Crore	Commissioner of Income Tax (Appeal)

(c) There is no amounts, required, to be transferred by the Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The company does not have any accumulated losses as at Sept 30, 2015.

(ix) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the half year ended Sept 30, 2015.

(x) In our opinion and according to the information and explanations provided, the company has granted letters of comfort for acquisition of assets by the borrowers who have been sanctioned credit facilities, the terms and conditions whereof are not prejudicial to the interest of the company.

(xi) The term loans obtained has been applied for the purpose for which the loans were obtained.

(xii) According to the information explanations provided, no fraud committed on or by the company has been noticed or reported during the course of our audit.

For JAIN CHOPRA & COMPANY
Chartered Accountants
Firm's Registration No.02198N

JAIN CHOPRA & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Ashok Chopra
Partner
(Membership No. 017199)

Place: Delhi
Date : 17.12.15

Annexure-II to the Independent Auditors' Report

Information in respect of the directions issued by the Comptroller and Auditor-General of India.

1. If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined including the mode and present stage of disinvestment process.

   Answer: - Not applicable

2. Please report whether there are any cases of waiver/write off of debts/ loans/interest etc. if yes, the reasons there for and the amount involved.

   Answer: - Nil.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.

   Answer: - Not applicable

4. Report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

   Answer: - On the basis of information and examination of relevant records, the legal expenses being spent are reasonable and the company has a standard schedule of fee. All the legal expenses are debited to the borrower's account only. During the last 2 1/2 years only 05 DRT cases have been filed. The company also files criminal cases u/s 138 of Negotiable Instrument Act against the dishonor of cheque. The company has no litigation in foreign countries and no arbitration cases.

   Age-wise status of DRT cases

As on 30.09.2015	01.04.2015 to 30.09.2015	01.04.2014 to 31.03.2015 (Up to 1 year)	01.04.2013 to 31.03.2014 (1 – 2 year)	01.04.2012 to 31.03.2013 (2 – 3 year)	Above 3 year	Total
	02	02	01	04	26	35

Cases pending	11
Cases decreed	20
Sine Die	04 matters-all matters are decreed

JAIN CHOPRA & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Age-wise status of criminal cases u/s 138 of Negotiable Instrument Act

As on 30.09.2015	01.04.2015 to 30.09.2015	01.04.2014 to 31.03.2015 (Up to 1 year)	01.04.2013 to 31.03.2014 (1 – 2 year)	01.04.2012 to 31.03.2013 (2 – 3 year)	Above 3 year	Total
	30	54	77	55	328	544

Summoning stage	76
For issuance of notice/appearance of accused	468

CHOPRA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED
Balance Sheet as at 30.09.2016

Particulars	Note No.	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	7,846,000,000	7,846,000,000
(b) Reserves and Surplus	3	16,561,242,400	15,420,141,333
(2) Share Application Money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowing	4	103,422,363,967	68,055,426,219
(b) Other long-term liabilities	5	3,246,687,078	3,083,640,254
(c) Long-term provisions	6	344,545,848	252,745,627
(4) Current liabilities			
(a) Short-term borrowing	7	-	-
(b) Trade payables (Includes balance payable to MSME - Nil (Previous year Nil))	8	51,661,575	115,343,629
(c) Other current liabilities	9	9,138,224,530	7,144,798,459
(d) Short-term provisions	10	1,231,711,728	1,872,031,697
TOTAL		141,842,437,125	103,790,127,218
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	11		
(i) Tangible assets		279,492,812	310,957,806
(ii) Intangible assets		1,869,183	4,481,016
(iii) Capital work-in-progress		8,000	-
(iv) Capital Work in Progress 50 MW Solar Project		463,934,115	70,000,000
(v) Intangible assets under development		558,710	606,131
		745,862,820	386,044,953
(b) Non-current investments	12	1,200,000	1,200,000
(c) Deferred tax assets (Net)	24(17)	710,596,720	758,516,554
(d) Long-term loans and advances	13	94,645,004,139	69,681,384,994
(e) Other non-current assets	14	742,179,882	887,408,804
(2) Current assets			
(a) Trade Receivable	15	515,957	690,659
(b) Cash and bank balances	16	18,052,461,795	20,372,800,891
(c) Short-term loans and advances	17	25,892,281,211	11,575,311,788
(d) Other current assets	18	1,052,334,601	126,768,574
TOTAL		141,842,437,125	103,790,127,217
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 30		

As per our Report of even date
For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Ashok Chopra
Partner
M.No.- 017199

Place : New Delhi
Date 27th Dec 2016

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Statement of Profit and Loss for the half year ended on 30.09.2016

Particulars	Note No.	For the half year ended 30.09.2016 Rs.	For the half year ended 30.09.2015 Rs.
I. Revenue from operations	19	7,212,318,974	5,994,581,494
II. Other Income	20	2,733,185	1,274,573
III. Total Revenue (I+II)		7,215,052,159	5,995,856,068
IV. Expenses:			
Employee Benefit Expenses	21	145,555,406	91,008,181
Finance Cost	22	4,261,559,858	3,216,484,165
Depreciation and Amortisation Expenses		20,920,038	10,724,558
Other Expenses	23	112,697,936	87,746,766
Bad Debts Written Off		-	-
Less Provision for Bad and Doubtful Debts created in earlier years written back		-	-
Provision for Bad and Doubtful Debts		761,484	9,876,923
General Provision for Standard Assets		517,368,134	555,675,736
		5,058,862,856	3,971,516,330
V. Profit before Exceptional & Extrordinery items and tax (III-IV)		2,156,189,303	2,024,339,735
VI. Add+/Less(-) Prior Period Adjustments (Net)	24(18)	34,587,276	(130,890)
VII. Add+/Less(-) Exceptional items	24(28)	(96,940,000)	-
VIII. Profit before tax (V-VI)		2,093,836,579	2,024,208,845
IX. Tax Expenses			
(1) Current Tax		735,600,000	732,900,000
(2) Income Tax- Earlier Years		-	-
(3) Deferred Tax		(88,550,879)	(189,206,804)
X. Profit for the period (VII-VIII)		1,446,787,458	1,480,515,649
XI. Earning per Equity Share:			
(1) Basic & Diluted (Annualised)	24(12)	368.80	377.39
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 30		

As per our Report of even date
For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Ashok Chopra
Partner
M.No.- 017199

JAIN CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary

Place : New Delhi
Date 27th Dec 2016

Cash Flow Statement For the Half Year Ended 30.09.2016

(Amount In Rupees)

	Particulars	For the half year ended 30.09.2016		For the half year ended 30.09.2015	
A	**Cash Flow from Operating Activities:**				
	Net Profit Before Tax and Extraordinary / Prior Period	2156189303		2024339735	
	Adjustment for:				
	1 Depreciation	20920038		10724558	
	2 Provision for Non Performing Assets	761484		9876923	
	3 Provision for Standard Assets	517368134		555675736	
	4 Prior Period Expenses/Income	34587276		-130890	
	5 Exceptional Items	-96940000		0	
	6 Foreign Exchange Fluctuations/Undertying exchange fluctuation	250330296		186086098	
	7 Interest Funded adjusted from provision held	0		0	
	8 Amortization of Capital Grant	-216051		-9984	
	9 Income Tax Provision written back	0		0	
	10 Loss on sale of Fixed Assets/Adjustment	0		5691	
	11 Profit on Sale of Fixed Assets	-480098		-3661	
	12 Dividend on investment	0		0	
	13 Adjustment of depreciation with prior period	0		0	
	Operating profit before Working Capital Changes	**2882520382**		**2788564206**	
	Increase / Decrease in				
	1 Loans and Advances - IREDA	-15216729415		8905299430	
	2 Loans and Advances - MNRE	0		-175961	
	3 Other Non Current Assets	74395234		67470758	
	4 Other Bank Balances	8444700816		-2437688036	
	5 Other Current Assets	-827776062		9346259	
	6 Trade Receivable	1098212		5671196	
	7 Other Long Term Liabilities	82085636		83335826	
	8 Other Current Liabilities	8815482		1713284017	
	9 Trade Payable	-17464217		31512187	
	10 Provisions	62522419		-14079859	
		-7388351895		**8363975818**	
	Cash Generated from Operations	**-4505831513**		**11150540023**	
	Income Tax	-586717519		-624087557	
	Net Cash Generated from Operations		-5092549032		10526452466
B	**Cash Flow From Investing Activities**				
	1 Purchase of Fixed Assets	-332520820		-927045	
	2 Sale of Fixed Assets	594338		15658	
	3 Dividend on Investment	0		0	
	Net Cash flow from Investing Activities		-331926482		-911387
C	**Cash Flow from Financial Activities**				
	1 Equity Contribution	0		0	
	2 National Clean Energy Fund	0		0	
	3 Securities Premuim	0		0	
	4 Redemption of Bonds	0		0	
	5 Dividend paid	0		0	
	6 Dividend Tax paid	0		0	
	7 Interim Dividend paid	0		0	
	8 Dividend Tax on Interim Dividend paid	0		0	
	9 Increase /Decrease in Short term Debts	-2697759		0	
	10 Increase /Decrease in Long term Debts	7365018627		-3159941920	
	Net Cash flow from Financing Activities		7362320868		-3159941920
	Net Increase in Cash and Cash Equivalents		**1937845355**		**7365599160**
	Cash and Cash Equivalents at the beginning of the half year		9806546674		8220567272
	Cash and Cash Equivalents at the end of the half year		11744392029		15586166432
	Net Increase in Cash and Cash Equivalents		**1937845355**		**7365599160**
			0		0
	COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR				
	Postage Imprest		30981		80230
	In Current Accounts with Banks		2283508488		3019819623
	In Deposit Accounts with Banks		9460852560		12543152762
	Cheques under Collection/DD in hand		0		23113817
			11744392029		**15586166432**

Notes to the Cash Flow statement.

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
4. Total Deposits includes deposits of Rs. 6,650,000,000 having original maturity of more than 90 days .

As per our Report of even date
For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Ashok Chopra
Partner
M.No.- 017199
Place : New Delhi
Date 27th Dec 2016

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary

Notes on Financial Statements for the half year ended 30.09.2016

NOTE-'2'
SHARE CAPITAL

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
Authorised 600,00,000 (Previous year 100,00,000) Equity Shares of Rs. 1,000 each	60,000,000,000	60,000,000,000
Issued, Subscribed & Fully Paid up 78,46,000 (Previous Year 78,46,000) Equity Shares of Rs. 1,000 each fully paid up	7,846,000,000	7,846,000,000
Total	**7,846,000,000**	**7,846,000,000**

Reconciliation of Equity Shares

PARTICULARS	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
	2016-17		2015-16	
Shares outstanding -Opening	7,846,000	7,846,000,000	7,846,000	7,846,000,000
Shares issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding -Closing	7,846,000	7,846,000,000	7,846,000	7,846,000,000

Foot Notes:
(i) 100% Equity Shares are held by Government of India.
(ii) Equity Shareholders have full voting rights with no restrictions.
(iii) All the Equity Shares are fully paid up in cash.

NEW DELHI

NOTE-'3'
RESERVES & SURPLUS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
a. Capital Reserves		
i. Capital Grant from world bank for purchase of Fixed Assets		
Opening Balance	414,822	846,924
(+) Received During the year	-	-
(-) Transferred to Miscellaneous Income	216,051	9,984
Closing Balance	198,771	836,940
ii. Grant-in-aid from Government of Netherlands	167,858,986	167,858,986
iii. Grant-in-aid from World Bank	839,484,095	839,484,095
iv. Other Capital Grant	60,144,000	60,144,000
v. Securities Premium	504,000	36,000
	1,068,189,852	1,068,360,021
b. Special Reserve		
(under Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening Balance	5,413,608,980	4,616,517,960
(+) Addition during the year	455,428,197	485,631,207
(-) Written Back in Current Year	-	-
Closing Balance	5,869,037,177	5,102,149,167
c. Debenture Redemption Reserve		
Opening Balance	739,371,043	276,460,000
(+) Addition during the year	231,455,521	69,115,000
(-) Written Back in Current Year	-	-
Closing Balance	970,826,564	345,575,000
d. General Reserve		
Opening Balance	7,891,770,065	7,976,770,065.00
(+) Addition during the year	-	-
(-) Transfere to Profit & Loss Account	-	-
Closing Balance	7,891,770,065	7,976,770,065
e. Profit & Loss Account		
Opening Balance	1,515,002	1,517,637
(+) Net Profit for the current year	1,446,767,458	1,480,515,649
(-) Proposed Dividend	-	-
(-) Corporate Dividend Tax on Proposed Dividend	-	-
(-) Transfer to Special Reserve	455,428,197	485,631,207
(-) Transfer to Debenture Redeumption Reserve	231,455,521	69,115,000
Closing Balance	761,418,742	927,287,079
Total	16,561,242,400	15,420,141,333

NEW DELHI

NOTE-'4'
LONG TERM BORROWINGS

PARTICULARS	Repayment	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
A. Bonds			
Debentures			
(Secured by paripassu charge on Loans and Advances (book debts) of the company.)			
(i) 7.68 % Tax free Bonds (Series XIV Tranche-I-IIIB- 2015-16)	Redeemable at par on 21-01-2036	749,988,000	-
(ii) 7.43 % Tax free Bonds (Series XIV Tranche-I-IIIA- 2015-16)	Redeemable at par on 21-01-2036	364,442,000	-
(iii) 8.80% Tax free Bonds (Series XIII Tranche-I-IIIB- 2013-14)	Redeemable at par on 13-03-2034	1,441,642,000	1,441,642,000
(iv) 8.55% Tax free Bonds (Series XIII Tranche-I-IIIA- 2013-14)	Redeemable at par on 13-03-2034	388,123,000	388,123,000
(v) 7.74 % Tax free Bonds (Series XIV Tranche-I-IIB- 2015-16)	Redeemable at par on 21-01-2031	4,835,153,000	-
(vi) 7.49 % Tax free Bonds (Series XIV Tranche-I-IIA- 2015-16)	Redeemable at par on 21-01-2031	8,842,652,000	-
(vii) 8.56% Tax free Bonds (Series XIII Tranche-I-IC- 2013-14)	Redeemable at par on 27-03-2029	360,000,000	360,000,000
(viii) 8.80% Tax free Bonds (Series XIII Tranche-I-IIB- 2013-14)	Redeemable at par on 13-03-2029	2,345,508,000	2,345,508,000
(ix) 8.55% Tax free Bonds (Series XIII Tranche-I-IIA- 2013-14)	Redeemable at par on 13-03-2029	1,230,769,000	1,230,769,000
(x) 7.53 % Tax free Bonds (Series XIV Tranche-I-IB- 2015-16)	Redeemable at par on 21-01-2026	1,278,859,000	-
(xi) 7.28 % Tax free Bonds (Series XIV Tranche-I-IA- 2015-16)	Redeemable at par on 21-01-2026	1,088,906,000	-
(xii) 7.17% Tax free Bonds (Series XIV Private IC- 2015-16)	Redeemable at par on 01-10-2025	2,840,000,000	-
(xiii) 8.41% Tax free Bonds (Series XIII Tranche-I-IB- 2013-14)	Redeemable at par on 13-03-2024	1,052,914,000	1,052,914,000
(xiv) 8.16% Tax free Bonds (Series XIII Tranche-I-IA- 2013-14)	Redeemable at par on 13-03-2024	757,590,000	757,590,000
Debentures			
(Secured by negative lien on Loans and Advances (Book Debts) of the company.)			
(i) 8.49% Taxable Bonds (Series VB- 2013-14)	Redeemable at par on 10-05-2028	2,000,000,000	2,000,000,000
(ii) 9.02% Taxable Bonds (Series III- 2010-11 - Tranche-II)	Redeemable at par on 24-09-2025	2,500,000,000	2,500,000,000
(iii) 8.44% Taxable Bonds (Series VA- 2013-14)	Redeemable at par on 10-05-2023	3,000,000,000	3,000,000,000
(iv) 9.49% Taxable Bonds (Series IV- 2012-13)	Redeemable at par on 04-06-2022	3,000,000,000	3,000,000,000
(v) 8.87% Taxable Bonds (Series III- 2010-11 - Tranche-I)	Redeemable at par on 24-09-2020	1,500,000,000	1,500,000,000
(vi) 8.85% Taxable Bonds (Series II- 2009-10)	Redeemable at par on 13-01-2020	1,500,000,000	1,500,000,000

(vii) 9.60% Taxable Bonds (Series I- 2008-09)	Redeemable at par on 24-02-2019	1,000,000,000	1,000,000,000
Total of Bonds		42,076,546,000	22,076,546,000
B. Term Loans - Secured			
a. From Banks			
(i) Bank of Baroda (INR Loan)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021. Installments ranging between Rs. 19,147,506 to Rs. 96,126,342 .	672,496,432	804,273,634
Less: Current Maturity		145,228,922	131,777,202
(Secured by US$ deposit with BOB London)		527,267,510	672,496,432
(ii) Union Bank of India Term Loan-II	Interest @ base rate i.e 9.65% (Floating), Repayment on quarterly basis starting from 09.09.14. Balance repayable in 8 Installments of Rs. 71,430,000 each and 1 Installment of Rs 71,410,000 .	499,990,000	785,710,000
Less: Current Maturity		285,720,000	285,720,000
(Secured by pari-passu charge on the Loans and Advances (Book Debts))		214,270,000	499,990,000
(iii) Loan I from Asian Development Bank (ADB)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021 in installments ranging between US$ 398,900 to US$ 2,428,269	891,497,375	1,023,218,283
Less: Current Maturity		145,444,259	131,777,202
(Secured by pari-passu charge on the Loans and Advances (Book Debts) and Further Guaranteed by the Government of India)		746,053,116	891,441,081
b. From Others			
(i) Small Industrial Development Bank of India	Interest @ 9.35% (Fixed for 2 years), repayable on quarterly basis starting from 10.06.2016 in 14 Installments of Rs. 70,000,000 each and 1 Installment of Rs. 20,000,000 .	860,000,000	1,000,000,000
Less: Current Maturity		280,000,000	-
(Secured by pari-passu charge on the Loans and Advances (Book Debts))		580,000,000	1,000,000,000
C. Term Loans - Unsecured			
a. From Banks			
(i) Nordic Investment Bank (NIB)	Repayment on half yearly basis starting from 17.12.2012 till 17.06.2019 in 8 installments of US$ 3,571,428.58 each and 6 installments of US$ 3,571,428.56 each .	1,211,586,832	1,301,764,503
Less: Current Maturity		403,862,277	325,441,126
		807,724,555	976,323,377
(ii) KFW Loan-I	Repayment on half yearly basis starting from 30.12.2009 till 30.12.2039 in 28 installments of Euro 586,451.79 each, 32 installments of Euro 586,963.08 each and 1 installment of Euro 586,963 .	2,077,510,082	1,795,447,220
Less: Current Maturity		88,350,602	73,240,557
(Guaranteed by the Government of India)		1,989,159,480	1,722,206,663
(iii) KFW Loan-II	Repayment on half yearly basis starting from 30.09.2012 till 30.09.2020 in 16 installments of Euro 2,858,000 each & 1 installment of Euro 4,272,000 .	1,686,279,794	1,936,536,629
Less: Current Maturity		397,016,859	369,048,589
(Guaranteed by the Government of India)		1,289,262,935	1,567,488,040
(iv) KFW Loan-III	Repayment on half yearly basis starting from 30.06.2020 till 30.12.2049 in 9 installments of Euro 332,000 each & 51 installments of Euro 333,000 each .	1,514,329,933	1,324,347,788
Less: Current Maturity		-	-
(Guaranteed by the Government of India)		1,514,329,933	1,324,347,788
(v) KFW Loan-IV	Repayment on half yearly basis starting from 30.06.2014 till 30.12.2022 in 16 installments of Euro 11,111,000 each and 2 installments of Euro 11,112,000 each .	10,832,447,079	6,323,315,389
Less: Current Maturity		1,666,507,245	1,586,135,586
(Guaranteed by the Government of India)		9,165,939,834	4,737,179,803
(vi) International Bank for Reconstruction and Development (IBRD)	Repayment on half yearly basis starting from 15.12.2005 till 15.06.2020 in installments ranging from Euro 1,309,700 to Euro 2,651,500 .	1,284,367,842	1,049,923,798
Less: Current Maturity		293,235,711	186,169,601
(Guaranteed by the Government of India)		991,132,131	863,754,197

(vii) Loan II from Asian Development Bank (ADB) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 15.04.2020 till 15.10.2034 in 29 equal installments of US$ 667,665.91 each and 30th installment of US$ 667,665.90	1,333,238,441 - 1,333,238,441	- - -
b. From Others			
(i) Loan from NCEF Less: Current Maturity	Repayable in 40 equal quaterly instalments starting from 30.09.2015 of Rs 1,525,000 each.	56,425,000 6,100,000 50,325,000	61,000,000 6,100,000 54,900,000
(ii) Loan-II from NCEF Less: Current Maturity	Interest @ 2% , repayable in 10 annual instalments starting from 30.09.2017 of Rs 70696708 each.	706,967,084 70,696,708 636,270,376	- - -
(iii) Agence Francaise De Developpement (AFD) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 31.07.2016 till 31.01.2031 in 30 installments of Euro 2,333,333.33 each .	5,457,997,345 376,413,610 5,081,583,735	5,646,171,045 188,205,702.00 5,457,965,343
(vi) Agence Francaise De Developpement (AFD)-II Less: Current Maturity	Repayment on half yearly basis starting from 30.11.2019 till 30.05.2029 in 20 installments of Euro 5,000,000 each .	2,378,669,341 - 2,378,669,341	714,500,000 - 714,500,000
(v) Japan International Cooperation Agency (JICA) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 20.6.2021 to 20.06.2041 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each .	19,071,959,092 - 19,071,959,092	18,881,101,805 - 18,881,101,805
(vi) Japan International Cooperation Agency (JICA)-II Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 20.03.2024 to 20.03.2044 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each .	6,603,721,712 - 6,603,721,712	2,611,375,000 - 2,611,375,000
(vii) European Investment Bank (EIB) Less: Current Maturity (Guaranteed by the Government of India)	Tranche I - Repayment on half yearly basis starting from 26.09.2019 to 26.03.2035 in 32 installments of US$ 682,000 each .	5,756,121,011 - 5,756,121,011	1,326,306,560 - 1,326,306,560
(viii) Government of India Against International Development Agency (IDA) - Second Renewable Energy Project (INR Loan) Less: Current Maturity	Repayment on half yearly basis starting from 15.10.2010 to 15.04.2035 in 20 installments of US$ 625,000 each and 30 installments of US$ 1,250,000 each payable in INR .	2,687,844,000 79,054,235 2,608,789,765	2,756,254,250 78,750,121 2,677,504,129
Total		**103,422,363,967**	**68,055,426,219**

Foot Notes:

All foreign currency borrowings from various multilateral / bilateral agencies (hedged) viz. ADB, IBRD, NIB, KfW, AFD,JICA and EIB have been converted into INR loan by way of plain vanilla swap transaction /currency, interest rate swap / principal only swap etc. entered into with various banks with whom IREDA has signed ISDA Master Agreement. These swap/derivative transactions have been entered into with the participating bank for a different maturity period for each transaction which is shorter from the maturity period of the loan. The hedging of the foreign currency loan has been carried out at various intervals and in multiple tranches of drawl against the lines of credit. Due to SWAP / hedging of foreign currency loans, in addition to the interest cost, these loans carry, hedging/derivative cost, commitment fee, government guarantee fee and other financial charges and due to multiplicity of the tranches of drawl against the line of credit , the applicable rate of interest on these lines of credit has not been disclosed above.

NOTE-'5'
OTHER LONG TERM LIABILITIES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Trade Payable	-	-
(b) IREDA-National Clean Energy Fund (NCEF)	3,246,687,078	3,083,640,254
Total	3,246,687,078	3,083,640,254

NOTE-'6'
LONG TERM PROVISIONS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Provision for Employees' Benefits	120,336,511	88,547,529
(b) Others Provision for Standard Assets	224,209,337	164,198,098
Total	344,545,848	252,745,627

NOTE-'7'
SHORT TERM BORROWING

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
Vijaya Bank	-	-
Total	-	-

NOTE-'8'
TRADE PAYABLE

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
Trade Payable	51,661,575	115,343,629
Total	51,661,575	115,343,629

NOTE-'9'
OTHER CURRENT LIABILITIES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Current Maturity of Long Term Debts	4,237,630,428	3,362,365,686
(b) Interest accrued but not due on borrowings	2,634,298,597	1,514,748,625
(c) Others Payable		
Provident Fund Payable	2,706,385	2,432,371
MNRE Programme Funds	94,485,441	574,736,941
MNRE Co Generation Specific Grant	2,790,182	2,790,182
National Hydrogen Energy Board	476,034	458,386
MNRE GBI Fund	21,135,149	1,486,893,318
Assosication of Renewable Energy of States	50,439,565	50,000,000
Roof Top and other Small Scale Solar Project	881,956,445	1,133,171
MNRECapital Subsidy For Channel Patners	980,251,456	85,527,825
MNRE -GEF- UNIDO Funds	30,000,000	-
MNRE UNDP Funds	149,309,191	39,381,692
MNRE SWHS	30,523,675	-
Other Liabilities	22,222,001	24,330,263
Total	9,138,224,530	7,144,798,459

NOTE-'10'
SHORT TERM PROVISIONS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Provision for Employees' Benefits	6,353,937	6,334,966
(b) Others		
Provision Income-tax (Net)	172,189,804	108,812,443
Proposed Dividend	-	544,000,000
Corporate Dividend Tax	-	110,745,600
Provision for Standard Assets (including Floating provision)	853,815,561	951,466,364
Provision for Corporate Social Responsibility Fund	129,379,710	107,889,324
Provision for Sustainable Development Fund	-	3,942,260
Other Provisions	69,972,716	38,840,740
Total	1,231,711,728	1,872,031,697

NOTE-'12'
NON CURRENT INVESTMENT

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(i) Trade Investment	-	-
(ii) Other Investments		
Investment in Equity Instruments (unquoted)(at cost) 1,68,000 (Previous year 1,68,000) fully paid up Equity shares of Rs.10/- each, including 48,000 equity shares allotted as bonus shares, in MP Wind Farms Ltd, a Joint Sector Company of IREDA (having 24% equity), M. P. Urja Vikas Nigam Ltd (having 25% equity), Consolidated Energy Consultants Limited (having 49.5% equity) and balance shares by Others .	1,200,000	1,200,000
Less: Provision for diminution in the value of Investment	-	-
	1,200,000	1,200,000
Total	1,200,000	1,200,000

NEW DELHI

FIXED ASSETS

NOTE-11

Amount In Rs.

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Opening Balance as at 01.04.2016	Additions during the half year	Disposals during the half year	Adjustments during the half year	As at 30.09.2016	Opening up to 01.04.2016	For the half year	Disposal during the half year	Adjustments during the half year	Up to 30.09.2016	As at 30.09.2016	As at 30.09.2015
(i) Tangible Assets												
Buildings-Residential	4,143,149	-	-	-	4,143,149	3,095,322	86,473	-	-	3,181,795	961,354	1,224,527
Leasehold												
Buildings-Office												
Leasehold-IHC	43,956,603	-	-	-	43,956,603	24,325,096	1,198,608	-	-	25,523,704	18,432,899	21,850,381
Leasehold-AKB	422,757,821	-	-	-	422,757,821	186,201,613	12,772,926	-	-	198,974,539	223,783,282	258,764,541
Office Space at Chennai	14,353,680		-	-	14,353,680	1,370,362	616,708	-	-	1,987,070	12,366,610	13,998,312
Furniture and Fittings	28,904,191	1,637,303		-	30,541,494	22,918,383	1,100,045	-	-	24,018,428	6,523,066	6,797,985
Vehicles	5,704,198	3,891,084	(2,156,519)	-	7,438,763	4,017,992	688,813	(2,042,617)	-	2,664,188	4,774,575	2,080,211
Office Equipments	32,040,453	98,847	(6,770)	-	32,132,530	29,207,200	442,566	(6,432)	-	29,643,334	2,489,196	2,591,750
Computers	51,872,561	3,279,454		-	55,152,015	41,999,541	2,990,644		-	44,990,185	10,161,830	3,650,090
Library	1,858,123	-	-	-	1,858,123	1,858,123		-	-	1,858,123	-	-
Total A	605,590,779	8,906,688	(2,163,289)	-	612,334,178	314,993,632	19,896,783	(2,049,049)	-	332,841,366	279,492,812	310,957,806
Previous year	599,423,324	914,645	(373,651)	-	599,964,318	279,031,155	10,331,319	(355,963)	-	289,006,511	310,957,806	320,392,169
(ii) Intangible Assets**												
Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Software	14,586,154	-	-	-	14,586,154	11,693,716	1,023,255	-	-	12,716,971	1,869,183	4,481,016
Total B	14,586,154	-	-	-	14,586,154	11,693,716	1,023,255	-	-	12,716,971	1,869,183	4,481,016
Previous year	14,422,302	-	-	-	14,422,302	9,548,047	393,239	-	-	9,941,286	4,481,016	4,874,255
Total A+B	620,176,933	8,906,688	(2,163,289)	-	626,920,332	326,687,348	20,920,038	(2,049,049)	-	345,558,337	281,361,995	315,438,822
Previous year	613,845,626	914,645	(373,651)	-	614,386,620	288,579,202	10,724,558	(355,963)	-	298,947,797	315,438,822	325,266,424
(iii) Capital Work In Progress												
Leasehold Office	8,000				8,000	-	-		-	-	8,000	-
Total C	8,000	-	-	-	8,000	-	-	-	-	-	8,000	-
Previous year	-	8,000	-	-	8,000	-	-	-	-	-	8,000	-
(iv) Intangible Assets under development												
Software under Development	558,710	-	-		558,710	-	-	-	-	-	558,710	606,131
Total D	558,710	-	-	-	558,710	-	-	-	-	-	558,710	606,131
Previous year	593,731	12,400	-	-	606,131	-	-	-	-	-	606,131	593,731
(v) Capital Work in Progress												
Capital Work in Progress 50 MW Solar Project	140,319,983	323,614,132.00	-	-	463,934,115	-	-	-	-	-	463,934,115	70,000,000
Total E	140,319,983	323,614,132	-	-	463,934,115	-	-	-	-	-	463,934,115	70,000,000
Previous year	70,000,000	-	-	-	70,000,000	-	-	-	-	-	70,000,000	-
Total A+B+C+D+E	761,083,626	332,520,820	(2,163,289)	-	1,091,421,157	326,687,348	20,920,038	(2,049,049)	-	345,558,337	745,862,820	386,044,953
Previous year	684,439,357	935,045	(373,651)	-	685,000,751	288,579,202	10,724,558	(355,963)	-	298,947,797	386,052,953	325,860,155

NOTE-'13'
LONG TERM LOANS & ADVANCES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Capital Advances		
- For purchase of Office & Residence premises (including parkting) at NBCC Complex	595,426,273	145,600,000
(b) Security Deposits	1,432,124	-
(c) Loan & Advances to Related Parties		
Loans	692,567	1,080,877
Advances (Not bearing interest)	-	-
(d) Term Loans		
- Onlending	93,077,456,508	68,997,689,440
- Refinancing (NCEF-I)	376,525,000	607,025,000
- NCEF-II	671,618,730	-
Less: Allowance for bad and doubtful Loans	1,440,789,735	1,057,258,784
	92,684,810,503	**68,547,455,656**
(e) Interest Accrued but not due on Loans	15,496,720	13,682,965
(f) Loans to Employees	27,686,218	24,199,108.08
(g) Advance Tax & Other Tax Recoverable (Net)	1,319,411,036	949,347,663
(h) Staff Advances (Not bearing interest)	48,698	18,725
Total Loans & Advances of IREDA	**94,645,004,139**	**69,681,384,994**
Sub-classification of above :		
Secured (Considered good)		
- Term Loans	87,498,984,675	64,213,938,281
- Term Loans (Refinancing) (NCEF-I)	47,275,000	201,875,001.00
- Term Loans (NCEF-II)	671,618,730	-
- Interest Accrued but not due on Loans	15,496,720	13,682,965
- Loans to Employees including related parties	28,378,785	25,279,985
- Term Loans Secured by Bank Guarantee	43,360,000	67,760,000
Secured (Considered doubtful)		
- Term Loans (Substandard, Doubtful & Loss)	5,535,111,833	4,715,991,159
Unsecured (Considered good)		
- Term Loans (Refinancing) (NCEF-I)	329,250,000	405,149,999
- Capital Advances	595,426,273	145,600,000
- Security Deposits	1,432,124	-
- Advance Tax & Other Tax Recoverable	1,319,411,036	949,347,663
- Staff Advances (Not bearing interest)	48,698	18,725
	96,085,793,874	**70,738,643,778**
Less: Allowance for bad and doubtful/Substandard Loans	1,440,789,735	1,057,258,784
GRAND TOTAL	**94,645,004,139**	**69,681,384,994**
- Due from Directors of the Company.	753,482	174,310
- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	1,115,712	906,567

NOTE-'14'
OTHER NON CURRENT ASSETS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
OTHER BANK BALANCES		
(Refer Note No. 16)		
Foreign Currency Deposits		
- Dollar Deposit		
More than 12 months original maturity (earmarked against bank loan from BOB)	742,179,882	887,408,804
Total	742,179,882	887,408,804

NOTE-'15'
TRADE RECEIVABLE

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2016 Rs.
(A) Outstanding for a period exceeding six months from the date they are due for payment		
(i) Secured, Considered good	-	-
(ii)Unsecured, Considered good	-	-
(iii) Doubtful	-	-
	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - A	-	-
(B) Others		
(i) Secured, Considered good	-	-
(ii)Unsecured, Considered good	515,957	690,659
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - B	515,957	690,659
Total (A+B)	515,957	690,659

NOTE-'16'
CASH AND BANK BALANCES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2016 Rs.
A) CASH AND CASH EQUIVALENTS		
(a) Balances with Banks		
A) In Current Account with Schedule Banks		
- IREDA		
i) In Indian Branches	2,283,237,392	3,019,806,250
ii) In Foreign Branches		
In Euro	18,314	-
In JPY	252,782	13,373
B) In Deposit Account		
i) INR-Short term Deposit		
- IREDA	9,460,582,992	12,542,776,883
Includes deposits of Rs. 6,850,000,000 having original maturity of more than 90 days .		
(ii) Dollar Deposit		
Less than 90 days original maturity	269,568	375,879
(b) Cheques Under Collection/DD In hand	-	23,113,817
(c) Postage Imprest	30,981	80,230
Sub Total	11,744,392,029	15,586,166,432
B) OTHER BANK BALANCES		
(a) Balances with Banks		
A) In Current Account		
- MNRE	215,272	1840272
- MNRE -GEF- UNIDO Funds	30,000,000	-
B) In Saving Account		
- UNDP	5,000	5000
- MNRE UNDP Account	149,309,191	39,381,692
- National Hydrogen Energy Board	1,398	458,386
- IREDA (MNRE GBI Fund)	21,135,149	1,486,693,318
- Rooftop & Other Small Solar Power Plant	81,956,445	1,145,597
- MNRE Capital Subsidy for Channel Partners	122,151,456	1,488,516
- IREDA National Clean Energy Fund	69,991	79,342
- Association of Renewable Energy Agencies of State-MNRE Share	439,565	-
C) In Deposit Account		
- MNRE	1,725,000	-
- MNRE Capital Subsidy for Channel Partners	858,100,000	84,039,309
- MNRE Implementation of SWHS	30,523,675	-
- Association of Renewable Energy Agencies of State-MNRE Share	50,000,000	-
- STD - National Hydrogen Energy Board	474,836	-
- Rooftop & Other Small Solar Power Plant	600,000,000	-
- STD - IREDA Co Generation	2,825,000	-
- IREDA National Clean Energy Fund	2,585,017,087	2,289,200,000.00
b) Foreign Currency Deposits		
- Dollar Deposit		
Less than 12 months original maturity	811,824,189	131,777,202
More than 12 months original maturity	742,179,882	887,408,804
- Euro Deposit		
Less than 12 months original maturity	-	750,225,825
More than 12 months original maturity	-	-
- Yen Deposit		
Less than 12 months original maturity	762,296,712	-
More than 12 months original maturity	-	-
	7,050,249,648	5,674,043,263
Less: Amount disclosed under non-current assets (Refer Note No. 14)	(742,179,882)	(887,408,804)
Sub Total	6,308,069,766	4,786,634,459
Total	18,052,461,795	20,372,800,891

NOTE-'17'
SHORT TERM LOANS & ADVANCES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
A. Total Loans & Advances		
(a) Security Deposits	30,635,055	1,949,274
(b) Loan & Advances to Related Parties		
Loans	676,110	675,092
Advances (Not bearing interest)	40,000	321,522
(c) Term Loans		
- Onlending	22,915,367,301	9,752,113,083
- Refinancing (N.C.E.F.-I)	233,550,000	100,000,000
- N.C.E.F. -II	35,348,354	-
Less: Allowance for bad and doubtful Loans	-	-
	23,184,265,655	9,852,113,083
(d) Interest Accrued and due on Loans	2,162,635,647	1,224,956,368
(e) Interest Accrued but not due on Loans	103,380,098	151,362,656
(f) Loans to Employees	5,362,789	4,593,911
(g) Advance Tax & Other Tax Recoverable (Net)	-	3,513,736
(h) Staff Advances (Not bearing interest)	3,544,073	-
(i) Others	309,795,570	243,703,971
Sub Total - I	25,800,334,997	11,483,189,613
B. Total Loans to constituents of MNRE		
(a) Loans to constituents of MNRE	25,476,919	25,652,880
(b) Interest Accrued and due on MNRE Loans	66,469,295	66,469,295
Sub Total - II	91,946,214	92,122,175
Total (I+II)	25,892,281,211	11,575,311,788
Sub-classification of above :		
IREDA		
Secured (Considered good)		
- Term Loans	22,895,687,301	9,740,075,926
- Term Loans (Refinancing) (N.C.E.F.-I)	157,650,000	24,100,000
- Term Loans (NCEF-II)	35,348,354	-
- Interest Accrued and due on Loans	2,162,635,647	1,224,956,368
- Interest Accrued but not due on Loans	103,380,098	151,362,656
- Loans to Employees including related parties	6,038,899	5,269,003
- Term Loans Secured by Bank Guarantee	19,680,000	12,037,157
Unsecured (Considered good)		
- Term Loans (Refinancing) (N.C.E.F.-I)	75,900,000	75,900,000
- Security Deposits	30,635,055	1,949,274
- Staff Advances (Not bearing interest) including related parties	3,584,073	3,835,258
- Advance Tax & Other Tax Recoverable	-	-
- Others	309,795,570	243,703,971
	25,800,334,997	11,483,189,613
MNRE		
Doubtful		
- Term Loans to Constituents of MNRE	91,946,214	92,122,175
GRAND TOTAL	25,892,281,211	11,575,311,788
- Due from Directors of the Company.	466,110	435,092
- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	250,000	240,000

Note-'18'
OTHER CURRENT ASSETS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
-Interest accrued but not due on deposits with banks	312,798,411	124,265,160
-Recoverable from NCEF-II	706,987,084	-
-Others	32,569,106	2,503,414
Total	1,052,334,601	126,768,574

NOTE-'19'
REVENUE FROM OPERATIONS

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
A. INTEREST		
(i) Interest on Lending Operations	6,601,583,006	5,324,865,188
Less : Rebate on Prompt Payment	23,292,309	3,975,874
	6,578,290,697	5,320,889,314
(ii) Differential Interest	20,735,460	143,404,790
Less: Service Tax	2,704,625	17,347,489
	18,030,835	126,057,301
(iii) Interest on Deposits with Banks		
-Short Term Deposit-INR	273,135,064	291;449,009
-US$ Deposit	6,462,988	3,089,380
-EURO Deposit	-	606,259
-Yen Deposit	1,044	237
	279,599,096	295,346,885
B. OTHER FINANCIAL SERVICES		
(a) Business Service Fees		
(i) Front end Fee	166,547,269	128,028,002
Less: Service Tax	21,530,369	15,078,474
	145,016,900	112,949,528
(ii) Application Fee on Loans	37,164,222	15,913,988
Less: Service Tax	4,811,859	1,922,988
	32,352,363	13,991,000
(iii) Application Fee - Generation Based Incentive	133,910,088	76,071,535
Less: Service Tax	17,175,088	8,871,535
	116,735,000	67,200,000
(b) Business Service Charges		
Service Charges - UNDP Programme Fund	498,749	-
Less Service Tax	65,054	-
	433,695	-
Service Charges - Generation Based Incentive	21,778,043	6,281,608
Less Service Tax	2,838,613	768,283
	18,939,430	5,513,325
Service Charges - Biogas Feed Fertilizer Plant	33,915	-
Less Service Tax	4,295	-
	29,620	-
Service Charges - Roof Top and Other Small Solar Power Project	16,274,864	29,093,041
Less Service Tax	2,108,589	3,572,830
	14,166,275	25,520,211
Service Charges - MNRE Capital Subsidy for CPs, SNAs and PA	6,578,466	9,533,295
Less Service Tax	853,403	1,169,366
	5,725,063	8,363,929
(c) Amount received in respect of Bad Debts written off	3,000,000	18,750,001
Total	7,212,318,974	5,994,581,494

NOTE-'20'
OTHER INCOME

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
Interest on Staff Loan	1,255,527	1,254,718
Profit on Sale of Fixed Assets	480,098	3,661
Rental Income	300,000	-
Miscellaneous Income		
- Transferred from Capital Grant	216,051	9,984
- Others	481,509	6,210
Total	2,733,185	1,274,573

NOTE-'21'
EMPLOYEE BENEFIT EXPENSES

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
(a) Salaries, Wages and Other Amenities	112,854,013	87,342,811
(b) Contribution to Provident and Other Funds		
Contribution to Provident Fund	6,189,193	5,361,651
Provident Fund Administrative Charges	93,142	80,980
Contribution to Benevolent Fund	36,690	33,220
Contribution to Superannuation fund	4,607,979	4,019,753
Contribution to Gratuity Fund	9,953,889	(4,512,734)
(c) Staff Welfare Expenses	11,360,013	(1,524,424)
(d) Human Resource Development	480,487	206,924
Total	145,555,406	91,008,181

NOTE-'22'
FINANCE COST

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
A. Interest Expense		
Interest on Borrowings		
- on Bonds	1,728,874,158	974,667,199
- on Loans	1,967,013,289	1,817,119,294
	3,695,887,447	2,791,786,493
B. Other Borrowing Costs		
(i) Commitment fee	12,803,850	7,315,392
(ii) Guarantee Fee	300,325,529	230,330,101
C. Others		
(i) Bond Trusteeship fee	50,000	192,500
(ii) Bank Charges	96,262	39,723
(iii) Bond Issue Expenses	688,105	-
(iv) Loss due to underlying exchange fluctuation (IDA-II)	-	186,086,098
(v) Applicable Net Loss on Foreign Currency Translations and Transactions	250,330,298	-
(viii) Others	1,378,369	733,859
Total	4,261,559,858	3,216,484,165

NOTE-'23'
OTHER EXPENSES

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
Electricity and Water Charges	4,412,468	4,129,798
Office rent	680,611	1,357,991
Office Maintenance	1,819,256	1,838,348
Repairs and Maintenance-Others	7,150,751	2,217,188
Insurance	300,044	64,755
Rates and Taxes	5,687,104	10,390,871
Business Promotion	16,932,101	3,129,819
Travelling and Conveyance	8,053,255	7,714,149
Information and Dissemination	4,574,464	4,723,552
Payment to Auditor	1,035,000	640,000
Legal and Professional	10,310,798	3,086,939
Newspapers and Periodicals	60,497	55,965
Postage Telegram and Telephone	1,081,994	1,111,515
Printing and Stationery	2,935,498	1,300,567
Recruitment Expenses	571,579	712,345
Credit Rating Expenses - Surveillance included	4,905,920	7,354,500
Filing Fees	45,400	2,507,100
Corporate Social Responsibility	37,537,102	32,286,025
Director Sitting Fees	-	60,000
Loss on Sale of Assets	-	5,891
Interest on Service Tax	1,293,752	1,894,078
Miscellaneous Expenses	3,310,322	1,165,570
Total	112,697,936	87,746,766

NOTE '1'

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 as per section 129, the Accounting Standards referred to in Section 2 clause II of The Companies Act, 2013 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 principal has remained overdue for a period of more than two quarters at the end of financial year. 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 Statement of Profit and Loss in the year of issue of such loan/bond.

(iii) Prepaid expenses and prior period expenses/income upto Rs. 20,000/- per item are charged to Statement of Profit & Loss as and when incurred/adjusted/received.

(iv) Insurance claims are accounted for as and when admitted by the insurance company.

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

- **Assets classification**

  a) Standard Asset:- An asset is classified as Standard Asset if it is not an Non-Performing Asset (NPA).

  b) Non performing Asset: A non-performing asset (NPA) is a loan where:

- An asset, in respect of which, interest and/ or principal has remained overdue for a period of more than two quarters.
- The company classifies the NPA at the end of the financial year.

c) The Non-performing Asset is further classified as below:-

I. Sub-standard Assets

A sub-standard asset is one, which has remained NPA for a period of upto 18 months.

II. Doubtful Assets

A doubtful asset is one, which has remained in the substandard category for a period exceeding 18 months.

III. Loss assets

A Loss asset is one which is considered uncollectible and is of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value and where loss has been identified by the company or internal or external auditors or any other relevant Government authority but the amount has not been written off wholly or the asset remains doubtful asset for a period exceeding 5 years.

Provisioning against loans

The provisioning in respect of loans & advances is made as under:

(i) **Standard Assets:** provision in respect of Standard Assets is made @ 0.25% of the outstanding standard assets. In addition, the Board of Directors may decide to create floating provision on Standard Asset. The floating provision can not be reversed by credit to statement of P&L Account. It can only be utilised for making specific provisions in respect of impaired accounts.

(ii) **Sub-standard Assets:** A provision of 10% of loan outstanding is made.

(iii) **Doubtful Assets:** 100% of the extent to which the loan is not covered by the realisable value of the security to which IREDA has a valid recourse. With regard to secured portion of loan, provision as follows is made:-

NEW DELHI

Period for which the asset has been considered as doubtful	% of provision
Upto one year	20%
1 to 3 year	30%
More than 3 years	Between 50% to 100% of loan outstanding depending upon risk perception.

(iv) **Loss Assets:-** 100% of the loan outstanding is provided for.

3) Foreign Currency Transactions

(i) Transactions in foreign currency (except the foreign currency loans where derivative transactions have been made with banks), 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 Statement of Profit and Loss and accounted as per Accounting Standard (AS)-11 on "The Effects of Changes in Foreign Exchange Rates (revised 2003)" issued by the Institute of Chartered Accountants of India (ICAI).

(ii) The transaction in foreign currency loans, where Derivative transaction take place, are recorded at the contracted exchange rate on deal date till the Period of maturity of derivative deals. The difference between the exchange rate at the date of transaction and derivatives rate is recognized as income or expense in the Statement of Profit and Loss.

(iii) Derivative transactions includes principal swap, Currency & Interest Rate Swap (CIRS), forwards, interest rate swaps, cross currency swaps, currency and cross currency options etc. to hedge foreign currency assets and liabilities.

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 and intangible assets is provided as per the useful life mentioned and in the manner prescribed in Schedule II of The Companies Act, 2013 on written down value method.

(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, which is as per Schedule II of The Companies Act, 2013 .

(iv) 100 % Depreciation is provided in respect of assets of Rs. 5000 or less .

7) **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.

8) **Loans**

Loans secured against Hypothecation, English Mortgage, Equitable Mortgage and Joint Equitable Mortgage and guaranteed by Banks/Financial Institution/Central Government/State Government as the case may be, are classified as fully secured.

9) **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.

10) Employee Benefits

(A) Short Term Employee Benefits

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the Statement of Profit and Loss of the period in which the related service is rendered.

(B) Retirement Benefits

1. The liability for retirement of employees in respect of provident fund, benevolent fund, superannuation fund and Gratuity, which is ascertained annually on actuarial valuation at the year end, are accrued and funded separately.
2. The liabilities for leave encashment, sick leave and post retirement medical benefits and baggage allowance to employees are accounted for on accrual basis based on actuarial valuation at the year end.

11) 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 any liability is recognized only when it is virtually certain that the reimbursement will be received.

NOTE '24'

NOTES ON ACCOUNTS

1. (a) The company is registered with the Reserve Bank of India (RBI) as a Non- Banking Financial Company (NBFC) vide order dated 10.02.1998. As per notification No. DNBS(PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 of RBI. Government companies as defined under Section 2(45) of the companies act, 2013 have been exempted from applicability of the provisions of Reserve Bank of India Act, 1934 relating to maintenance of liquid assets and creating of Reserve funds and the Directions relating to acceptance of public deposits and prudential norms. The said notification is also applicable to IREDA, being Govt. Company conforming to Section 2(45) of the companies act, 2013. Further, as per para No. 1(3) (iv) of RBI's Master Circular No. DNBS(PD) CC No. 333/03.02.001/2013-14 dated July 1, 2013, IREDA being a Government Company as defined under section 2(45) of the companies act, 2013 continues to be exempted from the applicability of non-banking financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Moreover in view of the non-applicability of the provisions of Section 45(I) C of the RBI Act 1934 regarding creation of Reserve Fund, the Reserve Fund is not created.

   In terms of the exemption vide notification No. DNBS(PD).CC>No.12/02.01/99-2000 dated 13.01.2000 as explained above and in terms of article no. 26(a) & (b) of the Articles of Association, the Board of Directors of IREDA approved company's prudential norms relating to income recognition, assets classification and provisioning including restructuring/reschedulement of borrower's account which are being followed consistently. Some important features of these prudential norms are given in significant accounting policy No. 2(v).

   (b) However, it has been observed that said Articles do not specifically cover the asset classification/provisioning for restructured/ rescheduled accounts for which clarification/modification from MNRE has been sought.

2. While making provision for Doubtful Assets at the end of the year the value of security is derived from the balance sheet of the borrower(s) by applying the depreciation as per rates prescribed under Schedule II of The Companies Act, 2013. However, if the balance sheet of the borrower(s) is older than 5 years from the financial year for which the shortfall is worked

out, the same is ignored. However, for the half year ended 30th September 2016 , the said exercise has not been done .

3. As per Accounting Policy No. 2(v)(b), the classification of NPA is done at the end of the financial year. However, during the half year ended 30.09.2016 :-

(a) The net provision for bad and doubtful debt amounting to Rs. 761,484 towards movement of NPA account consists of 50% of the required provision for the doubtful accounts for full year.

(b) General provision for standard assets amounting to Rs.517,368,134 (Previous half year Rs. 609,862,307 (includes of floating provision of Rs.481,808,009 (Previous half year Rs. 579,214,654) created towards stressed/restructured accounts which may or may not be classified as NPA at the year end.

4. **Details of Contingent Liabilities and Commitment**

As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India (ICAI), the movement in Provisions as on 30th September, 2016 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 year	Additions made during the half year	Amount incurred and charged against the provision during the half year	Closing balance at the end of the half year
1	Standard assets including Adhoc	560,656,764 (559,988,726)	517,368,134 (555,675,736)	0 (0)	1,078,024,898 (1,115,664,462)
2	Income tax	5,181,227,707 (3,932,627,707)	735,600,000 (732,900,000)	0 (0)	5,916,827,707 (4,665,527,707)
3	Proposed dividend	0 (544,000,000)	0 (0)	0 (0)	0 (544,000,000)
4	Dividend tax	0 (110,745,600)	0 (0)	0 (0)	0 (110,745,600)
5	Leave encashment	31,805,370 (32,980,311)	6,716,503 (-) (684,088)	1,368,551 (2,507,462)	37,153,322 (29,788,761)
6	Gratuity	12,309,017 (19,584,848)	9,953,889 (489,388)	1,236,921 (5,491,510)	21,025,985 (14,582,726)

7	Post retirement medical benefit	35,514,822 (33,578,077)	8,799,783 (-)(4,072,939)	153,840 (216,237)	44,160,765 (29,288,901)
8	Sick leave	21,232,411 (23,023,201)	3,160,827 (-)(1,600,767)	981,548 (929,941)	23,411,690 (20,492,493)
9	Baggage Allowance	782,280 (795,555)	156,406 (-)(65,941)	0 (0)	938,686 (729,614)
10	Corporate Social Responsibility	109,131,482 (103,143,152)	37,537,102 (32,266,025)	17,288,874 (27,519,853)	129,379,710 (107,889,324)

Previous half year figures shown within bracket

b) Details of Contingent Liabilities & Capital Commitments

(Amount in Rupees)

Particulars	As at 30.09.16	As at 30.09.15
Contingent Liabilities not provided for		
Income Tax cases for the Assessment year 2010-11, 2011-12, 2012-13 are pending in appeal before the Commissioner of Income Tax (Appeals). Income tax proceedings for Assessment Years 1998-99 to 2009-10 are pending before Assessing Officer as these cases have been referred back by ITAT vide its order dated 21.11.2014 to the Assessing Officer. No hearing for the same has been conducted by the Assessing Officer since then .	605,226,810	439,407,189
Claims against the Company not acknowledged as debt in respect of petition filed against company seeking damages by M/s Mahakrishna Financial Services Pvt. Ltd. * .	-	15,000,000
Counter indemnity in favour of M/s Indusind Bank against issue of Bank Guarantee in favour of BSE ltd. as security for receiving subscription of Public issue of Tax free bonds.	141,600,000	-
Total of Contingent Liabilities	**746,826,810**	**454,407,189**
COMMITMENTS		
Estimated value of contract to be executed on Capital Account for 50MW Solar Project	2,444,424,884	3,430,000,000
Estimated value of capital contract in reference to the acquisition of new office space at NBCC Plaza (inclusive of residential , commercial and parking space) .	746,565,902	1,310,400,000
Letter of comfort issued and outstanding	3,205,345,223	111,250,994

*During the current half year, the Company has arrived at a settlement with the claimant and paid an amount of Rs. 4,250,000 on 22.06.2016 in full and final settlement. Subsequent to the payment a joint petition in respect of the receipt of payment by the plaintiff and settlement of the suit has been filed in the Hon'ble Supreme Court of India

5. The setting up of 50 MW solar PV project (revised projected cost of Rs. 2,910,000,000 approx.) in the state of Kerala is being undertaken by Solar Energy Corporation of India. An amount of Rs. 463,934,115 has been incurred upto 30.09.16 towards the same. The work is under progress and is expected to be completed by the year end.

6. Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs 4,143,149. (Previous year – Rs. 4,143,149), office premises-IHC costing Rs. 43,956,603. (Previous year – Rs. 43,956,603) and office premises-AKB costing Rs 422,757,822 (Previous year – Rs. 422,757,822) 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 in Schedule II to The Companies Act, 2013.

7. The property tax in respect of all the residential and office premises for the period upto 31st March, 2017 has been paid. The property tax in respect of office building at India Habitat Centre has been paid as per the demand of 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 for 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.

   The property tax for the office space at Chennai branch office shall be paid after the Tax arrears payable by SIDCO, from whom the property has been purchased, upto the year 2014-15 are settled by them. However an approximate amount towards the same has been provided for in the books of accounts.

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

9. In the opinion of the management, the value of Current Assets, 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.

10. In terms of Section 135 of The Companies Act, 2013, IREDA is required to constitute a corporate social responsibility (CSR) Committee of the Board of Directors and the Company has to spend 2% of the average net profits of the Company's three immediately preceding financial year calculated as per section 198 of The Companies Act 2013. Accordingly, CSR Committee of the Board of Directors consisting of 4 Directors, one of whom is Government Director, has been constituted. During the half year the Company has made a provision of Rs. 37,537,102 (Previous half year Rs. 32,266,025) towards CSR.

During the current half year, following new projects, with a total outlay of Rs. 24,528,854 were agreed to be financed by IREDA under CSR as detailed under :-

Sl. No.	CSR Project or activity identified	Sanctioned amount	Implementing Agency	Status
1.	Yoga Day Celebration – support for setting up 5 Yoga Kendras	1,200,000	IREDA (HR)	Completed
2.	Community Street Lighting – installation of 228 Solar PV Street Lighting Systems in Pali (Rajasthan)	4,970,400	REIL	In progress
3.	Army Wives Welfare Association – Setting up computer lab for War Widows / their dependents and Jawans	3,145,704	Army Wives Welfare Association	MoA Signing in progress
4.	Skill Council for Green Jobs	4,468,750	Skill Council for Green Jobs	MoA signed
5.	Kamdhenu Charitable Trust – Setting up 4 Smart Classes at Kaushambi Public School, Kaushambi	744,000	Kamdhenu Charitable Trust	MoA Signing in progress
6.	Donation to Swachh Bharat Kosh	10,000,000	Swachh Bharat Kosh	In progress

During the half year, an amount of Rs. 17,288,874 (Pervious half year Rs. 27,519,853) has been paid to the implementing agencies against the CSR projects based on the progress of the projects.

11. As per the board approved Foreign Exchange and Derivative Risk Management Policy of IREDA, an open exposure on foreign currency loans upto 30% of net worth of IREDA or 20% of outstanding forex borrowing, whichever is lower, is permissible. The open exposure as on 30.09.2016 is Rs. 20,360,790,163 (Previous half year Rs. 4,331,765,358) which is not within the limit as per the policy. Out of said open exposure part hedging has been done for Rs. 4,195,132,651 (Previous half year NIL) by taking principal only swap (USD/INR), Rs. 736,588,580 (Previous half year NIL) by taking principal only swap (EUR/USD) and Rs. 7,643,520,267 (Previous half year NIL) by taking principal only swap (JPY/USD).

12. EARNING PER SHARE

In terms of Accounting Standard (AS) 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI), the Earnings Per Share (Basic & Diluted) is worked out as under:-

Particulars	As at 30.09.2016	As at 30.09.2015
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator		
Profit after Tax as per Statement of Profit & Loss	1,446,787,458	1,480,515,649
Denominator		
▪ Number of equity shares	7,846,000	7,846,000
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earnings per share.	3,923,000*	3,923,000**
▪ Basic & Diluted Earnings per share (annualised)	368.80	377.39

* weighted average (7846000*183/366) = 3,923,000

** weighted average (7846000*183/366) = 3,923,000

13. EMPLOYEE BENEFITS

(i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(a) **Change in the present value of the obligation**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)

Present value of obligation as at the beginning of the year	56,046,819 (61,749,683)	31,805,370 (32,980,311)	21,232,411 (23,023,201)	782,280 (795,555)	35,514,822 (3,35,78,077)
Interest cost	2,241,873 (2,392,800)	1,272,215 (1,277,987)	849,296 (892,149)	31,291 (30,828)	14,20,593 (13,01,150)
Current service cost	2,035,685 (1,731,796)	1,870,591 (1,723,734)	1,038,176 (1,072,928)	31,304 (23,382)	10,48,288 (6,37,292)
Past Service Cost	-	-	-	-	-
Benefits paid	(-) 2,000,000 (-) (1,644,005)	(-) 2,050,043 (-) (2,507,462)	(-) 981,548 (-) (929,941)	0 (0)	(-) 1,53,840 (-) (2,16,237)
Actuarial loss/(gain) on obligations	4,446,621 (-)(9,117,870)	4,255,189 (-)(3,685,809)	1,273,355 (-) 3,565,844)	93,811 (-) (120,151)	63,30,902 (-)60,11,381)
Present value of obligation at half year end	62,770,998 (55,112,404)	37,153,322 (29,788,761)	23,411,690 (20,492,493)	938,686 (729,614)	4,41,60,765 (2,92,86,901)

Previous half year figures shown within bracket

(b) **Change in fair value of plan asset**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	43,737,802 (42,164,835)	-	-	-	-
Expected return on plan assets	1,749,512 (1,897,418)	-	-	-	-
Employer's contribution	0 (0)	-	-	-	-
Benefits paid	(-) 2,000,000 (-) (1,644,005)	-	-	-	-
Actuarial loss/(gain) on obligations	(-) 1,742,301 (-)(1,888,570)	-	-	-	-
Fair value of plan asset at the end of the half year	41,745,013 (40,529,678)	-	-	-	-

Previous half year figures shown within bracket

(c) **Amount recognized in Balance Sheet**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Estimated present value of obligation at the end of the half year	62.770,998 (55.112,404)	37,153,322 (29,788,761)	23,411,690 (20,492,493)	938,686 (729,614)	44,160,765 (29,288,901)
Fair value of plan assets at the end of the half year	41,745,013 (40,529,678)	- -	- -	- -	- -
Net liability recognized in Balance Sheet	21,025,985 (14,582,726)	37,153,322 (29,788,761)	23,411,690 (20,492,493)	938,686 (729,614)	44,160,765 (29,288,901)

Previous half year figures shown within bracket

(d) **Expense recognized in the Statement of Profit & Loss**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	2,035,685 (1,731,796)	1,870,591 (1,723,734)	1,038,176 (1,072,928)	31,304 (23,382)	1,048,288 (637,292)
Past service cost	- -	- -	- -	- -	- -
Interest cost	2,241,873 (2,392,800)	1,272,215 (1,277,987)	849,296 (892,149)	31,291 (30,828)	1,420,593 (1,301,150)
Expected return on plan asset	1,749,512 (-)(1,897,418)	- -	- -	- -	-
Net actuarial (Gain) / Loss recognized in the half year	6,188,922 (-)(7,229,300)	4,255,189 (-) (3,685,809)	1,273,355 (-) (3,565,844)	93,811 (-) (120,151)	6,330,902 (-)(6,011,381)
Total expenses recognized in Statement of Profit & Loss	8,716,968 (-)(5,002,122)	7,397,995 (-) (684,088)	3,160,827 (-) (1,600,767)	156,406 (-) (65,941)	8,799,783 (-)(4,072,939)

Previous half year figures shown within bracket

(e) Principal actuarial assumption as expressed as weighted average

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post-Retirement Medical Benefit (Un funded)
Discount rate	7.16% (7.82%)	7.16% (7.82%)	7.16% (7.82%)	7.16% (7.82%)	7.16% (7.82%)
Expected rate of return on plan assets	8% (9%)	- -	- -	- -	- -
Expected rate of salary increase	6.5% (6.5%)	6.5% (6.5%)	6.5% (6.5%)	6.5% (6.5%)	6.5% (6.5%)
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

(f) Defined Contribution Plan

During the half year, the company has recognized an expense of Rs. 6,262,335/- (Previous half year Rs 5,442,631) in respect of contribution to Provident Fund, Rs. 36,690/- (Previous half year: Rs. 33,220) in respect of contribution to Benevolent Fund and Rs. 4,607,979/- (Previous half year: Rs. 4,019,753) in respect of contribution to Superannuation Fund.

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

14. RELATED PARTY DISCLOSURE

(I) Details of transactions entered into with the related parties during the half year as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(Amount in Rupees)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	6,968,697 (7,717,926)

(ii) Disclosure of Related Parties with whom Business transactions took place during the half year ending 30.09.2016 :-

Name	Designation	Period
Shri K. S. Popli	Chairman & Managing Director	01.04.2016 to 30.09.2016
Shri S. K. Bhargava	Director- Finance	01.04.2016 to 30.09.2016
Shri B.V Rao	Director- Technical	01.04.2016 to 30.09.2016
Shri Surender Suyal	Company Secretary	01.04.2016 to 30.09.2016
M/s M.P. Windfarms Limited	A joint venture company in collaboration with M.P. Urja Vikas Nigam Limited (25%), Consolidated Energy Consultants Limited (49.5%), IREDA (24%) and Others (1.5%) .	No dividend received from the company during the current year as well as previous half year.

15. REMUNERATION OF DIRECTORS

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

(Amount in Rupees)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)	Company Secretary
Salary & allowances	1,537,471 (2,023,781)	1,387,628 (1,694,351)	1,073,700 (1,522,095)	842,210 (703,863)
Medical allowance	40,980 (19,784)	36,585 (17,660)	37,500 (18,648)	27,095 (12,698)
Provident Fund	141,048 (115,722)	127,530 (103,077)	115,344 (108,837)	97,131 (75,234)
Superannuation Contribution	94,536 (86,790)	84,396 (77,307)	86,508 (81,630)	61,599 (56,427)
Value of perquisites as per Income Tax Act, 1961	420,208 (348,152)	361,614 (225,591)	271,146 (240,900)	124,468 (185,379)
Total	**2,234,243** **(2,594,229)**	**1,997,753** **(2,117,986)**	**1,584,198** **(1,972,110)**	**1,152,503** **(1,033,601)**

Previous half year figures shown within brackets

NEW DELHI

b) Since the Company has resolved that it will not make any withdrawal from the Special Reserve created and being 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. 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 recognized any deferred tax liability on this account.

c) The details of deferred tax assets (net) as on 30th September, 2016 is given below:-

A	Deferred Tax Assets (+)	(Amount in Rs.)	
	Arising on account of timing differences:-	As at 30/09/2016	As at 30/09/2015
	▪ Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit,	60,462,275	32,836,934
	▪ Provision for Bad & Doubtful Debts & Standard Assets (Adhoc provision) (Less : Amount claimed u/s 36(1)(vii)(a)(c)).	669,454,834	752,005,277
	Total – A	**729,917,109**	**784,842,210**
B	**Deferred Tax Liabilities (-)**		
	Depreciation	19,320,388	26,325,657
	Total – B	**19,320,388**	**26,325,657**
	Deferred Tax Asset (+)/Liability (-) (A-B)	710,596,720	758,516,554
	Deferred Tax Asset	**710,596,720**	**758,516,554**

18. DISCLOSURE OF PRIOR-PERIOD ITEMS

(Amount in Rupees)

Particulars	For the period ending 30.09.2016		For the period ending 30.09.2015	
	Debits	Credits	Debits	Credits
Interest on Service tax	1,,172,547		-	-
Travelling and Conveyance	-		86,667	-
Tour Advance	-		44,223	-
Interest on Term Loan	735,922	37,367,930	-	-
Legal Expenses	537,500		-	-
Interest on JICA Loan	334,685		-	-
Total	**2,780,654**	**37,367,930**	**130,890**	**-**

b) 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.

c) Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

d) Sitting Fees paid to Independent Directors Rs NIL (Previous half year Rs. 60,000).

16. REMUNERATION TO AUDITOR

(Amount in Rupees)

Particulars	Statutory Auditor
As Auditor	565,000 (300,000)
Limited Review Audit	NIL (100,000)
Tax Audit	NIL (NIL)
Certification & Other Service	470,000* (40,000)
Total	**1,035,000** **(440,000)**

Previous half year figures shown within brackets

* Includes Rs. 450,000 paid for the audit of Internal Financial Control Systems (IFCS) .

17. DEFERRED TAXES

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India (ICAI), the company has taken credit in the Statement of Profit & Loss 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.

19. ADDITIONAL INFORMATION

a) **Expenditure in Foreign Currency:**

- On Traveling - Rs. 749,320 (Previous half year : Rs. 117,527)
- Interest expenses - Rs. 386,174,420 (Previous half year : Rs. 294,709,367).
- Commitment charges - Rs. 12,803,850 (Previous half year : Rs. 7,315,392).

b) **Earnings in Foreign Currency:**

- Interest Rs. 6,464,032 (Previous half year : Rs. 3,897,876)

c) M/s KfW paid Rs. 13,589,880 (Previous half year: Rs. 24,966,608) directly to consultants (Abroad) hired under TA programme under Direct Disbursement Procedures and Rs. 813,929 (Previous half year : Rs. NIL) to IREDA as reimbursement of expenses incurred against Technical Assistance Programme (TAP) of EURO 1.5 Million sanctioned to IREDA in respect of KFW II & KFW IV lines of credit for expert services /assignments, capacity building and training programme etc.

20. 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.

21. Generation Based Incentives (GBI) and Capital Subsidy Scheme, MNRE

IREDA is a Fund Administrator on behalf of MNRE for distribution of Generation Based Incentive and Capital Subsidy for Wind and Solar Sectors. Under these schemes, specific fund amount is provided by MNRE to IREDA for the purpose of disbursement of the same to the GBI claimants as per the scheme of MNRE. Therefore, essentially, the activity is receipt and utilization of funds. For any further release of GBI funds, IREDA is required to submit the Utilization Certificate along with audited statement of expenditure duly certified by a Chartered Accountants. The said requirement is fully complied with by IREDA and nothing further has been required by MNRE so far. The statutory auditors have audited the balances in fund account and not audited the accounts of Scheme.

22. SUBSIDY

(a) Interest Subsidy

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to borrowers implementing MNRE programmes of 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 passed on to the borrowers on quarterly basis subject to complying with the terms and conditions of the sanction by these borrowers.

The programme-wise details of interest subsidy received, passed, refunded during the half year and the balance as on 30th September, 2016 are as under:-

(i) Interest subsidy on NPV basis:-

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as at the beginning of the half year	Interest Subsidy received during the half year	Amount refunded during the half year	Interest Subsidy passed on during the half year	Closing Balance as at the end of the half year
1	Bio-mass Co-generation	21,501,324 (21,752,834)	0 (0)	0 (0)	0 (175,961)	21,501,324 (21,576,873)
2	Small Hydro	182,667 (182,667)	0 (0)	0 (0)	0 (0)	182,667 (182,667)
	Sub Total....A	21,684,001 (21,935,501)	0 (0)	0 (0)	0 (175,961)	21,684,001 (21,759,540)

Previous half year figures shown within brackets

(ii) Interest subsidy on actual basis:-

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as at the beginning of the half year	Subsidy received during the half year	Amount refunded during the half year	Interest received on FDR	Subsidy passed /adjusted during the half year	Closing Balance as at the end of the half year

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	(-)5,135,405 (-)(5,135,405)	0 (0)	0 (0)	0 (0)	0 (0)	(-)5,135,405 (-)(5,135,405)
3	SPV WP 2001-02	(-)13,602,787 (-)(1,36,02,787)	0 (0)	0 (0)	0 (0)	0 (0)	(-)13,602,787 (-)(1,36,02,787)
4	SPV WP 1999-00	(-)684,937 (-)(6,84,937)	0 (0)	0 (0)	0 (0)	0 (0)	(-)684,937 (-)(6,84,937)
5	SPV WP Manufacturing	(-)2,96,898 (-)(2,96,898)	0 (0)	0 (0)	0 (0)	0 (0)	(-)2,96,898 (-)(2,96,898)
6	SPV WP 2002-03	(-)4,138,701 (-)(4,138,701)	0 (0)	0 (0)	0 (0)	0 (0)	(-)4,138,701 (-)(4,138,701)
7	Accelerated SWH System	9,851 (9,851)	0 (0)	0 (0)	0 (0)	0 (0)	9,851 (9,851)
	Sub Total.....B	(-)23,844,925 (-)(23,844,925)	0 (0)	0 (0)	0 (0)	0 (0)	(-)23,844,925 (-)(23,844,925)
	Grand Total (A + B)	(-)2,160,924 (-)1,909,424	0 (0)	0 (0)	0 (0)	251,500 (0)	(-)2,160,924 (-)1,909,424

Previous half year figures shown within bracket

(b) **Capital subsidy**

During the half year, an amount of Rs 122,028,000 (Previous half year: Rs 86,700,000) was received from MNRE towards Capital Subsidy. Out of the total capital subsidy amount available, Rs 122,028,000 (Previous half year: Rs. 86,700,000) was passed on to the borrowers on compliance of the terms and conditions of the capital subsidy scheme.

(c) During the half year, an amount of Rs. 5,725,063 net of service tax was received (Previous half year 8,363,929) as service charges on account of MNRE Scheme of " MNRE Capital Subsidy for Channel Partners State Nodal Agency".

23. NCEF FUNDS

An amount of Rs. 2,585,087,078 (previous half year Rs. 2,289,279,342) , (including amounts repaid by the borrower and interest accrued on the deposit) is lying undisbursed in separate bank account.

The impact of refinancing of stressed projects under Biomass and Small Hydro Sector has been given in the half year ended 30.09.2016 in respect of eligible projects as per revised scheme for refinancing under NCEF in terms of approval of The Government of India through MNRE conveyed vide letter dated 13th October, 2016. Accordingly, an amount of Rs. 518,230,573 towards 30% of principal outstanding and Rs 188,736,510 towards 30% of Funded Interest outstanding has been identified as eligible amount and shown as recoverable from aforesaid NCEF accounts.

As a result of the said identification of eligible amount to be transferred to a separate loan account under NCEF Scheme, proportionate provision of earlier amount of Rs. 52,514,346 has been written back and income of Rs. 154,761,846 has been accounted for funded interest, in respect of NPA accounts .

24. Debenture Redemption Reserve

In terms of Rule 18 (7) (b) (ii) of The Companies Act 2013, the company is required to create a Debenture Redemption Reserve (DRR) upto 25% of the bonds issued through public issue. Accordingly a sum of Rs. 231,455,521 (Previous half year : Rs. 69,115,000) has been provided during the current half year.

25. IMPAIRMENT OF ASSETS

Fixed Assets owned by the company are treated as "Corporate Assets" and not "Cash Generating Units" as on September 30, 2016 as defined by Accounting Standard 28 (Impairment of Assets) issued by the Institute of Chartered Accountants of India (ICAI).

Further, in view of the nature of the assets held and the rates of depreciation applied there to, in the opinion of the management, there is no further impairment which needs to be provided for.

26. SEGMENT ACCOUNTING

The company operates in India, hence it is considered to operate only in domestic segment. Major revenue for the company comes from a single segment of financing activities as such considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).

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27. All MNRE funds have been transferred in IREDA books of accounts and shown under the current assets- Cash and Bank Balances under Saving Bank account and corresponding liability shown under Other Current liabilities.

28. During the current half year, the Exceptional item of Rs. 96,940,000 (Previous half year NIL) represents IREDA's contribution of Rs. 66,940,000 Lakhs towards the corpus of International Solar Alliance (ISA) and one time contribution of Rs. 10,000,000 each to three institutions of MNRE viz. NISE, NIWE, SSSNIBG for IREDA awards in these institutions.

29. Figures are rounded off to the nearest rupee. Also figures have been re-arranged/re-grouped wherever considered necessary to make them comparable with the current half year's figures. Comparative figures of the last half year (ending 30.09.2015) have been provided.

30. THE DISCLOSURES UNDER RBI GUIDELINES ARE AS UNDER (IREDA ONLY)

a. Capital to Risk Assets Ratio (CRAR)	18.25% (27.40%)
b. Exposure to Real Estate Sector (Direct and Indirect)	NIL (NIL)

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c. **Maturity Pattern of Assets & Liabilities**

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years
Loan Assets (including interest)	25,449,963,765 (11,228,150,955)	22,804,984,270 (21,787,591,145)	24,167,402,620 (16,556,691,860)
Foreign currency assets	1,574,661,565 (882,378,906)	336,365,224 (305,101,260)	405,814,658 (370,793,502)
Total Assets	**27,024,625,330** **(12,110,529,861)**	**23,141,349,494** **(22,092,692,405)**	**24,573,217,278** **(16,927,485,362)**
Rupee liabilities	6,330,819,498 (6,193,405,301)	2,193,531,932 (3,900,931,514)	3,293,798,994 (5,379,595,172)
Foreign currency liabilities	3,449,884,799 (2,938,768,484)	7,041,343,787 (6,329,501,368)	8,480,248,998 (5,462,206,142)
Total liabilities	9,780,704,297 **(9,139,228,454)**	9,234,875,719 **(10,230,432,882)**	**11,774,047,992** **(10,841,801,314)**

Items	More than 5 years upto 7 years	More than 7 years	Total
Loan Assets (including interest)	17,511,686,409 (14,246,576,394)	28,200,737,204 (15,956,596,257)	118,134,774,268 (79,775,606,611)
Foreign currency assets	0 (211,514,042)	0 0	2,316,841,447 (1,769,787,710)
Total Assets	17,511,686,409 (14,458,090,436)	28,200,737,204 (15,956,596,257)	120,451,615,715 (81,545,394,321)
Rupee liabilities	6,082,896,708 (3,012,200,000)	61,153,820,116 (38,613,732,900)	79,054,867,248 (57,099,864,948)

Foreign currency liabilities	7,483,109,396 (3,068,653,378)	36,332,982,898 (28,891,132,898)	62,787,569,878 (46,690,262,270)
Total liabilities	13,566,006,104 **(6,080,853,378)**	97,486,803,014 **(67,497,811,190)**	141,842,437,126 **(103,790,127,218)**

As per our report of even date

For Jain Chopra & Company

Chartered Accountants

ICAI Regn. No. 2198 N

Ashok Chopra
Partner
Membership No. 017199

S. K. Bhargava
Director (Finance)
DIN No. 01430006

K. S. Popli
Chairman &
Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary
M. No. A11900

Date : 27th Dec 2016

Place: New Delhi

Jain Chopra & Company

Chartered Accountants

1960, First Floor, Otram Lines, Delhi - 110009
Phone : 011-27652776, 27650155
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Independent Auditor's Report

To the Members of Indian Renewable Energy Development Agency Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Indian Renewable Energy Development Agency Limited**, (the Company) and its associate company in which the company holds 24% equity share capital, which comprise the Consolidated Balance Sheet as at Sept 30, 2016, the Consolidated Statement of Profit and Loss for the half year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance of the Company including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the management information referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

Interest income includes Rs. 1547.62 lacs being interest recognized on Non-Performing accounts (NPAs) without the same being received. Further the company has not made provision for Non-Performing accounts amounting to Rs. 984.28 lacs on such accounts without their respective performance being in accordance with the prescribed guidelines. The company contends that their entitlement to refinance from National Clean Energy Fund instituted by Ministry of New and Renewable Energy, Government of India, in such cases enables them to treat such loans and income differently. In our opinion, the recognition of such interest and not making of provisions is not in accordance with income recognition norms as applicable to the company in respect of NPA loans.

As a consequence to the foregoing, the profit before tax for the period of six months ended 30th September 2016, shown at Rs. 20938.36 lacs would have been Rs. 18406.46 lacs and the Long Term Loans and advances would have been lower by Rs. 1547.62 lacs and Provision for Bad and doubtful advances would have been higher by Rs. 984.28 lacs

Further necessary execution of the documents by the parties concerned in this regard has still to be done.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 30th Sept, 2016, and its profit for the period ended on that date.

Emphasis of Matter

We draw attention to the following matters on the standalone financial statements

i. In terms of Accounting Policy No. 2 on Revenue Recognition, Non-Performing Assets (NPAs) are identified and classified as at the end of the Financial year, accordingly, as on September 30, 2016, related impact on financial results could not be ascertained and quantified.

ii. No. 24(1)(b) regarding provisions relating to Asset classification/provisioning of restructured/rescheduled accounts not being in conformity with the Articles of Association of the company.

iii. Refer Note No 24(3)(b). General Provision for Standard Assets amounting to Rs. 5173.68 lacs made in the accounts include Rs.2895.61 lacs (including interest unrealized) towards accounts which are in default for more than two quarters and which may or may not be NPAs at the end of the year and not shown as such in terms of the company's Accounting Policy No. 2 on Revenue Recognition and the definition of NPAs and accounts which have slipped from NPA to doubtful category. The company has made provision of 50% of the required amount as at 30th September 2016, being half yearly accounts on such accounts. The company contends that the remaining provision shall be provided for at the end of the year. The same further includes a sum of Rs. 1922.46 lacs towards accounts restructured/ rescheduled during the half year ended 30th September 2016.

iv. No. 24(10) regarding the obligation under section 135 of The Companies Act, 2013 on Corporate Social Responsibility (CSR) having not been completely discharged during the half year ended 30th September 2016.

v. No. 24(21) which states that specific audit of accounts of Generation based Incentive funds has not been done.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of the associate company whose financial statements reflect total assets of Rs. 3,26,42,001/- as at Sept, 30, 2016 and total revenue of Rs. 71,86,707/- for the half year ended on that date, the company's share of 24% whereof, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the associate company, which is unaudited, based solely on the management information.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirement

1. As required by Section 143 (3) of the Act, we report that:
   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
   b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the management information;

CHOPRA & COMPANY

c) the consolidated Balance Sheet and the consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of written representations obtained from the directors none of the directors are disqualified from being appointed as a director in terms of Section 164(2) of the Act as on Sept 30, 2016.

f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Ánnexure A ", and

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 24(4) to the standalone financial statements;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. there is no amounts, required, to be transferred by the Company to the Investor Education and Protection Fund.

For JAIN CHOPRA & COMPANY
Chartered Accountants
Firm's Registration No.02198N

JAIN CHOPRA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Ashok Chopra
Partner
(Membership No.017199)

Place: Delhi
Dated: 27th Dec 2016

Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Indian Renewable Energy Development Agency Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the half year ended on Sept 30, 2016. We have audited the internal financial controls over financial reporting of **Indian Renewable Energy Development Agency limited** (hereinafter referred to as "the Company") and its unaudited Associate Company incorporated in India in which the company holds 24% equity share capital. In case of its associate no information regarding Internal Financial Control has been provided.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company. and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, subject to the following, the Company have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at Sept 30, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However in case of its associate no such information regarding Internal Financial Control has been provided and as such we cannot comment on the same.

a. Application of interest/reversal of interest in borrowers' accounts having manual interventions
b. Delegation of authority at various levels to be reviewed and is pending for a number of years
c. Information technology system for maintenance of records to be updated.
d. Absence of audit trail in case of collection of incomes in some misc. heads of accounts.

For Jain Chopra & Company
Chartered Accountants
(Firm's Registration No.002198N)

NEW DELHI

Ashok Chopra
Partner
(Membership No. 017199)
Place: Delhi
Date: 27th Dec 2016

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED
Consolidated Balance Sheet as at 30.09.2016

Particulars	Note No.	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	7,846,000,000	7,846,000,000
(b) Reserves and Surplus	3	16,565,001,975	15,424,963,351
(2) Share Application Money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowing	4	103,422,363,967	68,055,426,218
(b) Other long-term liabilities	5	3,247,407,078	3,084,360,254
(c) Long-term provisions	6	345,736,660	253,254,307
(4) Current liabilities			
(a) Short-term borrowing	7	-	-
(b) Trade payables	8	51,699,492	115,375,630
(Includes balance payable to MSME - Nil (Previous year Nil))			
(c) Other current liabilities	9	9,138,265,300	7,145,094,004
(d) Short-term provisions	10	1,232,596,734	1,872,757,591
TOTAL		141,849,071,205	103,797,231,357
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	11		
(i) Tangible assets		280,001,532	311,849,029
(ii) Intangible assets		1,869,183	4,481,016
(iii) Capital work-in-progress		8,000	-
(iv) Capital Work in Progress 50 MW Solar Project		463,934,115	70,000,000
(v) Intangible assets under development		558,710	606,131
		746,371,540	386,936,176
(b) Non-current investments	12	-	-
(c) Deferred tax assets (Net)	24(17)	710,596,720	758,516,554
(d) Long-term loans and advances	13	94,645,073,624	69,681,454,479
(e) Other non-current assets	14	742,179,882	887,408,804
(2) Current assets			
(a) Trade Receivable	15	1,481,018	1,508,655
(b) Cash and bank balances	16	18,057,713,601	20,378,489,991
(c) Short-term loans and advances	17	25,892,290,565	11,575,330,881
(d) Other current assets	18	1,053,364,255	127,585,817
TOTAL		141,849,071,205	103,797,231,357
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 32		

As per our Report of even date
For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Ashok Chopra
Partner
M.No.- 017199

NEW DELHI

Place : New Delhi
Date 27th Jul 2016

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Consolidated Statement of Profit and Loss for the half year ended on 30.09.2016

Particulars	Note No.	For the half year ended 30.09.2016 Rs.	For the half year ended 30.09.2015 Rs.
I. Revenue from operations	19	7,213,584,816	5,997,147,614
II. Other Income	20	3,192,152	2,500,343
III. Total Revenue (I+II)		7,216,776,968	5,999,647,958
IV. Expenses:			
Employee Benefit Expenses	21	146,411,768	92,105,820
Finance Cost	22	4,261,560,069	3,216,495,013
Depreciation and Amortisation Expenses		20,980,275	10,769,973
Other Expenses	23	113,339,715	88,402,198
Bad Debts Written Off		-	-
Less Provision for Bad.and Doubtful Debts created in earlier years written back		-	-
Provision for Bad and Doubtful Debts		761,484	9,876,923
General Provision for Standard Assets		517,368,134	555,675,736
		5,060,421,445	3,973,345,663
V. Profit before Exceptional & Extrordinery items and tax (III-IV)		2,156,355,523	2,026,302,295
VI. Add+/Less(-) Prior Period Adjustments (Net)	24(18)	33,888,043	(130,890)
VII. Add+/Less(-) Extra-ordinary / Exceptional items	24(28)	(96,668,851)	-
VIII. Profit before tax (V-VI)		2,093,574,715	2,026,171,405
IX. Tax Expenses			
(1) Current Tax		735,600,000	732,900,000
(2) Income Tax- Earlier Years		-	-
(3) Deferred Tax		(88,550,879)	(189,206,804)
X. Profit for the period (VII-VIII)		1,446,525,594	1,482,478,209
XI. Earning per Equity Share:			
(1) Basic & Diluted (Annualised)	24(12)	368.73	377.89
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 32		

As per our Report of even date
For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Ashok Chopra
Partner
M.No.- 017199

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary

Place : New Delhi
Date 27th Dec 2016

Consolidated Cash Flow Statement For the Half Year Ended 30.09.2016

(Amount In Rupees)

	Particulars	For the half year ended 30.09.2016		For the half year ended 30.09.2015	
A	**Cash Flow from Operating Activities:**				
	Net Profit Before Tax and Extraordinary / Prior Period	2156355523		2026302295	
	Adjustment for:				
	1 Depreciation (Including 24% Share in MP Wind	20980275		10789973	
	2 Provision for Non Performing Assets	761484		9876923	
	3 Provision for Standard Assets	517368134		555675736	
	4 Prior Period Expenses/Income	34587276		-130890	
	5 Exceptional items	-96940000		0	
	6 Foreign Exchange Fluctuations/Underlying exchange fluctuation	250330296		186086098	
	7 Interest Funded adjusted from provision held	0		0	
	8 Amortization of Capital Grant	-216051		-9984	
	9 Income Tax Provision written back	0		0	
	10 Loss on sale of Fixed Assets/Adjustment	0		5691	
	11 Profit on Sale of Fixed Assets	-480098		-3661	
	12 Annual Lease Rent (24% Share in MP Wind Fa	-18000		-18000	
	13 Provision for Gratuity (24% Share in MP Wind F	18899			
	Operating profit before Working Capital Changes	**2882747738**		**2788574181**	
	Increase / Decrease in				
	1 Loans and Advances - IREDA	-14509762331		8905299430	
	2 Loans and Advances - MNRE	-		-175961	
	3 Other Non Current Assets	74396234		67470758	
	4 Other Bank Balances	8444700816		-2437688036	
	5 Other Current Assets	-827776062		9346259	
	6 Trade Receivable	1098212		5671196	
	7 Other Long Term Liabilities	82085636		83335826	
	8 Other Current Liabilities	8815482		1713284017	
	9 Trade Payable	-17464217		31512187	
	10 Provisions	62522419		-14079859	
	24% Share in MP Wind Farms				
	Decrease/ (Increase) in Current Liabilities	-237351		127700	
	Decrease/ (Increase) in Current Assets	-189111		-672751	
		-6681811271		**8363430767**	
	Cash Generated from Operations	**-3799063533**		**11152004947**	
	Income Tax	-586717519		-624087557	
	Net Cash Generated from Operations		-4385781052		10527917390
B	**Cash Flow From Investing Activities**				
	1 Purchase of Fixed Assets	-332520820		-927045	
	2 Sale of Fixed Assets	1122338		15658	
	3 Dividend on Investment	0		0	
	Net Cash flow from Investing Activities		-331398482		-911387
C	**Cash Flow from Financial Activities**				
	1 Equity Contribution	0		0	
	2 National Clean Energy Fund	0		0	
	3 Securities Premuim	0		0	
	4 Redemption of Bonds	0		0	
	5 Dividend paid	0		0	
	6 Dividend Tax paid	0		0	
	7 Interim Dividend paid	0		0	
	8 Dividend Tax on Interim Dividend paid	0		0	
	9 Increase /Decrease in Short term Debts	-2697759		0	
	10 Increase /Decrease in Long term Debts	6658051543		-3159941920	
	Net Cash flow from Financing Activities		6655353784		-3159941920
	Net Increase in Cash and Cash Equivalents		-1938174260		7367064084
	Cash and Cash Equivalents at the beginning of the half year		9806546674		8220567272
	24% Share in MP Wind Farms		4719330		4028456
	Total Cash and Cash Equivalents at the beginning of the half year		**9811266004**		**8224595728**
	Cash and Cash Equivalents at the end of the half year		11744392029		15586166432
	24% Share in MP Wind Farms		5048225		5493381
	Total Cash and Cash Equivalents at the end of the half year		**11749440254**		**15591659813**
	Net Increase in Cash and Cash Equivalents		**1938174250**		**7367064085**
			0		0
	COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR				
	Postage Imprest		30981		80230
	In Current Accounts with Banks		2283508488		3019819623
	In Deposit Accounts with Banks		9460852560		12543152762
	Cheques under Collection/DD in hand		0		23113817
			11744392029		**15586166432**

Notes to the Cash Flow statement.

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
4. Total Deposits includes deposits of Rs. 6,650,000,000 having original maturity of more than 90 days .

As per our Report of even date
For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Ashok Chopra
Partner
M.No.- 017199
Place : New Delhi
Date 27th Dec 2016

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary

Notes on Financial Statements for the half year ended 30.09.2016

NOTE-'2'
SHARE CAPITAL

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
Authorised 600,00,000 (Previous year 100,00,000) Equity Shares of Rs. 1,000 each	60,000,000,000	60,000,000,000
Issued, Subscribed & Fully Paid up 78,46,000 (Previous Year 78,46,000) Equity Shares of Rs. 1,000 each fully paid up	7,846,000,000	7,846,000,000
Total	**7,846,000,000**	**7,846,000,000**

Reconciliation of Equity Shares

PARTICULARS	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
	2016-17		2015-16	
Shares outstanding -Opening	7,846,000	7,846,000,000	7,846,000	7,846,000,000
Shares issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding -Closing	7,846,000	7,846,000,000	7,846,000	7,846,000,000

Foot Notes:

(i) 100% Equity Shares are held by Government of India.
(ii) Equity Shareholders have full voting rights with no restrictions.
(iii) All the Equity Shares are fully paid up in cash.

NOTE-'3'
RESERVES & SURPLUS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
a. Capital Reserves		
i. Capital Grant from world bank for purchase of Fixed Assets		
Opening Balance	414,822	846,924
(+) Received During the year	-	-
(-) Transferred to Miscellaneous Income	216,051	9,984
Closing Balance	198,771	836,940
ii. Grant-in-aid from Government of Netherlands	167,858,986	167,858,986
iii. Grant-in-aid from World Bank	839,484,095	839,484,095
iv. Other Capital Grant	60,144,000	60,144,000
v. Securities Premium	504,000	36,000
vi. 24% Share in Bonus Shares in MP Wind Farms	480,000	480,000
	1,068,669,852	1,068,840,021
b. Special Reserve		
(under Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening Balance	5,413,608,980	4,616,517,960
(+) Addition during the year	455,428,197	485,631,207
(-) Written Back in Current Year	-	-
Closing Balance	5,869,037,177	5,102,149,167
c. Debenture Redemption Reserve		
Opening Balance	739,371,043	276,460,000
(+) Addition during the year	231,455,521	69,115,000
(-) Written Back in Current Year	-	-
Closing Balance	970,826,564	345,575,000
d. General Reserve		
Opening Balance	7,891,770,065	7,976,770,065.00
(+) Addition during the year	-	-
(-) Transfere to Profit & Loss Account	-	-
Closing Balance	7,891,770,065	7,976,770,065
24% Share in MP Wind Farms	593,504	593,504
Closing Balance	7,892,363,569	7,977,363,569
e. Profit & Loss Account		
Opening Balance	1,515,002	1,517,637
(+) Net Profit for the current year	1,446,525,594	1,482,478,209
(-) Proposed Dividend	-	-
(-) Corporate Dividend Tax on Proposed Dividend	-	-
(-) Transfer to Special Reserve	455,428,197	485,631,207
(-) Transfer to Debenture Redeumption Reserve	231,455,521	69,115,000
(-)/+ Transfer to / from General Reserve	-	-
Closing Balance	761,156,878	929,249,639
24% Share in MP Wind Farms	2,947,935	1,785,955
Closing Balance	764,104,813	931,035,594
Total	15,565,001,975	15,424,963,351

DELHI

NOTE-'4'
LONG TERM BORROWINGS

PARTICULARS	Repayment	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
A. Bonds			
Debentures			
(Secured by paripassu charge on Loans and Advances (book debts) of the company.)			
(i) 7.68 % Tax free Bonds (Series XIV Tranche-I-IIIB- 2015-16)	Redeemable at par on 21-01-2036	749,988,000	-
(ii) 7.43 % Tax free Bonds (Series XIV Tranche-I-IIIA- 2015-16)	Redeemable at par on 21-01-2036	364,442,000	-
(iii) 8.80% Tax free Bonds (Series XIII Tranche-I-IIIB- 2013-14)	Redeemable at par on 13-03-2034	1,441,642,000	1,441,642,000
(iv) 8.55% Tax free Bonds (Series XIII Tranche-I-IIIA- 2013-14)	Redeemable at par on 13-03-2034	388,123,000	388,123,000
(v) 7.74 % Tax free Bonds (Series XIV Tranche-I-IIB- 2015-16)	Redeemable at par on 21-01-2031	4,835,153,000	-
(vi) 7.49 % Tax free Bonds (Series XIV Tranche-I-IIA- 2015-16)	Redeemable at par on 21-01-2031	8,642,652,000	-
(vii) 8.56% Tax free Bonds (Series XIII Tranche-I-IC- 2013-14)	Redeemable at par on 27-03-2029	360,000,000	360,000,000
(viii) 8.80% Tax free Bonds (Series XIII Tranche-I-IIB- 2013-14)	Redeemable at par on 13-03-2029	2,345,508,000	2,345,508,000
(ix) 8.55% Tax free Bonds (Series XIII Tranche-I-IIA- 2013-14)	Redeemable at par on 13-03-2029	1,230,769,000	1,230,769,000
(x) 7.53 % Tax free Bonds (Series XIV Tranche-I-IB- 2015-16)	Redeemable at par on 21-01-2026	1,278,859,000	-
(xi) 7.28 % Tax free Bonds (Series XIV Tranche-I-IA- 2015-16)	Redeemable at par on 21-01-2026	1,088,906,000	-
(xii) 7.17% Tax free Bonds (Series XIV Private IC- 2015-16)	Redeemable at par on 01-10-2025	2,840,000,000	-
(xiii) 8.41% Tax free Bonds (Series XIII Tranche-I-IB- 2013-14)	Redeemable at par on 13-03-2024	1,052,914,000	1,052,914,000
(xiv) 8.16% Tax free Bonds (Series XIII Tranche-I-IA- 2013-14)	Redeemable at par on 13-03-2024	757,590,000	757,590,000
Debentures			
(Secured by negative lien on Loans and Advances (Book Debts) of the company .)			
(i) 8.49% Taxable Bonds (Series VB- 2013-14)	Redeemable at par on 10-05-2028	2,000,000,000	2,000,000,000
(ii) 9.02% Taxable Bonds (Series III- 2010-11 - Tranche-II)	Redeemable at par on 24-09-2025	2,500,000,000	2,500,000,000
(iii) 8.44% Taxable Bonds (Series VA- 2013-14)	Redeemable at par on 10-05-2023	3,000,000,000	3,000,000,000
(iv) 8.49% Taxable Bonds (Series IV- 2012-13)	Redeemable at par on 04-06-2022	3,000,000,000	3,000,000,000
(v) 8.87% Taxable Bonds (Series III- 2010-11 - Tranche-I)	Redeemable at par on 24-09-2020	1,500,000,000	1,500,000,000
(vi) 8.85% Taxable Bonds (Series II- 2009-10)	Redeemable at par on 13-01-2020	1,500,000,000	1,500,000,000
(vii) 9.60% Taxable Bonds (Series I- 2008-09)	Redeemable at par on 24-02-2019	1,000,000,000	1,000,000,000

Total of Bonds		42,076,546,000	22,076,546,000
B. Term Loans - Secured			
a. From Banks			
(i) Bank of Baroda (INR Loan)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021. Installments ranging between Rs. 19,147,506 to Rs. 96,126,342 .	672,496,432	804,273,634
Less: Current Maturity		145,228,922	131,777,202
(Secured by US$ deposit with BOB London)		527,267,510	672,496,432
(ii) Union Bank of India Term Loan-II	Interest @ base rate i.e 9.65% (Floating), Repayment on quarterly basis starting from 09.09.14. Balance repayable in 8 installments of Rs. 71,430,000 each and 1 installment of Rs 71,410,000 .	499,990,000	785,710,000
Less: Current Maturity		285,720,000	285,720,000
(Secured by pari-passu charge on the Loans and Advances (Book Debts))		214,270,000	499,990,000
(iii) Loan I from Asian Development Bank (ADB)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021 in installments ranging between US$ 398,900 to US$ 2,428,269	891,497,375	1,023,218,283
Less: Current Maturity		145,444,259	131,777,202
(Secured by pari-passu charge on the Loans and Advances (Book Debts) and Further Guaranteed by the Government of India)		746,053,116	891,441,081
b. From Others			
(i) Small Industrial Development Bank of India	Interest @ 9.35% (Fixed for 2 years), repayable on quarterly basis starting from 10.06.2016 in 14 installments of Rs. 70,000,000 each and 1 installment of Rs. 20,000,000 .	860,000,000	1,000,000,000
Less: Current Maturity		280,000,000	-
(Secured by pari-passu charge on the Loans and Advances (Book		580,000,000	1,000,000,000
C. Term Loans - Unsecured			
a. From Banks			
(i) Nordic Investment Bank (NIB)	Repayment on half yearly basis starting from 17.12.2012 till 17.06.2019 in 8 installments of US$ 3,571,428.58 each and 6 installments of US$ 3,571,428.56 each .	1,211,586,832	1,301,764,503
Less: Current Maturity		403,862,277	325,441,126
		807,724,555	976,323,377
(ii) KFW Loan-I	Repayment on half yearly basis starting from 30.12.2009 till 30.12.2039 in 28 installments of Euro 586,451.79 each, 32 installments of Euro 586,963.08 each and 1 installment of Euro 585,963 .	2,077,510,082	1,795,447,220
Less: Current Maturity		88,350,602	73,240,557
(Guaranteed by the Government of India)		1,989,159,480	1,722,206,663
(iii) KFW Loan-II	Repayment on half yearly basis starting from 30.09.2012 till 30.09.2020 in 16 installments of Euro 2,858,000 each & 1 installment of Euro 4,272,000	1,686,279,794	1,936,536,629
Less: Current Maturity		397,016,859	369,048,589
(Guaranteed by the Government of India)		1,289,262,935	1,567,488,040
(iv) KFW Loan-III	Repayment on half yearly basis starting from 30.06.2020 till 30.12.2049 in 9 installments of Euro 332,000 each & 51 installments of Euro 333,000 each .	1,514,329,933	1,324,347,788
Less: Current Maturity		-	-
(Guaranteed by the Government of India)		1,514,329,933	1,324,347,788
(v) KFW Loan-IV	Repayment on half yearly basis starting from 30.06.2014 till 30.12.2022 in 16 installments of Euro 11,111,000 each and 2 installments of Euro 11,112,000 each .	10,832,447,079	6,323,315,389
Less: Current Maturity		1,666,507,245	1,586,135,586
(Guaranteed by the Government of India)		9,165,939,834	4,737,179,803
(vi) International Bank for Reconstruction and Development (IBRD)	Repayment on half yearly basis starting from 15.12.2005 till 15.06.2020 in installments ranging from Euro 1,309,700 to Euro 2,651,500 .	1,284,367,842	1,049,923,798
Less: Current Maturity		293,235,711	186,169,601
(Guaranteed by the Government of India)		991,132,131	863,754,197
(vii) Loan II from Asian Development Bank (ADB)	Repayment on half yearly basis starting from 15.04.2020 till 15.10.2034 in 29 equal installments of US$ 667,665.91 each and 30th installment of US$ 667,665.90	1,333,238,441	-
Less: Current Maturity		-	-
(Guaranteed by the Government of India)		1,333,238,441	-
b. From Others			

(i) Loan from NCEF Less: Current Maturity	Repayable in 40 equal quaterly instalments starting from 30.09.2015 of Rs 1,525,000 each.	56,425,000 6,100,000	61,000,000 6,100,000
		50,325,000	54,900,000
(ii) Loan-II from NCEF Less: Current Maturity	Interest @ 2% , repayable in 10 annual instalments starting from 30.09.2017 of Rs 70696708 each.	706,967,084 70,696,708	- -
		636,270,376	-
(ii) Agence Francaise De Developpement (AFD) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 31.07.2016 till 31.01.2031 in 30 installments of Euro 2,333,333.33 each .	5,457,997,345 376,413,610	5,646,171,045 188,205,702.00
		5,081,583,735	5,457,965,343
(iii) Agence Francaise De Developpement (AFD)-II Less: Current Maturity	Repayment on half yearly basis starting from 30.11.2019 till 30.05.2029 in 20 installments of Euro 5,000,000 each .	2,378,669,341 -	714,500,000 -
		2,378,669,341	714,500,000
(iv) Japan International Cooperation Agency (JICA) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 20.6.2021 to 20.06.2041 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each .	19,071,959,092 -	18,881,101,805 -
		19,071,959,092	18,881,101,805
(v) Japan International Cooperation Agency (JICA)-II Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 20.03.2024 to 20.03.2044 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each .	6,603,721,712 -	2,611,375,000 -
		6,603,721,712	2,611,375,000
(vi) European Investment Bank (EIB) Less: Current Maturity (Guaranteed by the Government of India)	Tranche I - Repayment on half yearly basis starting from 26.09.2019 to 26.03.2035 in 32 installments of US$ 662,000 each .	5,756,121,011 -	1,326,306,560 -
		5,756,121,011	1,326,306,560
(vii) Government of India Against International Development Agency (IDA) - Second Renewable Energy Project (INR Loan) Less: Current Maturity	Repayment on half yearly basis starting from 15.10.2010 to 15.04.2035 in 20 installments of US$ 625,000 each and 30 installments of US$ 1,250,000 each payable in INR .	2,687,844,000 79,054,235	2,756,254,250 78,750,121
		2,608,789,765	2,677,504,129
Total		103,422,363,967	68,055,426,218

Foot Notes:

All foreign currency borrowings from various multilateral / bilateral agencies (hedged) viz. ADB, IBRD, NIB, KfW, AFD,JICA and EIB have been converted into INR loan by way of plain vanilla swap transaction /currency, interest rate swap / principal only swap etc. entered into with various banks with whom IREDA has signed ISDA Master Agreement. These swap/derivative transactions have been entered into with the participating bank for a different maturity period for each transaction which is shorter from the maturity period of the loan. The hedging of the foreign currency loan has been carried out at various intervals and in multiple tranches of drawl against the lines of credit. Due to SWAP / hedging of foreign currency loans, in addition to the interest cost, these loans carry, hedging/derivative cost, commitment fee, government guarantee fee and other financial charges and due to multiplicity of the tranches of drawl against the line of credit , the applicable rate of interest on these lines of credit has not been disclosed above.

NOTE-'5'
OTHER LONG TERM LIABILITIES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Trade Payable	-	-
(b) IREDA-National Clean Energy Fund (NCEF)	3,246,687,078	3,083,640,254
24% Share in MP Wind Farms	720,000	720,000
Total	3,247,407,078	3,084,360,254

NOTE-'6'
LONG TERM PROVISIONS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Provision for Employees' Benefits	120,336,511	88,547,529
(b) Others		
Provision for Standard Assets	224,209,337	164,198,098
24% Share in MP Wind Farms	1,190,812	508,680
Total	345,736,660	253,254,307

NOTE-'7'
SHORT TERM BORROWING

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
Vijaya Bank	-	-
24% Share in MP Wind Farms	-	-
Total	-	-

NOTE-'8'
TRADE PAYABLE

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
Trade Payable	51,661,575	115,343,629
24% Share in MP Wind Farms	37,917	32,001
Total	51,699,492	115,375,630

CHOPRA & COMPANY NEW DELHI

NOTE-'9'
OTHER CURRENT LIABILITIES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Current Maturity of Long Term Debts	4,237,630,428	3,362,365,686
(b) Interest accrued but not due on borrowings	2,634,298,597	1,514,748,625
(c) Others Payable		
Provident Fund Payable	2,706,365	2,432,371
MNRE Programme Funds	94,485,441	574,736,941
MNRE Co Generation Specific Grant	2,790,182	2,790,182
National Hydrogen Energy Board	476,034	458,386
MNRE GBI Fund	21,135,149	1,486,893,318
Assosication of Renewable Energy of States	50,439,565	50,000,000
Roof Top and other Small Scale Solar Project	881,956,445	1,133,171
MNRECapital Subsidy For Channel Patners	980,251,456	85,527,825
MNRE -GEF- UNIDO Funds	30,000,000	-
MNRE UNDP Funds	149,309,191	39,381,692
MNRE SWHS	30,523,675	-
Other Liabilities	22,222,001	24,330,263
24% Share in MP Wind Farms	40,770	295,545
Total	9,138,265,300	7,145,094,004

NOTE-'10'
SHORT TERM PROVISIONS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Provision for Employees' Benefits	6,353,937	6,334,966
(b) Others		
Provision Income-tax (Net)	172,189,804	108,812,443
Proposed Dividend	-	544,000,000
Corporate Dividend Tax	-	110,745,600
Provision for Standard Assets (including Floating provision)	853,815,581	951,466,364
Provision for Corporate Social Responsibility Fund	129,379,710	107,889,324
Provision for Sustainable Development Fund	-	3,942,260
Other Provisions	69,972,716	38,840,740
24% Share in MP Wind Farms	885,006	725,894
Total	1,232,596,734	1,872,757,591

NOTE-'12'
NON CURRENT INVESTMENT

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(i) Trade Investment	-	-
(ii) Other Investments		
Investment in Equity Instruments (unquoted)(at cost)		
1,68,000 (Previous year 1,68,000) fully paid up Equity shares of Rs.10/- each, including 48,000 equity shares allotted as bonus shares, in MP Wind Farms Ltd, a Joint Sector Company of IREDA (having 24% equity), M. P. Urja Vikas Nigam Ltd (having 25% equity), Consolidated Energy Consultants Limited (having 49.5% equity) and balance shares by Others .	-	-
Less: Provision for diminution in the value of Investment	-	-
	-	-

Fixed Assets (Consolidated)

NOTE-11

AMOUNT IN RS.

Particulars	GROSS BLOCK					Depreciation					NET BLOCK	
	Opening Balance as at 01.04.2016	Additions during the half year	Disposals during the half year	Adjustments during the half year	Closing Balance as at 30.09.2016	Opening Balance as at 01.04.2016	Additions during the half year	Disposals during the half year	Adjustments during the half year	Closing Balance as at 30.09.2016	As at 30.09.2016	As at 30.09.2015
(i) Tangible Assets												
Buildings-Residential	4,143,149	-	-	-	4,143,149	3,095,322	86,473	-	-	3,181,795	961,354	1,224,527
Leasehold												
Buildings-Office												
Leasehold-IHC	43,956,603	-	-	-	43,956,603	24,325,096	1,198,608	-	-	25,523,704	18,432,899	21,850,390
Leasehold-AKB	422,757,821	-	-	-	422,757,821	186,201,613	12,772,926	-	-	198,974,539	223,783,282	258,764,541
Office Space at Chennai	14,353,680		-	-	14,353,680	1,370,362	616,708	-	-	1,987,070	12,366,610	13,998,312
24% Share in MP Wind Farms	65,922				65,922	-	-	-	-	-	65,922	65,922
Furniture and Fittings	28,904,191	1,637,303		-	30,541,494	22,918,383	1,100,045	-	-	24,018,428	6,523,066	6,797,985
24% Share in MP Wind Farms	70,577				70,577	62,835	778			63,613	6,964	8,520
Vehicles	5,704,198	3,891,084	(2,156,519)	-	7,438,763	4,017,992	688,813	2,042,617	-	2,664,188	4,774,575	2,080,211
24% Share in MP Wind Farms	430,242				430,242	359,646	22,334			381,980	48,262	98,107
Office Equipments	32,040,453	98,847	(6,770)	-	32,132,530	29,207,200	442,566	6,432	-	29,643,334	2,489,196	2,591,750
24% Share in MP Wind Farms	56,033				56,033	53,996	-			53,996	2,037	2,037
Computers	51,872,561	3,279,454	-	-	55,152,015	41,999,541	2,990,644	-	-	44,990,185	10,161,830	3,650,090
24% Share in MP Wind Farms	41,421				41,421	39,048	668			39,716	1,705	3,041
Library	1,858,123	-	-	-	1,858,123	1,858,123	-	-	-	1,858,123	-	-
24% Share in MP Wind Farms					-	-	-			-	-	-
Electrical Equipments					-	-	-			-	-	-
24% Share in MP Wind Farms	77,087				77,087	44,349	3,865			48,214	28,873	36,603
Tools					-		-				-	-
24% Share in MP Wind Farms	10,578				10,578	10,369	-		-	10,369	209	209
Wind Electricity Generator (WEG)					-	-	-			-	-	-
24% Share in MP Wind Farms	7,740,849		(5,208,849)		2,532,000	7,096,658	32,592		4,951,998	2,177,252	354,748	676,784
Total A	614,083,488	8,906,688	(7,372,138)	-	615,618,038	322,660,533	19,957,020	(2,049,049)	(4,951,998)	335,616,506	280,001,532	311,849,029
Previous Year	607,916,033	914,645	(373,651)	-	608,457,027	286,567,226	10,396,734	(355,963)	-	296,607,997	311,849,029	321,348,806
Farms	8,492,709	-	(5,208,849)	-	3,283,860	7,666,901	60,237	-	(4,951,998)	2,775,140	508,720	891,223
Previous Year	8,492,709	-	-	-	8,492,709	7,536,071	65,415	-	-	7,601,486	891,223	956,637
(ii) Intangible Assets**												
Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Software	14,586,154		-	-	14,586,154	11,693,716	1,023,255	-	-	12,716,971	1,869,183	4,481,016
Total B	14,586,154	-	-	-	14,586,154	11,693,716	1,023,255	-	-	12,716,971	1,869,183	4,481,016
Previous Year	14,422,302	-	-	-	14,422,302	9,548,047	393,239	-	-	9,941,286	4,481,016	4,874,255
Total A+B	628,669,642	8,906,688	(7,372,138)	-	630,204,192	334,354,249	20,980,275	(2,049,049)	(4,951,998)	348,333,477	281,870,715	316,330,045
Previous Year	622,338,335	914,645	(373,651)	-	622,879,329	296,115,273	10,789,973	(355,963)	-	306,549,283	316,330,045	325,266,424
(iii) Capital Work In Progress												
Leasehold Office	8,000				8,000	-	-		-	-	8,000	-
Total C	8,000	-	-	-	8,000	-	-	-	-	-	8,000	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Intangible Assets under development												
Software under Development	558,710		-		558,710						558,710	606,131
Total D	558,710	-	-	-	558,710	-	-	-	-	-	558,710	606,131
Previous Year	593,731	12,400	-	-	606,131	-	-	-	-	-	606,131	593,731
(v) Capital Work in Progress												
Capital Work in Progress 50 MW Solar Project	140,319,983	323,614,132	-	-	463,934,115	-	-	-	-	-	463,934,115	70,000,000
Total E	140,319,983	323,614,132	-	-	463,934,115	-	-	-	-	-	463,934,115	70,000,000
Previous Year	70,000,000	-	-	-	70,000,000	-	-	-	-	-	70,000,000	70,000,000
Total A+B+C+D+E	769,556,335	332,520,820	(7,372,138)	-	1,094,705,017	334,354,249	20,980,275	(2,049,049)	(4,951,998)	348,333,477	746,371,540	386,936,176
Previous Year	692,932,066	927,045	(373,651)	-	693,485,460	296,115,273	10,789,973	(355,963)	-	306,549,283	386,936,176	396,816,792

NOTE-'13'
LONG TERM LOANS & ADVANCES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(a) Capital Advances		
- For purchase of Office & Residence premises (including parkting) at NBCC Complex	595,426,273	145,600,000
(b) Security Deposits	1,432,124	-
(c) Loan & Advances to Related Parties		
Loans		
Advances (Not bearing interest)	692,567	1,080,877
	-	-
(d) Term Loans		
- Onlending		
- Refinancing (N.C.E.F.-I)	93,077,456,508	68,997,689,440
- N.C.E.F.-II	376,525,000	607,025,000
Less: Allowance for bad and doubtful Loans	671,618,730	-
	1,440,789,735	1,057,258,784
	92,684,810,503	**68,547,455,656**
(e) Interest Accrued but not due on Loans		
(f) Loans to Employees	15,496,720	13,682,965
(g) Advance Tax & Other Tax Recoverable (Net)	27,686,218	24,199,108.08
(h) Staff Advances (Not bearing interest)	1,319,411,036	949,347,663
Total Loans & Advances of IREDA	48,698	18,725
24% Share in MP Wind Farms	**94,645,004,139**	**69,681,384,994**
	69,485	**69,485**
	94,646,073,624	**69,681,454,479**
Sub-classification of above :		
Secured (Considered good)		
- Term Loans		
- Term Loans - Refinancing (N.C.E.F.-I)	87,498,984,675	64,213,938,281
- Term Loans (NCEF-II)	47,275,000	201,875,001
- Interest Accrued but not due on Loans	671,618,730	-
- Loans to Employees including related parties	15,496,720	13,682,965
- Term Loans Secured by Bank Guarantee	26,378,785	25,279,985
	43,360,000	67,760,000
Secured (Considered doubtful)		
- Term Loans (Substandard, Doubtful & Loss)	5,535,111,833	4,715,991,159
Unsecured (Considered good)		
- Term Loans - Refinancing (N.C.E.F.-I)		
- Capital Advances	329,250,000	405,149,999
- Security Deposits	595,426,273	145,600,000
- Advance Tax & Other Tax Recoverable	1,432,124	-
- Staff Advances (Not bearing interest)	1,319,411,036	949,347,663
24% Share in MP Wind Farms	48,698	18,725
	69,485	69,485
	96,085,863,359	**70,738,713,263**
Less: Allowance for bad and doubtful/Substandard Loans	1,440,789,735	1,057,258,784
GRAND TOTAL	**94,645,073,624**	**69,681,454,479**
- Due from Directors of the Company.	753,482	174,310
- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	1,115,712	906,567

NOTE-'14'
OTHER NON CURRENT ASSETS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
OTHER BANK BALANCES		
(Refer Note No. 16)		
Foreign Currency Deposits		
- Dollar Deposit		
More than 12 months original maturity	742,179,882	887,408,804
(earmarked against bank loan from BOB)		
Total	742,179,882	887,408,804

NOTE-'15'
TRADE RECEIVABLE

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
(A) Outstanding for a period exceeding six months from the date they are due for payment		
(i) Secured, Considered good	-	-
(ii)Unsecured, Considered good	-	-
(iii) Doubtful	-	-
	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - A	-	-
(B) Others		
(i) Secured, Considered good	-	-
(ii)Unsecured, Considered good	515,957	690,659
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - B	515,957	690,659
24% Share in MP Wind Farms	965,061	817,996
Total (A+B)	1,481,018	1,508,655

NOTE-'16'
CASH AND BANK BALANCES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2016 Rs.
A) CASH AND CASH EQUIVALENTS		
(a) Balances with Banks		
A) In Current Account with Schedule Banks		
- IREDA		
i) In Indian Branches	2,283,237,392	3,019,806,250
ii) In Foreign Branches		
In Euro	18,314	-
In JPY	252,782	13,373
B) In Deposit Account		
i) INR-Short term Deposit		
- IREDA	9,460,582,992	12,542,776,883
Includes deposits of Rs. 6,650,000,000 having original maturity of more than 90 days .		
(ii) Dollar Deposit		
Less than 90 days original maturity	269,568	375,879
(b) Cheques Under Collection/DD in hand	-	23,113,817
(c) Postage Imprest	30,981	80,230
Sub Total	11,744,392,029	15,586,166,432
B) OTHER BANK BALANCES		
(a) Balances with Banks		
A) In Current Account		
- MNRE	215,272	1940272
- MNRE -GEF- UNIDO Funds	30,000,000	-
B) In Saving Account		
- UNDP	5,000	5000
- MNRE UNDP Account	149,309,191	39,381,692
- National Hydrogen Energy Board	1,398	458,386
- IREDA (MNRE GBI Fund)	21,135,149	1,486,893,318
- Rooftop & Other Small Solar Power Plant	81,956,445	1,145,597
- MNRE Capital Subsidy for Channel Partners	122,151,456	1,488,516
- IREDA National Clean Energy Fund	69,991	79,342
- Association of Renewable Energy Agencies of State-MNRE Share	439,565	-
C) In Deposit Account		
- MNRE	1,725,000	-
- MNRE Capital Subsidy for Channel Partners	856,100,000	84,039,309
- MNRE Implementation of SWHS	30,523,875	-
- Association of Renewable Energy Agencies of State-MNRE Share	50,000,000	-
- STD - National Hydrogen Energy Board	474,636	-
- Rooftop & Other Small Solar Power Plant	800,000,000	-
- STD - IREDA Co Generation	2,825,000	-
- IREDA National Clean Energy Fund	2,585,017,087	2,289,200,000.00
b) Foreign Currency Deposits		
- Dollar Deposit		
Less than 12 months original maturity	811,824,189	131,777,202
More than 12 months original maturity	742,179,882	887,408,804
- Euro Deposit		
Less than 12 months original maturity	-	750,225,825
More than 12 months original maturity	-	-
- Yen Deposit		
Less than 12 months original maturity	762,296,712	-
More than 12 months original maturity	-	-
	7,050,249,648	5,674,043,263
Less: Amount disclosed under non-current assets (Refer Note No. 14)	(742,179,882)	(887,408,804)
Sub Total	6,308,069,766	4,786,634,459
24% Share in MP Wind Farms	5,251,806	5,689,100
Total	18,057,713,601	20,378,489,991

NOTE-'17'
SHORT TERM LOANS & ADVANCES

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2016 Rs.
A. Total Loans & Advances		
(a) Security Deposits	30,635,055	1,949,274
(b) Loan & Advances to Related Parties		
Loans	676,110	675,092
Advances (Not bearing interest)	40,000	321,522
(c) Term Loans		
- Onlending	22,915,367,301	9,752,113,083
- Refinancing (N.C.E.F.-I)	233,550,000	100,000,000
- N.C.E.F. -II	35,348,354	-
Less: Allowance for bad and doubtful Loans	-	-
	23,184,265,655	9,852,113,083
(d) Interest Accrued and due on Loans	2,162,635,647	1,224,956,368
(e) Interest Accrued but not due on Loans	103,380,098	151,362,656
(f) Loans to Employees	5,362,789	4,593,911
(g) Advance Tax & Other Tax Recoverable (Net)	-	3,513,736
(h) Staff Advances (Not bearing interest)	3,544,073	-
(i) Others	309,795,570	243,703,971
Sub Total - I	25,800,334,997	11,483,189,613
B. Total Loans to constituents of MNRE		
(a) Loans to constituents of MNRE	25,476,919	25,652,880
(b) Interest Accrued and due on MNRE Loans	66,469,295	66,469,295
Sub Total - II	91,946,214	92,122,175
24% Share in MP Wind Farms	9,354	19,093
Total (I+II)	25,892,290,566	11,575,330,881
Sub-classification of above :		
IREDA		
Secured (Considered good)		
- Term Loans	22,895,687,301	9,740,075,926
- Term Loans (Refinancing) (N.C.E.F.-I)	157,650,000	24,100,000
- Term Loans (NCEF-II)	35,348,354	-
- Interest Accrued and due on Loans	2,162,635,647	1,224,956,368
- Interest Accrued but not due on Loans	103,380,098	151,362,656
- Loans to Employees including related parties	6,038,899	5,269,003
- Term Loans Secured by Bank Guarantee	19,680,000	12,037,157
Unsecured (Considered good)		
- Term Loans (Refinancing) (N.C.E.F.-I)	75,900,000	75,900,000
- Security Deposits	30,635,055	1,949,274
- Staff Advances (Not bearing interest) including related parties	3,584,073	3,835,258
- Advance Tax & Other Tax Recoverable	-	-
- Others	309,795,570	243,703,971
24% Share in MP Wind Farms	9,354	19,093
	25,800,344,351	11,483,208,706
MNRE		
Doubtful		
- Term Loans to Constituents of MNRE	91,946,214	92,122,175
GRAND TOTAL	25,892,290,565	11,575,330,881
- Due from Directors of the Company.	466,110	435,092
- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	250,000	240,000

Note-'18'
OTHER CURRENT ASSETS

PARTICULARS	As at 30.09.2016 Rs.	As at 30.09.2015 Rs.
-Interest accrued but not due on deposits with banks	312,798,411	124,265,160
-Recoverable from NCEF-II	706,967,084	-
-Others	32,569,106	2,503,414
24% Share in MP Wind Farms	1,029,654	817,243
Total	1,053,364,255	127,585,817

NOTE-'19'
REVENUE FROM OPERATIONS

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
A. INTEREST		
(i) Interest on Lending Operations	6,601,583,006	5,324,865,188
Less : Rebate on Prompt Payment	23,292,309	3,975,874
	6,578,290,697	5,320,889,314
(ii) Differential Interest	20,735,460	143,404,790
Less: Service Tax	2,704,625	17,347,489
	18,030,835	126,057,301
(iii) Interest on Deposits with Banks		
-Short Term Deposit-INR	273,135,064	291,449,009
-US$ Deposit	6,462,988	3,089,380
-EURO Deposit	-	808,259
-Yen Deposit	1,044	237
	279,599,096	295,346,885
B. OTHER FINANCIAL SERVICES		
(a) Business Service Fees		
(i) Front end Fee	166,547,269	128,028,002
Less: Service Tax	21,530,369	15,078,474
	145,016,900	112,949,528
(ii) Application Fee on Loans	37,164,222	15,913,988
Less: Service Tax	4,811,859	1,922,988
	32,352,363	13,991,000
(iii) Application Fee - Generation Based Incentive	133,910,088	76,071,535
Less: Service Tax	17,175,088	8,871,535
	116,735,000	67,200,000
(b) Business Service Charges		
Service Charges - UNDP Programme Fund	498,749	-
Less Service Tax	65,054	-
	433,695	-
Service Charges - Generation Based Incentive	21,778,043	6,281,608
Less Service Tax	2,838,613	768,283
	18,939,430	5,513,325
Service Charges - Biogas Feed Fertilizer Plant	33,915	-
Less Service Tax	4,295	-
	29,620	-
Service Charges - Roof Top and Other Small Solar Power Project	16,274,864	29,093,041
Less Service Tax	2,108,589	3,572,830
	14,166,275	25,520,211
Service Charges - MNRE Capital Subsidy for CPs, SNAs and PA	6,578,466	9,533,295
Less Service Tax	853,403	1,169,366
	5,725,063	8,363,929
(c) Amount received in respect of Bad Debts written off	3,000,000	16,750,001
24% Share in MP Wind Farms	1,265,842	2,556,120
Total	7,213,584,816	5,997,147,814

NEW DELHI

NOTE-'20'
OTHER INCOME

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
Interest on Staff Loan	1,255,527	1,254,718
Profit on Sale of Fixed Assets	480,098	3,661
Rental Income	300,000	-
Miscellaneous income		
- Transferred from Capital Grant	216,051	9,984
- Others	481,509	6,210
24% Share in MP Wind Farms	458,967	1,225,770
Total	3,192,152	2,500,343

NOTE-'21'
EMPLOYEE BENEFIT EXPENSES

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
(a) Salaries, Wages and Other Amenities	112,854,013	87,342,811
(b) Contribution to Provident and Other Funds		
Contribution to Provident Fund	6,169,193	5,361,651
Provident Fund Administrative Charges	93,142	80,980
Contribution to Benevolent Fund	36,690	33,220
Contribution to Superannuation fund	4,607,979	4,019,753
Contribution to Gratuity Fund	9,953,889	(4,512,734)
(c) Staff Welfare Expenses	11,360,013	(1,524,424)
(d) Human Resource Development	480,487	206,924
24% Share in MP Wind Farms	856,362	1,097,639
Total	146,411,768	92,105,820

NOTE-'22'
FINANCE COST

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
A. Interest Expense		
Interest on Borrowings		
- on Bonds	1,728,874,158	974,667,199
- on Loans	1,967,013,289	1,817,119,294
	3,695,887,447	2,791,786,493
B. Other Borrowing Costs		
(i) Commitment fee	12,803,850	7,315,392
(ii) Guarantee Fee	300,325,529	230,330,101
C. Others		
(i) Bond Trusteeship fee	50,000	192,500
(ii) Bank Charges	96,262	39,723
(iii) Bond Issue Expenses	688,105	-
(iv) Loss due to underlying exchange fluctuation (IDA-II)	-	186,086,098
(v) Applicable Net Loss on Foreign Currency Translations and Transactions	250,330,296	-
(viii) Others	1,378,369	733,859
24% Share in MP Wind Farms	211	10,847
Total	4,261,560,069	3,216,495,013

NOTE-'23'
OTHER EXPENSES

PARTICULARS	For the half year ended 30.09.2016 Rs.	For the year ended 30.09.2015 Rs.
Electricity and Water Charges	4,412,468	4,129,798
Office rent	680,611	1,357,991
Office Maintenance	1,819,256	1,838,348
Repairs and Maintenance-Others	7,150,751	2,217,188
Insurance	300,044	64,755
Rates and Taxes	5,687,104	10,390,871
Business Promotion	16,932,101	3,129,819
Travelling and Conveyance	8,053,255	7,714,149
Information and Dissemination	4,574,484	4,723,552
Payment to Auditor	1,035,000	640,000
Legal and Professional	10,310,798	3,086,939
Newspapers and Periodicals	60,497	55,965
Postage Telegram and Telephone	1,081,994	1,111,515
Printing and Stationery	2,935,498	1,300,567
Recruitment Expenses	571,579	712,345
Credit Rating Expenses - Surveillance included	4,905,920	7,354,500
Filing Fees	45,400	2,507,100
Corporate Social Responsibility	37,537,102	32,266,025
Director Sitting Fees	-	60,000
Loss on Sale of Assets	-	5,691
Interest on Service Tax	1,293,752	1,894,078
Miscellaneous Expenses	3,310,322	1,185,570
24% Share in MP Wind Farms in project expenses	213,897	224,877
24% Share in MP Wind Farms in other expenses	427,882	430,552
Total	113,339,715	88,402,198

NOTE '1'

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 as per section 129, the Accounting Standards referred to in Section 2 clause II of The Companies Act, 2013 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 principal has remained overdue for a period of more than two quarters at the end of financial year. 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 Statement of Profit and Loss in the year of issue of such loan/bond.

(iii) Prepaid expenses and prior period expenses/income upto Rs. 20,000/- per item are charged to Statement of Profit & Loss as and when incurred/adjusted/received.

(iv) Insurance claims are accounted for as and when admitted by the insurance company.

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

- **Assets classification**

    a) Standard Asset:- An asset is classified as Standard Asset if it is not an Non-Performing Asset (NPA).

    b) Non performing Asset: A non-performing asset (NPA) is a loan where:

- An asset, in respect of which, interest and/ or principal has remained overdue for a period of more than two quarters.
- The company classifies the NPA at the end of the financial year.

c) The Non-performing Asset is further classified as below:-

I. Sub-standard Assets

A sub-standard asset is one, which has remained NPA for a period of upto 18 months.

II. Doubtful Assets

A doubtful asset is one, which has remained in the substandard category for a period exceeding 18 months.

III. Loss assets

A Loss asset is one which is considered uncollectible and is of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value and where loss has been identified by the company or internal or external auditors or any other relevant Government authority but the amount has not been written off wholly or the asset remains doubtful asset for a period exceeding 5 years.

Provisioning against loans

The provisioning in respect of loans & advances is made as under:

(i) **Standard Assets:** provision in respect of Standard Assets is made @ 0.25% of the outstanding standard assets. In addition, the Board of Directors may decide to create floating provision on Standard Asset. The floating provision can not be reversed by credit to statement of P&L Account. It can only be utilised for making specific provisions in respect of impaired accounts.

(ii) **Sub-standard Assets:** A provision of 10% of loan outstanding is made.

(iii) **Doubtful Assets:** 100% of the extent to which the loan is not covered by the realisable value of the security to which IREDA has a valid recourse. With regard to secured portion of loan, provision as follows is made:-

Period for which the asset has been considered as doubtful	% of provision
Upto one year	20%
1 to 3 year	30%
More than 3 years	Between 50% to 100% of loan outstanding depending upon risk perception.

(iv) **Loss Assets:-** 100% of the loan outstanding is provided for.

(v) In joint venture company, the revenue from sales and /or services are recognized when requirements as to performance is satisfied, which represents transfer of significant risks and rewards to the customers as per terms of relevant contracts and no significant uncertainty remains regarding the consideration. Sales & Income are shown exclusive of taxes, if any, applicable on sales/services. Applicable taxes are accounted for separately.

3) Foreign Currency Transactions

(i) Transactions in foreign currency (except the foreign currency loans where derivative transactions have been made with banks), 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 Statement of Profit and Loss and accounted as per Accounting Standard (AS)-11 on "The Effects of Changes in Foreign Exchange Rates (revised 2003)" issued by the Institute of Chartered Accountants of India (ICAI).

(ii) The transaction in foreign currency loans, where Derivative transaction take place, are recorded at the contracted exchange rate on deal date till the Period of maturity of derivative deals. The difference between the exchange rate at the date of transaction and derivatives rate is recognized as income or expense in the Statement of Profit and Loss.

(iii) Derivative transactions includes principal swap, Currency & Interest Rate Swap (CIRS), forwards, interest rate swaps, cross currency swaps, currency and cross currency options etc. to hedge foreign currency assets and liabilities.

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 and intangible assets is provided as per the useful life mentioned and in the manner prescribed in Schedule II of The Companies Act, 2013 on written down value method.

(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, which is as per Schedule II of The Companies Act, 2013 .

(iv) 100 % Depreciation is provided in respect of assets of Rs. 5000 or less .

7) **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.

8) **Loans**

Loans secured against Hypothecation, English Mortgage, Equitable Mortgage and Joint Equitable Mortgage and guaranteed by Banks/Financial Institution/Central Government/State Government as the case may be, are classified as fully secured.

9) **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.

10) Employee Benefits

(A) Short Term Employee Benefits

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the Statement of Profit and Loss of the period in which the related service is rendered.

(B) Retirement Benefits

1. The liability for retirement of employees in respect of provident fund, benevolent fund, superannuation fund and Gratuity, which is ascertained annually on actuarial valuation at the year end, are accrued and funded separately.
2. The liabilities for leave encashment, sick leave and post retirement medical benefits and baggage allowance to employees are accounted for on accrual basis based on actuarial valuation at the year end.

11) 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 any liability is recognized only when it is virtually certain that the reimbursement will be received.

CHOPRA & COMPANY NEW DELHI

NOTE '24'

NOTES ON ACCOUNTS

1. (a) The company is registered with the Reserve Bank of India (RBI) as a Non- Banking Financial Company (NBFC) vide order dated 10.02.1998. As per notification No. DNBS(PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 of RBI. Government companies as defined under Section 2(45) of the companies act, 2013 have been exempted from applicability of the provisions of Reserve Bank of India Act, 1934 relating to maintenance of liquid assets and creating of Reserve funds and the Directions relating to acceptance of public deposits and prudential norms. The said notification is also applicable to IREDA, being Govt. Company conforming to Section 2(45) of the companies act, 2013. Further, as per para No. 1(3) (iv) of RBI's Master Circular No. DNBS(PD) CC No. 333/03.02.001/2013-14 dated July 1, 2013, IREDA being a Government Company as defined under section 2(45) of the companies act, 2013 continues to be exempted from the applicability of non-banking financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Moreover in view of the non-applicability of the provisions of Section 45(I) C of the RBI Act 1934 regarding creation of Reserve Fund, the Reserve Fund is not created.

   In terms of the exemption vide notification No. DNBS(PD).CC>No.12/02.01/99-2000 dated 13.01.2000 as explained above and in terms of article no. 26(a) & (b) of the Articles of Association , the Board of Directors of IREDA approved company's prudential norms relating to income recognition, assets classification and provisioning including restructuring/reschedulement of borrower's account which are being followed consistently. Some important features of these prudential norms are given in significant accounting policy No. 2(v).

(b) However, it has been observed that said Articles do not specifically cover the asset classification/provisioning for restructured/ rescheduled accounts for which clarification/modification from MNRE has been sought.

(c) M/s M.P. Wind Farms Ltd. (MPWL) is a joint sector company in collaboration with IREDA, M.P.Urja Vikas Nigam Limited and Consolidated Energy Consultants Pvt. Ltd. a private Ltd.

Co. with share holding of 24%, 25% and 49.5% respectively. The paid up capital of MPWL stood at Rs. 7,000,000 which includes IREDA's initial subscription of Rs. 1,200,000 and bonus shares of Rs. 480,000 against the authorized share capital of Rs. 10,000,000. In accordance with The Companies Act 2013 and accounting standard AS-21 on consolidated financial statement read with AS-23 on accounting for investment in associates and AS-27 on financial reporting of interest in joint ventures, the consolidated financial statement is prepared based on the accounts (unaudited) provided by M/s M.P. Wind Farms Ltd.

2. While making provision for Doubtful Assets at the end of the year the value of security is derived from the balance sheet of the borrower(s) by applying the depreciation as per rates prescribed under Schedule II of The Companies Act, 2013. However, if the balance sheet of the borrower(s) is older than 5 years from the financial year for which the shortfall is worked out, the same is ignored. However, for the half year ended 30th September 2016 , the said exercise has not been done .

3. As per Accounting Policy No. 2(v)(b), the classification of NPA is done at the end of the financial year. However, during the half year ended 30.09.2016 :-
   (a) The net provision for bad and doubtful debt amounting to Rs. 761,484 towards movement of NPA account consists of 50% of the required provision for the doubtful accounts for full year.

   (b) General provision for standard assets amounting to Rs.517,368,134 (Previous half year Rs. 609,862,307 (includes of floating provision of Rs.481,808,009 (Previous half year Rs. 579,214,654) created towards stressed/restructured accounts which may or may not be classified as NPA at the year end.

4. **Details of Contingent Liabilities and Commitment**

As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India (ICAI), the movement in Provisions as on 30th September, 2016 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 year	Additions made during the half year	Amount incurred and charged against the provision during the half year	Closing balance at the end of the half year
1	Standard assets including Adhoc	560,656,764 (559,988,726)	517,368,134 (555,675,736)	0 (0)	1,078,024,898 (1,115,664,462)
2	Income tax	5,181,227,707 (3,932,627,707)	735,600,000 (732,900,000)	0 (0)	5,916,827,707 (4,665,527,707)
3	Proposed dividend	0 (544,000,000)	0 (0)	0 (0)	0 (544,000,000)
4	Dividend tax	0 (110,745,600)	0 (0)	0 (0)	0 (110,745,600)
5	Leave encashment	31,805,370 (32,980,311)	6,716,503 (-) (684,088)	1,368,551 (2,507,462)	37,153,322 (29,788,761)
6	Gratuity	12,309,017 (19,584,848)	9,953,889 (489,388)	1,236,921 (5,491,510)	21,025,985 (14,582,726)
7	Post retirement medical benefit	35,514,822 (33,578,077)	8,799,783 (-)(4,072,939)	153,840 (216,237)	44,160,765 (29,288,901)
8	Sick leave	21,232,411 (23,023,201)	3,160,827 (-)(1,600,767)	981,548 (929,941)	23,411,690 (20,492,493)
9	Baggage Allowance	782,280 (795,555)	156,406 (-)(65,941)	0 (0)	938,686 (729,614)
10	Corporate Social Responsibility	109,131,482 (103,143,152)	37,537,102 (32,266,025)	17,288,874 (27,519,853)	129,379,710 (107,889,324)

Previous half year figures shown within bracket

In case of JV, - The liability Income Tax for the half year ended 30th September 2016 has not been provided .

b) Details of Contingent Liabilities & Capital Commitments

(Amount in Rupees)

Particulars	As at 30.09.16	As at 30.09.15
Contingent Liabilities not provided for		
Income Tax cases for the Assessment year 2010-11, 2011-12, 2012-13 are pending in appeal before the	605,226,810	439,407,189

Commissioner of Income Tax (Appeals). Income tax proceedings for Assessment Years 1998-99 to 2009-10 are pending before Assessing Officer as these cases have been referred back by ITAT vide its order dated 21.11.2014 to the Assessing Officer. No hearing for the same has been conducted by the Assessing Officer since then .		
Claims against the Company not acknowledged as debt in respect of petition filed against company seeking damages by M/s Mahakrishna Financial Services Pvt. Ltd. * .	-	15,000,000
Counter indemnity in favour of M/s Indusind Bank against issue of Bank Guarantee in favour of BSE ltd. as security for receiving subscription of Public issue of Tax free bonds.	141,600,000	-
Total of Contingent Liabilities	**746,826,810**	**454,407,189**
COMMITMENTS		
Estimated value of contract to be executed on Capital Account for 50MW Solar Project	2,444,424,884	3,430,000,000
Estimated value of capital contract in reference to the acquisition of new office space at NBCC Plaza (inclusive of residential , commercial and parking space) .	746,565,902	1,310,400,000
Letter of comfort issued and outstanding	3,205,345,223	111,250,994

*During the current half year, the Company has arrived at a settlement with the claimant and paid an amount of Rs. 4,250,000 on 22.06.2016 in full and final settlement. Subsequent to the payment a joint petition in respect of the receipt of payment by the plaintiff and settlement of the suit has been filed in the Hon'ble Supreme Court of India

In case of JV – The Service Tax Department is in appeal against the Company before the Appellate Tribunal at Delhi for Service Tax demand of Rs. 3,942,111 and penalty Rs. 4,000,000 for the year 2005-06 , which were dropped by the Commissioner Service tax (Appeals) in favor of the Company. The matter is still pending for further proceedings at Appellate Tribunal.

The Company is defending the matter "Engineering Majdoor Sangh Dewas Vs M.P.Wind Farms Limited " at Labour Court , Dewas for grant of annual salary increment at higher rates for the year 2011-12 and 2012-13 to 02 employees who are at present not in the employment with the Company .

The Company is also in appeal before the Indore bench of M.P. High Court against the Labour Court Dewas order for re-statement of 01 employee w.e.f. 24.04.2015 with 25% back wages who was retrenched w.e.f. 31.07.2013 with due compliance of ID act provisions .

5. The setting up of 50 MW solar PV project (revised projected cost of Rs. 2,910,000,000 approx.) in the state of Kerala is being undertaken by Solar Energy Corporation of India. An amount of Rs. 463,934,115 has been incurred upto 30.09.16 towards the same. The work is under progress and is expected to be completed by the year end .

6. Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs 4,143,149. (Previous year – Rs. 4,143,149), office premises-IHC costing Rs. 43,956,603. (Previous year – Rs. 43,956,603) and office premises-AKB costing Rs 422,757,822 (Previous year – Rs. 422,757,822) 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 in Schedule II to The Companies Act, 2013.

7. The property tax in respect of all the residential and office premises for the period upto 31st March, 2017 has been paid . The property tax in respect of office building at India Habitat Centre has been paid as per the demand of 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 for 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.

   The property tax for the office space at Chennai branch office shall be paid after the Tax arrears payable by SIDCO , from whom the property has been purchased , upto the year 2014-15 are settled by them. However an approximate amount towards the same has been provided for in the books of accounts .

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

9. In the opinion of the management, the value of Current Assets, 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.

10. In terms of Section 135 of The Companies Act, 2013, IREDA is required to constitute a corporate social responsibility (CSR) Committee of the Board of Directors and the Company has to spend 2% of the average net profits of the Company's three immediately preceding financial year calculated as per section 198 of The Companies Act 2013. Accordingly, CSR Committee of the Board of Directors consisting of 4 Directors, one of whom is Government Director, has been constituted. During the half year the Company has made a provision of Rs. 37,537,102 (Previous half year Rs. 32,266,025) towards CSR.

During the current half year, following new projects, with a total outlay of Rs. 24,528,854 were agreed to be financed by IREDA under CSR as detailed under :

Sl. No.	CSR Project or activity identified	Outlay / Sanctioned amount	Implementing Agency	Status
1.	Yoga Day Celebration – support for setting up 5 Yoga Kendras	1,200,000	IREDA (HR)	Completed
2.	Community Street Lighting – installation of 228 Solar PV Street Lighting Systems in Pali (Rajasthan)	4,970,400	REIL	In progress
3.	Army Wives Welfare Association – Setting up computer lab for War Widows / their dependents and Jawans	3,145,704	Army Wives Welfare Association	MoA Signing in progress
4.	Skill Council for Green Jobs	4,468,750	Skill Council for Green Jobs	MoA signed
5.	Kamdhenu Charitable Trust – Setting up 4 Smart Classes at Kaushambi Public School, Kaushambi	744,000	Kamdhenu Charitable Trust	MoA Signing in progress
6.	Donation to Swachh Bharat Kosh	10,000,000	Swachh Bharat Kosh	In progress

During the current half year, an amount of Rs. 17,288,874 (Pervious half year Rs. 27,519,853) has been paid to the implementing agencies against the CSR projects based on the progress of the projects.

11. As per the board approved Foreign Exchange and Derivative Risk Management Policy of IREDA, an open exposure on foreign currency loans upto 30% of net worth of IREDA or 20% of outstanding forex borrowing, whichever is lower, is permissible. The open exposure as on 30.09.16 is Rs. 20,360,790,163 (Previous half year Rs. 4,331,765,358) which is not within the limit as per the policy. Out of said open exposure part hedging has been done for Rs. 4,195,132,651 (Previous half year NIL) by taking principal only swap (USD/INR), Rs. 736,588,580 (Previous half year NIL) by taking principal only swap (EUR/USD) and Rs. 7,643,520,267 (Previous half year NIL) by taking principal only swap (JPY/USD).

12. EARNING PER SHARE

In terms of Accounting Standard (AS) 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI), the Earnings Per Share (Basic & Diluted) is worked out as under:-

Particulars	As at 30.09.2016	As at 30.09.2015
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator		
Profit after Tax as per Statement of Profit & Loss	1,446,525,594	1,48,24,78,209
Denominator		
▪ Number of equity shares	7,846,000	78,46,000
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earnings per share.	3,923,000*	39,23,000**
▪ Basic & Diluted Earnings per share (annualised)	368.73	377.89

* weighted average (7846000*183/366) = 3,923,000

** weighted average (7846000*183/366) = 3,923,000

13. EMPLOYEE BENEFITS

(i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(a) **Change in the present value of the obligation**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Present value of obligation as at the beginning of the year	56,046,819 (61,749,683)	31,805,370 (32,980,311)	21,232,411 (23,023,201)	782,280 (795,555)	35,514,822 (3,35,78,077)

Interest cost	2,241,873 (2,392,800)	1,272,215 (1,277,987)	849,296 (892,149)	31,291 (30,828)	14,20,593 (13,01,150)
Current service cost	2,035,685 (1,731,796)	1,870,591 (1,723,734)	1,038,176 (1,072,928)	31,304 (23,382)	10,48,288 (6,37,292)
Past Service Cost	-	-	-	-	-
Benefits paid	(-) 2,000,000 (-) (1,644,005)	(-) 2,050,043 (-) (2,507,462)	(-) 981,548 (-) (929,941)	0 (0)	(-) 1,53,840 (-) (2,16,237)
Actuarial loss/(gain) on obligations	4,446,621 (-)(9,117,870)	4,255,189 (-)(3,685,809)	1,273,355 (-) 3,565,844)	93,811 (-) (120,151)	63,30,902 (-)60,11,381)
Present value of obligation at half year end	62,770,998 (55,112,404)	37,153,322 (29,788,761)	23,411,690 (20,492,493)	938,686 (729,614)	4,41,60,765 (2,92,88,901)

Previous half year figures shown within bracket

(b) Change in fair value of plan asset

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	43,737,802 (42,164,835)	-	-	-	-
Expected return on plan assets	1,749,512 (1,897,418)	-	-	-	-
Employer's contribution	0 (0)	-	-	-	-
Benefits paid	(-) 2,000,000 (-) (1,644,005)	-	-	-	-
Actuarial loss/(gain) on obligations	(-) 1,742,301 (-)(1,888,570)	-	-	-	-
Fair value of plan asset at the end of the half year	41,745,013 (40,529,678)	-	-	-	-

Previous half year figures shown within bracket

(c) Amount recognized in Balance Sheet

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)

Estimated present value of obligation at the end of the half year	62.770,998 (55.112,404)	37,153,322 (29,788,761)	23,411,690 (20,492,493)	938,686 (729,614)	44,160,765 (29,288,901)
Fair value of plan assets at the end of the half year	41,745,013 (40,529,678)	- -	- -	- -	- -
Net liability recognized in Balance Sheet	21,025,985 (14,582,726)	37,153,322 (29,788,761)	23,411,690 (20,492,493)	938,686 (729,614)	44,160,765 (29,288,901)

Previous half year figures shown within bracket

(d) **Expense recognized in the Statement of Profit & Loss**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	2,035,685 (1,731,796)	1,870,591 (1,723,734)	1,038,176 (1,072,928)	31,304 (23,382)	1,048,288 (637,292)
Past service cost	- -	- -	- -	- -	- -
Interest cost	2,241,873 (2,392,800)	1,272,215 (1,277,987)	849,296 (892,149)	31,291 (30,828	1,420,593 (1,301,150)
Expected return on plan asset	1,749,512 (-)(1,897,418)	- -	- -	- -	-
Net actuarial (Gain) / Loss recognized in the half year	6,188,922 (-)(7,229,300)	4,255,189 (-) (3,685,809)	1,273,355 (-) (3,565,844)	93,811 (-) (120,151)	6,330,902 (-)(6,011,381)
Total expenses recognized in Statement of Profit & Loss	8,716,968 (-)(5,002,122)	7,397,995 (-) (684,088)	3,160,827 (-) (1,600,767)	156,406 (-) (65,941)	8,799,783 (-)(4,072,939)

Previous half year figures shown within bracket

(e) **Principal actuarial assumption as expressed as weighted average**

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post-Retirement Medical Benefit (Un funded)
Discount rate	7.16% (7.82%)	7.16% (7.82%)	7.16% (7.82%)	7.16% (7.82%)	7.16% (7.82%)

Expected rate of return on plan assets	8% (9%)	- -	- -	- -	- -
Expected rate of salary increase	6.5% (6.5%)	6.5% (6.5%)	6.5% (6.5%)	6.5% (6.5%)	6.5% (6.5%)
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

(f) **Defined Contribution Plan**

During the half year, the company has recognized an expense of Rs. 6,262,335/- (Previous half year: Rs S,442,631) in respect of contribution to Provident Fund, Rs. 36,690/- (Previous half year: Rs. 33,220) in respect of contribution to Benevolent Fund and Rs. 4,607,979/- (Previous half year: Rs. 4,019,753) in respect of contribution to Superannuation Fund.

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

In case of MP Windfarms – Provision has been made for the liability of Gratuity.

14. RELATED PARTY DISCLOSURE

(I) Details of transactions entered into with the related parties during the half year as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(Amount in Rupees)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	6,968,697 (7,717,926)

(ii) Disclosure of Related Parties with whom Business transactions took place during the half year ending 30.09.2016 :-

Name	Designation	Period
Shri K. S. Popli	Chairman & Managing Director	01.04.2016 to 30.09.2016
Shri S. K. Bhargava	Director- Finance	01.04.2016 to 30.09.2016

Shri B.V Rao	Director- Technical	01.04.2016 to 30.09.2016
Shri Surender Suyal	Company Secretary	01.04.2016 to 30.09.2016
M/s M.P. Windfarms Limited	A joint venture company in collaboration with M.P. Urja Vikas Nigam Limited (25%), Consolidated Energy Consultants Limited (49.5%), IREDA (24%) and Others (1.5%) .	No dividend received from the company during the current year as well as previous half year.

15. REMUNERATION OF DIRECTORS

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

(Amount in Rupees)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)	Company Secretary
Salary & allowances	1,537,471 (2,023,781)	1,387,628 (1,694,351)	1,073,700 (1,522,095)	842,210 (703,863)
Medical allowance	40,980 (19,784)	36,585 (17,660)	37,500 (18,648)	27,095 (12,698)
Provident Fund	141,048 (115,722)	127,530 (103,077)	115,344 (108,837)	97,131 (75,234)
Superannuation Contribution	94,536 (86,790)	84,396 (77,307)	86,508 (81,630)	61,599 (56,427)
Value of perquisites as per Income Tax Act, 1961	420,208 (348,152)	361,614 (225,591)	271,146 (240,900)	124,468 (185,379)
Total	**2,234,243** **(2,594,229)**	**1,997,753** **(2,117,986)**	**1,584,198** **(1,972,110)**	**1,152,503** **(1,033,601)**

Previous half year figures shown within brackets

b) 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.

c) Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

d) Sitting Fees paid to Independent Directors Rs NIL (Previous half year Rs. 60,000).

16. REMUNERATION TO AUDITOR

(Amount in Rupees)

Particulars	Statutory Auditor
As Auditor	565,000 (300,000)
Limited Review Audit	NIL (100,000)
Tax Audit	NIL (NIL)
Certification & Other Service	470,000* (40,000)
Total	**1,035,000 (440,000)**

Previous half year figures shown within brackets

* Includes Rs. 450,000 paid for the audit of Internal Financial Control Systems (IFCS).

17. DEFERRED TAXES

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India (ICAI), the company has taken credit in the Statement of Profit & Loss 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.

b) Since the Company has resolved that it will not make any withdrawal from the Special Reserve created and being 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. 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 recognized any deferred tax liability on this account.

c) The details of deferred tax assets (net) as on 30th September, 2016 is given below:-

A	Deferred Tax Assets (+)	(Amount in Rs.)	
	Arising on account of timing differences:-	As at 30/09/2016	As at 30/09/2015
	• Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit,	60,462,275	32,836,934
	• Provision for Bad & Doubtful Debts & Standard Assets (Adhoc provision) (Less : Amount claimed u/s 36(1)(vii)(a)(c)).	669,454,834	752,005,277
	Total – A	**729,917,109**	**784,842,210**
B	**Deferred Tax Liablities (-)**		
	Depreciation	19,320,388	26,325,657
	Total – B	**19,320,388**	**26,325,657**
	Deferred Tax Asset (+)/Liability (-) (A-B)	710,596,720	758,516,554
	Deferred Tax Asset	**710,596,720**	**758,516,554**

d) In case of JV : As required by Accounting Standard-22 (AS 22) on Accounting for "Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI), deferred tax assets / liabilities have not been recognized, since in the opinion of the management there is no reasonable certainty that sufficient future income will be available against which these can be realized.

18. DISCLOSURE OF PRIOR-PERIOD ITEMS

(Amount in Rupees)

Particulars	For the period ending 30.09.2016		For the period ending 30.09.2015	
	Debits	Credits	Debits	Credits
Interest on Service tax	1,,172,547	-	-	-
Travelling and Conveyance	-	-	86,667	-
Tour Advance	-	-	44,223	-
Interest on Term Loan	735,922	37,367,930	-	-
Legal Expenses	537,500	-	-	-
Interest on JICA Loan	334,685	-	-	-
In case of JV – Gratuity Provision (24%)	699,233	-	-	-
Total	**3,479,887**	**37,367,930**	**130,890**	**-**

19. ADDITIONAL INFORMATION

a) **Expenditure in Foreign Currency:**

- On Traveling - Rs. 749,320 (Previous half year : Rs. 117,527)
- Interest expenses:- Rs. 386,174,420 (Previous half year : Rs. 294,709,367)
- Commitment charges - Rs. 12,803,850 (Previous half year : Rs. 7,315,392).

b) **Earnings in Foreign Currency:**

- Interest Rs. 6,464,032 (Previous half year : Rs. 3,897,876)

c) M/s KfW paid Rs. 13,589,880 (Previous half year: Rs. 24,966,608) directly to consultants (Abroad) hired under TA programme under Direct Disbursement Procedures and Rs. 813,929 (Previous half year : Rs. NIL) to IREDA as reimbursement of expenses incurred against Technical Assistance Programme (TAP) of EURO 1.5 Million sanctioned to IREDA in respect of KFW II & KFW IV lines of credit for expert services /assignments, capacity building and training programme etc.

20. 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.

21. Generation Based Incentives (GBI) and Capital Subsidy Scheme, MNRE

IREDA is a Fund Administrator on behalf of MNRE for distribution of Generation Based Incentive and Capital Subsidy for Wind and Solar Sectors. Under these schemes, specific fund amount is provided by MNRE to IREDA for the purpose of disbursement of the same to the GBI claimants as per the scheme of MNRE. Therefore, essentially, the activity is receipt and utilization of funds. For any further release of GBI funds, IREDA is required to submit the Utilization Certificate along with audited statement of expenditure duly certified by a Chartered Accountants. The said requirement is fully complied with by IREDA and nothing further has been required by MNRE so far. The statutory auditors have audited the balances in fund account and not audited the accounts of Scheme.

22 SUBSIDY

(a) **Interest Subsidy**

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to borrowers implementing MNRE programmes of 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 passed on to the borrowers on quarterly basis subject to complying with the terms and conditions of the sanction by these borrowers.

The programme-wise details of interest subsidy received, passed, refunded during the half year and the balance as on 30th September, 2016 are as under:-

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

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as at the beginning of the half year	Interest Subsidy received during the half year	Amount refunded during the half year	Interest Subsidy passed on during the half year	Closing Balance as at the end of the half year
1	Bio-mass Co-generation	21,501,324 (21,752,834)	0 (0)	0 (0)	0 (175,961)	21,501,324 (21,576,873)
2	Small Hydro	182,667 (182,667)	0 (0)	0 (0)	0 (0)	182,667 (182,667)
	Sub Total....A	21,684,001 (21,935,501)	0 (0)	0 (0)	0 (175,961)	21,684,001 (21,759,540)

Previous half year figures shown within brackets

NEW DELHI

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

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as at the beginning of the half year	Subsidy received during the half year	Amount refunded during the half year	Interest received on FDR	Subsidy passed /adjusted during the half year	Closing Balance as at the end of the half year
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	(-)5,135,405 (-)(5,135,405)	0 (0)	0 (0)	0 (0)	0 (0)	(-)5,135,405 (-)(5,135,405)
3	SPV WP 2001-02	(-)13,602,787 (-)(1,36,02,787)	0 (0)	0 (0)	0 (0)	0 (0)	(-)13,602,787 (-)(1,36,02,787)
4	SPV WP 1999-00	(-)684,937 (-)(6,84,937)	0 (0)	0 (0)	0 (0)	0 (0)	(-)684,937 (-)(6,84,937)
5	SPV WP Manufacturing	(-)2,96,898 (-)(2,96,898)	0 (0)	0 (0)	0 (0)	0 (0)	(-)2,96,898 (-)(2,96,898)
6	SPV WP 2002-03	(-)4,138,701 (-)(4,138,701)	0 (0)	0 (0)	0 (0)	0 (0)	(-)4,138,701 (-)(4,138,701)
7	Accelerated SWH System	9,851 (9,851)	0 (0)	0 (0)	0 (0)	0 (0)	9,851 (9,851)
	Sub Total.....B	(-)23,844,925 (-)(23,844,925)	0 (0)	0 (0)	0 (0)	0 (0)	(-)23,844,925 (-)(23,844,925)
	Grand Total (A + B)	(-)2,160,924 (-)1,909,424	0 (0)	0 (0)	0 (0)	251,500 (0)	(-)2,160,924 (-)1,909,424

Previous half year figures shown within bracket.

(b) **Capital subsidy**

During the half year, an amount of Rs 122,028,000 (Previous half year: Rs 86,700,000) was received from MNRE towards Capital Subsidy. Out of the total capital subsidy amount available, Rs 122,028,000 (Previous half year: Rs. 86,700,000) was passed on to the borrowers on compliance of the terms and conditions of the capital subsidy scheme.

(c) During the half year, an amount of Rs. 5,725,063 net of service tax was received (Previous half year 8,363,929) as service charges on account of MNRE Scheme of " MNRE Capital Subsidy for Channel Partners State Nodal Agency".

23. NCEF FUNDS

An amount of Rs. 2,585,087,078 (previous half year Rs. 2,289,279,342) , (including amounts repaid by the borrower and interest accrued on the deposit) is lying undisbursed in separate bank account.

The impact of refinancing of stressed projects under Biomass and Small Hydro Sector has been given in the half year ended 30.09.2016 in respect of eligible projects as per revised scheme for refinancing under NCEF in terms of approval of The Government of India through MNRE conveyed vide letter dated 13th October, 2016. Accordingly, an amount of Rs. 518,230,573 towards 30% of principal outstanding and Rs 188,736,510 towards 30% of Funded Interest outstanding has been identified as eligible amount and shown as recoverable from aforesaid NCEF accounts.

As a result of the said identification of eligible amount to be transferred to a separate loan account under NCEF Scheme, proportionate provision of earlier amount of Rs. 52,514,346 has been written back and income of Rs. 154,761,846 has been accounted for funded interest, in respect of NPA accounts.

24. Debenture Redemption Reserve

In terms of Rule 18 (7) (b) (ii) of The Companies Act 2013, the company is required to create a Debenture Redemption Reserve (DRR) upto 25% of the bonds issued through public issue. Accordingly a sum of Rs. 231,455,521 (Previous half year. Rs. .69,115,000) has been provided during the current half year.

25. IMPAIRMENT OF ASSETS

Fixed Assets owned by the company are treated as "Corporate Assets" and not "Cash Generating Units" as on September 30, 2016 as defined by Accounting Standard 28 (Impairment of Assets) issued by the Institute of Chartered Accountants of India (ICAI).

Further, in view of the nature of the assets held and the rates of depreciation applied there to, in the opinion of the management, there is no further impairment which needs to be provided for.

26. SEGMENT ACCOUNTING

The company operates in India, hence it is considered to operate only in domestic segment. Major revenue for the company comes from a single segment of financing activities as such considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).

NEW DELHI

27. All MNRE funds have been transferred in IREDA books of accounts and shown under the current assets- Cash and Bank Balances under Saving Bank account and corresponding liability shown under Other Current liabilities.

28. During the current half year, the Exceptional item of Rs. 96,668,851 (Previous half year NIL) represents IREDA's contribution of Rs. 66,940,000 Lakhs towards the corpus of International Solar Alliance (ISA) , with one time contribution of Rs. 10,000,000 each to three institutions of MNRE viz. NISE, NIWE, SSSNIBG for IREDA awards in these institutions along with 24% share in M.P.Windfarms , of Rs. 271,149 on Profit on Sale of Assets - WEGs completed project life .

29. In case of MP Windfarm, in the 1st Windfarm at Jamgodrani hills Dewas , permanent disconnection of WEGs (225 Kw NEPC Make) on completion of 20 years project life was commenced in the last year 2015-16 . Accordingly , at the beginning of the current year 2016-17 , there were only 15 WEGs in the Windfarm.

30. In case of MP Windfarm , in the current year 02 WEGs owned by the Company were disconnected on 05.05.2016 and were disposed by the Company . Further 02 WEGs owned by the investor were disconnected on 29.09.2016. On 30.09.2016 , there were only 11 WEGs in the windfarm . Further 04 WEGs owned by the investors shall be disconnected by March 2017.

31. Figures are rounded off to the nearest rupee. Also figures have been re-arranged/re-grouped wherever considered necessary to make them comparable with the current half year's figures. Comparative figures of the last half year (ending 30.09.2015) have been provided.

32. THE DISCLOSURES UNDER RBI GUIDELINES ARE AS UNDER (IREDA ONLY)

a. Capital to Risk Assets Ratio (CRAR)	18.25% (27.40%)
b. Exposure to Real Estate Sector (Direct and Indirect)	NIL (NIL)

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c. Maturity Pattern of Assets & Liabilities

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years
Loan Assets (including interest)	25,449,963,765 (11,228,150,955)	22,804,984,270 (21,787,591,145)	24,167,402,620 (16,556,691,860)
Foreign currency assets	1,574,661,565 (882,378,906)	336,365,224 (305,101,260)	405,814,658 (370,793,502)
Total Assets	**27,024,625,330** **(12,110,529,861)**	**23,141,349,494** **(22,092,692,405)**	**24,573,217,278** **(16,927,485,362)**
Rupee liabilities	6,330,819,498 (6,193,405,301)	2,193,531,932 (3,900,931,514)	3,293,798,994 (5,379,595,172)
Foreign currency liabilities	3,449,884,799 (2,938,768,484)	7,041,343,787 (6,329,501,368)	8,480,248,998 (5,462,206,142)
Total liabilities	9,780,704,297 **(9,139,228,454)**	9,234,875,719 **(10,230,432,882)**	11,774,047,992 **(10,841,801,314)**

Items	More than 5 years upto 7 years	More than 7 years	Total
Loan Assets (including interest)	17,511,686,409 (14,246,576,394)	28,200,737,204 (15,956,596,257)	118,134,774,268 (79,775,606,611)
Foreign currency assets	0 (211,514,042)	0 0	2,316,841,447 (1,769,787,710)
Total Assets	17,511,686,409 (14,458,090,436)	28,200,737,204 (15,956,596,257)	120,451,615,715 (81,545,394,321)
Rupee liabilities	6,082,896,708 (3,012,200,000)	61,153,820,116 (38,613,732,900)	79,054,867,248 (57,099,864,948)

CHOPRA & COMPANY NEW DELHI

Foreign currency liabilities	7,483,109,396 (3,068,653,378)	36,332,982,898 (28,891,132,898)	62,787,569,878 (46,690,262,270)
Total liabilities	13,566,006,104 **(6,080,853,378)**	97,486,803,014 **(67,497,811,190)**	141,842,437,126 **(103,790,127,218)**

As per our report of even date

For Jain Chopra & Company
Chartered Accountants
ICAI Regn. No. 2198N

CHOPRA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Ashok Chopra
Partner

Membership No. 017199

S. K. Bhargava
Director (Finance)

DIN No. 01430006

K. S. Popli
Chairman &
Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary
M. No. A11900

Date : 27th Dec 2016.
Place: New Delhi

INDEPENDENT AUDITORS' REPORT

To
The Members of
Indian Renewable Energy Development Agency Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Indian Renewable Energy Development Agency Limited, ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year than ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters on the standalone financial statements

i. The Company has sanctioned and disbursed loans under it's newly Board Approved Policy titled "IREDA Scheme for Discounting of Energy Bills". The loans so sanctioned and disbursed had been adjusted against dues of the borrowing company/group company, which do not meet with some of the criteria of the scheme. However, the company proposes to make suitable changes in the scheme for more clarity and get them approved.

   Further for one of the loans amounting to ₹3.36 crore, registration of charge is yet to be created.

ii. No. 24(1)(b) regarding provisions relating to Asset classification/provisioning of restructured/rescheduled accounts not being in conformity with the Articles of Association of the company.

iii. No. 24(11) regarding the obligation under section135 of The Companies Act, 2013 on Corporate Social Responsibility (CSR) having not been discharged during the year.

iv. No. 24(22) which states that specific audit of accounts of Generation based Incentive funds has not been done.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable and in terms of sub-section (5) of section 143 of the Act we give in the Annexure-B information in respect of the directions issued by the Comptroller and Auditor-General of India.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and 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 it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) The company being a Government Company, the provisions of Section 164(2) are not applicable to the company

   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure C", and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 24(4) to the standalone financial statements;

      ii. The Company did not have any long-term contacts including derivative contracts for which there were any material foreseeable losses;

      iii. There is no amounts, required, to be transferred by the Company to the Investor Education and Protection Fund.

Jain Chopra & Company
Chartered Accountants
(Firm's Registration No. 02198N)

Sd/-
Ashok Chopra
Partner
(Membership No. 017199)

Place: New Delhi
Dated: 22.08.2016

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

i) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

b) We are informed that the management had physically verified the fixed assets during the year and no discrepancies were noticed on such verification.

c) On the basis of information and explanations provided, the properties have been allotted in the name of the company but in the case of its office premises at India Habitat Centre and at August Kranti Bhawan, New Delhi, and its residential flat at Jangpura, New Delhi, the title deeds have yet to be executed.

ii) The company does not hold any inventories as such the provisions are not applicable.

iii) According to the information and explanations provided, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

iv) In respect of loans given to its whole time directors the same are covered under the exclusion as stated in the proviso to subsection 1 of section 185. The provision of section 186 is not applicable to the company as the company is engaged in the business of financing companies. Further the provision of subsection 1 of section 186 is not applicable as the company does not have any subsidiary company.

v) The company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under apply.

vi) According to the information and explanations provided. The Central Government has not prescribed the maintenance of cost records under subsection (1) of section 148 of the Companies Act, and the rules made there under, in the case of the Company.

vii) a) As per the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities.

b) The Company is in appeal in the following cases:

Name of the Statute	Subject	Ass. Yr.	Amount in ₹	Forum
Income Tax Act, 1961	Income Tax	2010-11	13.70 crore	CIT (Appeals)
Income Tax Act, 1961	Income Tax	2011-12	14.96 crore	CIT (Appeals)
Income Tax Act, 1961	Income Tax	2012-13	15.54 crore	CIT (Appeals)
Income Tax Act, 1961	Income Tax	2013-14	16.32 crore	CIT (Appeals)

viii) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the financial year.

ix) The company has raised moneys through Bonds and were applied for the purposes for which those are raised.

x) According to the information and explanations provided, no fraud committed on or by the company has been noticed or reported during the course of our audit.

xi) The company being a Government Company, the provisions relating to Managerial Remuneration do not apply to the company in terms of MCA Notification issued dated 5th June 2015.

xii) The company is not a Nidhi Company.

xiii) On the basis of information and explanations provided, the transactions with related parties are in compliance with Section 177 and 188, wherever applicable, and have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv) During the FY 2015-16, the Company has issued Tax-free bonds aggregating ₹284 crore on Private Placement basis allotted on October 01, 2015 as per the requirement of section 42 of the Companies Act, 2013 and the Rules made there under. The amount raised have been fully utilized for the purposes for which the funds were raised.

xv) On the basis of information and explanations provided, the company has not entered into any non-cash transactions with the Directors or persons connected with them.

xvi) Yes. The company is required and is registered with Reserve Bank of India under Section 45-IA of The Reserve Bank of India Act, 1934.

Jain Chopra & Company
Chartered Accountants
(Firm's Registration No. 02198N)

Sd/-
Ashok Chopra
Partner
(Membership No. 017199)

Place: New Delhi
Dated: 22.08.2016

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

Directions under section143(5) of the Companies Act, 2013 for the year 2015-16 issued by the Comptroller & Auditor General of India.

1. Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available?

   Answer:- On the basis of information and explanations provided the company holds clear title to the properties which have been allotted/purchased in the name of the company but the title deeds/lease deeds have yet to be executed in the case of its office premises in New Delhi at India Habitat Centre (Area 1048.79 sqmtr) and at August Kranti Bhawan, (Area 1813. 175 sqmtr), and its residential flat in New Delhi at Jangpura. (170.40 sqmtr).

2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.

   Answer:- During the year the company had sanctioned one time settlement (OTS) in the case of one of its borrowers. The account had already been written off in earlier years. The ledger balance as on the date of OTS was ₹10000/- and the balance in memorandum accounts was ₹937.19 lacs. As per information available the party has not come forward to pay the amount in settlement of the account. According, the OTS had fallen through. There has however been no write off in the current year.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. of other authorities.

   Answer:- The Company does not have any inventories. Further as per information and explanations provided the Company has not received any Grants from the Govt. or other authorities during the year.

Jain Chopra & Company
Chartered Accountants
(Firm's Registration No. 02198N)

Sd/-
Ashok Chopra
Partner
(Membership No. 017199)

Place: New Delhi
Dated: 22.08.2016

ANNEXURE-C TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Indian Renewable Energy Development Agency Limited**, ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weekness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my/our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, subject to the following, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

a. *Application of interest/reversal of interest in borrowers' accounts having manual interventions*

b. *Delegation of authority of various levels to be reviewed and is pending for a number of years*

c. *Information technology system for maintenance of records to be updated.*

d. *Absence of audit trail in case of collection of incomes in some misc. heads of accounts.*

Jain Chopra & Company
Chartered Accountants
(Firm's Registration No. 02198N)

Sd/-
Ashok Chopra
Partner
(Membership No. 017199)

Place: New Delhi
Dated: 22.08.2016

Jain Chopra & Company

Chartered Accountants

1960, First Floor, Otram Lines, Delhi - 110009
Phone : 011-27652776, 27650155
E-mail : jainchopra.company@gmail.com

NON BANKING FINANCIAL COMPANIES AUDITOR'S REPORT

The Board of Directors,
Indian Renewable Energy Development Agency Ltd.
New Delhi

Dear Sir,

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India on the matters specified therein to the extent applicable to the Company, we report that :

1. The company is engaged in the business of non-banking financial institution, having a valid certificate No.-14.000012 issued on 23rd January 2008 in lieu of the earlier Certificate No.- 14.000012 dated 10th February 1998 issued pursuant to the company's application for registration as per provisions of Section 45-1A of the Reserve Bank of India Act, 1934.

2. The Board of Directors have resolved on 26th April 2016 that the company will not accept public deposit during the financial year 2016-17 without prior approval of the Reserve Bank of India;

3. The company has not accepted any public deposits during the year ended on 31st March, 2016;

4. We draw reference to the Note no. 24(1) (b) to the Notes to Financial statements of the year ended 31st March, 2016 which reads as under :-

"24(1),(b) *However, it has been observed that said Articles do not specifically cover the asset classification/provisioning for restructured/rescheduled accounts for which clarification/modification from MNRE will be sought.*"

Subject to the above the company has complied with the prudential norms relating to income recognition, asset classifications and provisioning for the bad and doubtful debts as approved by the Board of Directors of IREDA in terms of Article of Association. The Company has also complied with the Accounting Standards as per the Companies (Accounting Standards) Rules, 2006.

Jain Chopra & Company
Chartered Accountants
Firm's Reg. No. 002198N

Sd/-
Ashok Chopra
Partner
M.No. 017199

Place : New Delhi
Dated : 12.09.2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED FOR THE YEAR ENDED 31 MARCH 2016

(As conveyed vide letter No. 471/PDCA/HS/MAB-IV/A/cs /IREDA(Standalone)/16-17 dated 17th October, 2016 by the office of the Principal Director of Commercial Audit & Ex-officio Member, Audit Board –IV, New Delhi.)

The preparation of financial statements of **Indian Renewable Energy Development Agency Limited** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **22 August, 2016.**

I, on behalf of the Comptroller and Auditor General of India, have conducted supplementary audit under section 143(6) (a) of the Act of the financial statements of **Indian Renewable Energy Development Agency Limited** for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:-

Comments	Management's Reply
I. Comments on Profitability **Statement of Profit and loss** **Other Expenses (Note 23) – ₹ 21,71,57,273** The above did not include ₹ 6.80 crore (equivalent of US $ one million as on 22 January 2016) towards IREDA's commitment for the corpus created for meeting operational cost of the secretariat of the International Solar Alliance (ISA) despite approval from the Board of Directors on 23 January 2016. This resulted in understatement of Other Expenses – Business promotion and Other Current Liabilities – provision for business promotion expenses and overstatement of Profit by ₹ 6.80 crore.	The interim administrative cell of International Solar Alliance (ISA Cell) and the United Nations Development Programme (UNDP) issued a Joint Declaration for cooperation for promoting ISA objectives in 122 prospective ISA member countries on 30th November, 2015. During the foundation stone laying ceremony of ISA Headquarter at NISE, Gwal Pahari, Gurgaon on 25.01.2016 by Shri Narendra Modi, Hon'ble Prime Minister of India and Shri Francois Hollande, Hon'ble President of France, IREDA in principally committed for contribution of an amount of US $ 1 million for the CORPUS of ISA. The aforesaid declaration on 25th January, 2016 for contribution of US$ one million for the corpus of ISA was in principally committed by IREDA to make the said contribution as and when ISA start its activities. The Secretariat of ISA was not functioning till 31.03.2016. Based on the progress of the Interim Cell of ISA, MNRE vide their OM dated 15th July, 2016 for the first time asked IREDA to release the committed amount of US$ one million. The said letter clearly states that ISA has started functioning and the programme of ISA are under implementation. Thereafter, the amount was released in September, 2016 after getting the details of separate ISA account made available by NISE to IREDA. Keeping in view the above, it is clear that the said amount was not payable as on 31st March, 2016 and further since the amount released was in the nature of one time grant, the same was to be booked in the books of IREDA in the year of release hence no provision was created in the accounts of the year 2015-16.

<table>
<tr><th>Comments</th><th>Management's Reply</th></tr>
<tr><td>II. Comments on Disclosure
Balance Sheet (Standalone)
Note No. 24.4.(b)

Commitment of ₹ 99.29 crore towards acquisition of new office space, car parking and residential apartment from NBCC on 30 year lease basis was worked out on the basis of pre revised demand of ₹ 145.60 crore instead of the revised demand of ₹ 134.20 crore. This resulted in overstatement of Commitment by ₹ 11.40 crore.</td><td>IREDA has booked the estimated office space of 40,000 sq. feet @ ₹32,814/- per sq. feet, residential space of 4892.19 sq. feet @ ₹15,006/- and covered parking of 100 No. @ ₹7,00,000/- each. Total cost estimated cost was ₹145.60 Crore. Based on the said estimated expenditure and payments made towards the demands raised for an amount of ₹46.31 Crore, the balance of amount of capital commitment was disclosed in Note No. 24.4(b) at ₹99.29 Crore instead of working the same based on reduced capital commitment of ₹134.20 Crore for the actual space allotted by NBCC Limited. The revised amount of ₹134.20 Crore towards the space allotted is not fully demanded.</td></tr>
<tr><td>III. Others

(a) Balance Sheet (Standalone)
Short Term Loans & Advances (Note 17)
Interest Accrued and Due on Loans - ₹ 119.31 crore
Interest Accrued but not Due on Loans - ₹ 14.40 crore

The above Interest accrued and due and Interest accrued but not due are the items of income generated from the lending activities and not the loans itself. Hence, these should have been depicted under Other Current Assets to present true and fair view of the financial position of the Company.This resulted in overstatement of Short Term Loans & Advances and understatement of Other Current Assets by ₹ 133.71 crore each.</td><td>The amount of interest accrued and due of ₹119.31 Crore and interest accrued but not due of ₹14.40 Crore pertains to loans and advances extended by IREDA. Since the same are receivables within one year period, they have been depicted under the head Short term loan and Advances (note no. 17) in accordance with Schedule-III of Companies Act, 2013.

As per Companies Act 2013 Schedule-III, Para 'R', Short term loan & advances includes:-
(i) Loan & Advances pertains to related parties
(ii) Other (Specify nature)
And
current assets that do not fit into any other assets category should be included under Para-S other Current Assets

Accordingly, as per Para 'R- Short Term Loan & Advance, of Schedule-III of Companies Act, 2013 as above, clearly provide that anything relating to loan & advances can be depicted under sub head (ii) others (Specify Nature).</td></tr>
<tr><td>(b) Long Term Loans & Advances (Note 13)
Interest Accrued but not Due on Loans – ₹ 1,45,59,943

Interest accrued but not due on Loans and Advances are of the nature of non-current asset hence the same should have been shown under Other Non-Current Assets instead of Long Term Loan and Advances.

This resulted in overstatement of Long Term Loan and Advances and understatement of Other Non- Current Assets by ₹ 1.46 crore.</td><td>The amount of interest accrued but not due of ₹1,45,59,943/- pertains to interest accrued but not due on loans given to employees. Hence it has been depicted under the head Long term loan and Advances (note no. 13) as per consistently followed practice and in accordance with Schedule-III of Companies Act, 2013.

As per Companies Act 2013 Schedule-III Para-I, Long Term Loan & Advances includes:-
(i) Capital Advance
(ii) Security Deposit
(iii) Loan & Advances pertains to related parties
(iv) Other Loan and Advances (Specify nature)
and
Para-M other Non-current assets includes " (i) long term receivable (ii) others (specify nature).</td></tr>
</table>

Comments	Management's Reply
	Accordingly, as per Para 'I- Long Term Loan & Advance, of Schedule-III of Companies Act, 2013 as above, clearly provide that anything relating to loan & advances can be depicted under sub head (iv) others loan & advances (Specify Nature). Since, the interest accrued but not due relates to the Loan And Advances pertaining to employees which is receivable after the repayment of principal loan during the tenure of the service of the employee, they have been depicted under Long term loan & Advance in Note 13.
(c) Short Term Loan and Advances (Note 17) Income Tax and Other Tax Recoverable (Net) - ₹ 18,35,91,090 The above Tax Recoverable/Receivable is not in the nature of Loan and Advances but being receivable is in the nature of Other Current Assets which had already become due on the date of Financial Statement i.e. 31 March 2016 and, therefore, should have been included under Other Current Assets. This resulted in overstatement of Short Term Loan and Advances and corresponding understatement of Other Current Assets by ₹ 18.36 crore each.	The presentation of income tax and other tax recoverable of ₹18.36 Crore for the FY 2015-16 under short term loan and advance as per prevailing past practice. However, the observation of audit is noted and the presentation of depicting income tax and other tax recoverable (net) shall be reviewed.
(d) Long Term Loan and Advances (Note 13) Income Tax and Other Tax Recoverable (Net) ₹ 111,25,12,623 The above being receivable is not of the nature of Loan and Advances but an asset. Since these pertains to earlier years and, therefore, should have been shown under Other Non-Current Assets. This resulted in overstatement of Long Term Loans and Advances and corresponding understatement of Other Non-Current Assets by ₹ 111.25 crore.	The presentation of income tax and other tax recoverable of ₹111.25 Crore relating to earlier year under Long term loan and advance as per prevailing past practice. However, the observation of audit is noted and the appropriate presentation of depicting income tax and other tax recoverable (net) shall be reviewed.

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

Sd/-
(Dr. Ashutosh Sbarma)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place: New Delhi
Date: 17 .10.2016

For and on the behalf of the
Board of Directors

Sd/-
(K.S. Popli)
Chairman & Managing Director

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Balance Sheet as at 31.03.2016

Particulars	Note No.	As at 31.03.2016 ₹	As at 31.03.2015 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	7,846,000,000	7,846,000,000
(b) Reserves and Surplus	3	15,114,670,993	13,939,635,668
(2) Share Application Money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowing	4	96,159,119,125	71,295,363,366
(b) Other long-term liabilities	5	3,164,601,442	3,000,304,428
(c) Long-term provisions	6	336,957,759	314,550,293
(4) Current liabilities			
(a) Short-term borrowing	7	2,697,759	-
(b) Trade payables (Includes balance payable to MSME - Nil (Previous year Nil))	8	69,125,792	83,831,442
(c) Other current liabilities	9	8,777,304,967	5,165,433,116
(d) Short-term provisions	10	487,219,460	1,159,818,712
TOTAL		131,957,697,297	102,804,937,024
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	11		
(i) Tangible assets		290,597,146	320,392,169
(ii) Intangible assets		2,892,438	4,874,255
(iii) Capital work-in-progress		8,000	-
(iv) Capital Work in Progress 50 MW Solar Project		140,319,983	70,000,000
(v) Intangible assets under development		558,710	593,731
		434,376,277	395,860,155
(b) Non-current investments	12	1,200,000	1,200,000
(c) Deferred tax assets (Net)	24(18)	622,045,841	569,309,750
(d) Long-term loans and advances	13	88,541,703,874	77,800,297,585
(e) Other non-current assets	14	816,575,116	954,879,562
(2) Current assets			
(a) Trade Receivable	15	1,614,169	6,361,855
(b) Cash and bank balances	16	24,559,317,256	10,569,513,695
(c) Short-term loans and advances	17	16,756,306,224	12,371,224,590
(d) Other current assets	18	224,558,540	136,289,833
TOTAL		131,957,697,297	102,804,937,024
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 24		

As per our Report of even date
For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Sd/-
Ashok Chopra
Partner
M.No.- 017199

Sd/-
S K Bhargava
Director (Finance)
DIN No. 01430006

Sd/-
K S Popli
Chairman and Managing Director
DIN No. 01976135

Sd/-
Surender Suyal
Company Secretary
M.No.: A11900

Place : New Delhi
Date : 22.08.2016

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Statement of Profit and Loss for the year ended on 31.03.2016

	Particulars	Note No.	For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
I.	Revenue from operations	19	11,740,334,538	11,178,515,655
II.	Other Income	20	5,063,160	5,039,484
III.	**Total Revenue (I+II)**		11,745,397,698	11,183,555,139
IV.	**Expenses:**			
	Employee Benefit Expenses	21	225,891,372	257,391,751
	Finance Cost	22	6,683,550,430	6,463,400,291
	Depreciation and Amortisation Expenses		42,719,609	54,803,722
	Other Expenses	23	217,157,273	178,446,299
	Bad Debts Written Off		-	405,657,703
	Less Provision for Bad and Doubtful Debts created in earlier years written back		-	(405,657,703)
	Provision for Bad and Doubtful Debts		392,646,390	312,486,192
	General Provision for Standard Assets		668,038	130,755,534
			7;562,633,112	7,397,283,789
V.	**Profit before Exceptional & Extrordinery items and tax (III-IV)**		4,182,764,586	3,786,271,350
VI.	**Add+/Less(-) Prior Period Adjustments (Net)**		(6,531,250)	(516,832)
VII.	**Add+/Less(-) Exceptional items**		-	-
VIII.	**Profit before tax (V-VI)**		4,176,233,336	3,785,754,518
IX.	Tax Expenses			
	(1) Current Tax		1,248,600,000	1,087,500,000
	(2) Income Tax- Earlier Years		-	-
	(3) Deferred Tax		(52,736,091)	(20,807,200)
X.	**Profit for the period (VII-VIII)**		2,980,369,427	2,719,061,718
XI.	**Earning per Equity Share:**	24(13)		
	(1) Basic & Diluted (Annualised)		379.86	355.05
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 24		

As per our Report of even date

For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Sd/-
Ashok Chopra
Partner
M.No.- 017199

Sd/-
S K Bhargava
Director (Finance)
DIN No. 01430006

Sd/-
K S Popli
Chairman and Managing Director
DIN No. 01976135

Sd/-
Surender Suyal
Company Secretary
M.No.: A11900

Place : New Delhi
Date : 22.08.2016

NOTE '1'

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 as per section 129, the Accounting Standards referred to in Section 2 clause II of The Companies Act, 2013 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 principal has remained overdue for a period of more than two quarters at the end of financial year. 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 Statement of Profit and Loss in the year of issue of such loan/bond.

(iii) Prepaid expenses and prior period expenses/income upto ₹ 20,000/- per item are charged to Statement of Profit & Loss as and when incurred/adjusted/received.

(iv) Insurance claims are accounted for as and when admitted by the insurance company.

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

- **Assets classification**

a) Standard Asset: - An asset is classified as Standard Asset if it is not an Non-Performing Asset (NPA).

b) Non performing Asset: A non-performing asset (NPA) is a loan where:

➢ An assets, in respect of which, interest and/ or principal has remained overdue for a period of more than two quarters.

➢ The company classifies NPA at the end of the financial year.

c) The Non-performing Asset is further classified as below:-

I. Sub-standard Assets

A sub-standard asset is one, which has remained NPA for a period of upto 18 months.

II. Doubtful Assets

A doubtful asset is one, which has remained in the substandard category for a period exceeding 18 months.

III. Loss assets

A Loss asset is one which is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value and where loss has been identified by the company or internal or external auditors or any other relevant Government authority but the amount has not been written off wholly or the asset remains doubtful asset for a period exceeding 5 years.

Provisioning against loans

The provisioning in respect of loans & advances is made as under:

(i) Standard Assets: provision in respect of Standard Assets is made @ 0.25% of the outstanding standard assets. In addition, the Board of Directors may decide to create floating provision on Standard Asset. The floating provision can not be reversed by credit to statement of P&L Account. It can only be utilised for making specific provisions in respect of impaired accounts.

(ii) **Sub-standard Assets:** A provision of 10% of loan outstanding is made.

(iii) **Doubtful Assets:** 100% of the extent to which the loan is not covered by the realisable value of the security to which IREDA has a valid recourse. With regard to secured portion of loan, provision as follows is made:-

Period for which the asset has been considered as doubtful	% of provision
Upto one year	20%
1 to 3 year	30%
More than 3 years	Between 50% to 100% of loan outstanding depending upon risk perception.

(iv) **Loss Assets:-** 100% of the loan outstanding is provided for.

3) **Foreign Currency Transactions**

(i) Transactions in foreign currency (except the foreign currency loans where derivative transactions have been made with banks), 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 Statement of Profit and Loss and accounted as per Accounting Standard (AS)-11 on "The Effects of Changes in Foreign Exchange Rates (revised 2003)" issued by the Institute of Chartered Accountants of India (ICAI).

(ii) The transaction in foreign currency loans, where Derivative transaction take place, are recorded at the contracted exchange rate on deal date till the Period of maturity of derivative deals. The difference between the exchange rate at the date of transaction and derivatives rate is recognized as income or expense in the Statement of Profit and Loss.

(iii) Derivative transactions includes principal swap, Currency & Interest Rate Swap (CIRS), forwards, interest rate swaps, cross currency swaps, currency and cross currency options etc. to hedge foreign currency assets and liabilities.

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 and intangible assets is provided as per the useful life mentioned and in the manner prescribed in Schedule II of The Companies Act, 2013 on written down value method.

(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.

(iv) Depreciation is provided in the financial year in respect of assets of ₹ 5000 or less 100%.

7) **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.

8) **Loans**

Loans secured against Hypothecation, English Mortgage, Equitable Mortgage and Joint Equitable Mortgage and guaranteed by Banks/Financial Institution/Central Government/State Government as the case may be, are classified as fully secured.

9) **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.

10) **Employee Benefits**

(A) **Short Term Employee Benefits**

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

(B) **Retirement Benefits**

1. The liability for retirement of employees in respect of provident fund, benevolent fund, superannuation fund and Gratuity, which is ascertained annually on actuarial valuation at the year end, are accrued and funded separately.

2. The liabilities for leave encashment, sick leave and post retirement medical benefits and baggage allowance to employees are accounted for on accrual basis based on actuarial valuation at the year end.

11) **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 any liability is recognized only when it is virtually certain that the reimbursement will be received.

Notes on Financial Statements for the year ended 31.03.2016

NOTE-'2'
SHARE CAPITAL

PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
Authorised 600,00,000 (Previous year 100,00,000) Equity Shares of ₹ 1,000 each	**60,000,000,000**	**10,000,000,000**
Issued, Subscribed & Fully Paid up		
78,46,000 (Previous Year 78,46,000) Equity Shares of ₹ 1,000 each fully paid up	**7,846,000,000**	7,846,000,000
Total	**7,846,000,000**	7,846,000,000

RECONCILIATION OF EQUITY SHARES

PARTICULARS	Equity Shares		Equity Shares	
	Number	₹	Number	₹
	2015-16		2014-15	
Shares outstanding as on 1st April	**7,846,000**	**7,846,000,000**	7,446,000	**7,446,000,000**
Shares issued during the period	-	-	400,000	**400,000,000**
Shares bought back during the period	-	-	-	-
Shares outstanding as on 31st March	**7,846,000**	**7,846,000,000**	7,846,000	**7,846,000,000**

Foot Notes:

(i) 100% Equity Shares are held by Government of India.

(ii) Equity Shareholders have full voting rights with no restrictions.

(iii) All the Equity Shares are fully paid up in cash.

NOTE-'3'
RESERVES & SURPLUS

PARTICULARS		As at 31.03.2016 ₹	As at 31.03.2015 ₹
a.	**Capital Reserves**		
i.	**Capital Grant from world bank for purchase of Fixed Assets**		
	Opening Balance	**846,924**	1,347,177
	(+) Received During the year	-	-
	(-) Transferred to Miscellaneous Income	**432,102**	500,253
	Closing Balance	**414,822**	846,924
ii.	**Grant-in-aid from Government of Netherlands**	**167,858,986**	167,858,986
iii.	**Grant-in-aid from World Bank**	**839,484,095**	839,484,095
iv.	**Other Capital Grant**	**60,144,000**	60,144,000
v.	**Securities Premium**	**504,000**	36,000
		1,068,405,903	1,068,370,005
b.	**Special Reserve**		
	(under Section 36(1)(viii) of the Income Tax Act, 1961)		
	Opening Balance	**4,616,517,961**	3,876,044,145
	(+) Addition during the year	**797,091,019**	740,473,816
	(-) Written Back in Current Year	-	-
	Closing Balance	**5,413,608,980**	4,616,517,961
c.	**Debenture Redemption Reserve**		
	Opening Balance	**276,460,000**	138,230,000
	(+) Addition during the year	**462,911,043**	138,230,000
	(-) Written Back in Current Year	-	-
	Closing Balance	**739,371,043**	276,460,000
d.	**General Reserve**		
	Opening Balance	**7,976,770,065**	6,793,565,266.00
	(+) Addition during the year	-	1,190,000,000.00
	(-) Additional depreciation charged	-	10,391,805.00
	(-) Deferred Tax on additional depreciation charged (@ 34.61%)	-	3,596,604.00
	(-) Transfere to Profit & Loss Account	**85,000,000**	-
	Closing Balance	**7,891,770,065**	7,976,770,065
e.	**Profit & Loss Account**		
	Opening Balance	**1,517,637**	5,905,335
	(+) Net Profit for the current year	**2,980,369,427**	2,719,061,718
	(-) Interim Dividend (also the Final Dividend)	**1,500,000,000**	-
	(-) Corporate Dividend Tax on Interim dividend (also the Final Dividend)	**305,370,000**	-
	(-) Proposed Dividend	-	544,000,000
	(-) Corporate Dividend Tax on Proposed Dividend	-	110,745,600
	(-) Transfer to Special Reserve	**797,091,019**	740,473,816
	(-) Transfer to Debenture Redemption Reserve	**462,911,043**	138,230,000
	(-)/+ Transfer to / from General Reserve	**85,000,000**	(1,190,000,000)
	Closing Balance	**1,515,002**	1,517,637
	Total	**15,114,670,993**	13,939,635,668

NOTE-'4'
LONG TERM BORROWINGS

PARTICULARS	Terms of Repayment	As at 31.03.2016 ₹	As at 31.03.2015 ₹
A. Bonds			
I) **Taxfree Bonds - Non Convertible Redeemable Debentures** (Secured by paripassu charge on Loans and Advances (book debts) of the company.)			
(i) 7.68% Tax free Bonds (Series XIV Tranche-I-IIIB- 2015-16)	Redeemable at par on 21-01-2036	**749,988,000**	-
(ii) 7.43% Tax free Bonds (Series XIV Tranche-I-IIIA- 2015-16)	Redeemable at par on 21-01-2036	**364,442,000**	-
(iii) 8.80% Tax free Bonds (Series XIII Tranche-I-IIIB- 2013-14)	Redeemable at par on 13-03-2034	**1,441,642,000**	1,441,642,000
(iv) 8.55% Tax free Bonds (Series XIII Tranche-I-IIIA- 2013-14)	Redeemable at par on 13-03-2034	**388,123,000**	388,123,000
(v) 7.74% Tax free Bonds (Series XIV Tranche-I-IIB- 2015-16)	Redeemable at par on 21-01-2031	**4,835,153,000**	-
(vi) 7.49% Tax free Bonds (Series XIV Tranche-I-IIA- 2015-16)	Redeemable at par on 21-01-2031	**8,842,652,000**	-
(vii) 8.56% Tax free Bonds (Series XIII Tranche-I-IC- 2013-14)	Redeemable at par on 27-03-2029	**360,000,000**	360,000,000
(viii) 8.80% Tax free Bonds (Series XIII Tranche-I-IIB- 2013-14)	Redeemable at par on 13-03-2029	**2,345,508,000**	2,345,508,000
(ix) 8.55% Tax free Bonds (Series XIII Tranche-I-IIA- 2013-14)	Redeemable at par on 13-03-2029	**1,230,769,000**	1,230,769,000
(x) 7.53% Tax free Bonds (Series XIV Tranche-I-IB- 2015-16)	Redeemable at par on 21-01-2026	**1,278,859,000**	-
(xi) 7.28% Tax free Bonds (Series XIV Tranche-I-IA- 2015-16)	Redeemable at par on 21-01-2026	**1,088,906,000**	-
(xii) 7.17% Tax free Bonds (Series XIV Private IC- 2015-16)	Redeemable at par on 01-10-2025	**2,840,000,000**	-
(xiii) 8.41% Tax free Bonds (Series XIII Tranche-I-IB- 2013-14)	Redeemable at par on 13-03-2024	**1,052,914,000**	1,052,914,000
(xiv) 8.16% Tax free Bonds (Series XIII Tranche-I-IA- 2013-14)	Redeemable at par on 13-03-2024	**757,590,000**	757,590,000
II) **Taxable Bonds - Non Convertible Redeemable Debentures** (Secured by negative lien on Loans and Advances (Book Debts) of the company.)			
(i) 8.49% Taxable Bonds (Series VB- 2013-14)	Redeemable at par on 10-05-2028	**2,000,000,000**	2,000,000,000

	PARTICULARS	Terms of Repayment	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(ii)	9.02% Taxable Bonds (Series III- 2010-11 - Tranche-II)	Redeemable at par on 24-09-2025	**2,500,000,000**	2,500,000,000
(iii)	8.44% Taxable Bonds (Series VA- 2013-14)	Redeemable at par on 10-05-2023	**3,000,000,000**	3,000,000,000
(iv)	9.49% Taxable Bonds (Series IV- 2012-13)	Redeemable at par on 04-06-2022	**3,000,000,000**	3,000,000,000
(v)	8.87% Taxable Bonds (Series III- 2010-11 - Tranche-I)	Redeemable at par on 24-09-2020	**1,500,000,000**	1,500,000,000
(vi)	8.85% Taxable Bonds (Series II- 2009-10)	Redeemable at par on 13-01-2020	**1,500,000,000**	1,500,000,000
(vii)	9.60% Taxable Bonds (Series I- 2008-09)	Redeemable at par on 24-02-2019	**1,000,000,000**	1,000,000,000
	Total of Bonds		**42,076,546,000**	22,076,546,000
B.	**Term Loans - Secured**			
a.	**From Banks**			
(i)	Bank of Baroda (INR Loan)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021. Installments ranging between ₹ 19,147,506 to ₹ 96,126,342.	**739,967,190**	865,411,250
	Less: Current Maturity		**138,304,446**	125,568,028
	(Secured by US$ deposit with BOB London)		**601,662,744**	739,843,222
(ii)	Union Bank of India Term Loan-II	Interest @ base rate i.e 9.65% (Floating), Repayment on quarterly basis starting from 09.09.2014. Balance repayable in 8 Installments of ₹ 71,430,000 each and 1 installment of ₹ 71,410,000 .	**642,850,000**	1,785,710,000
	Less: Current Maturity		**285,720,000**	285,720,000
	(Secured by pari-passu charge on the Loans and Advances (Book Debts))		**357,130,000**	1,499,990,000
(iii)	Loan I from Asian Development Bank (ADB)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021 in installments ranging between US$ 398,900 to US$ 2,428,269 .	**958,948,095**	1,084,162,632
	Less: Current Maturity		**138,492,174**	125,568,028
	(Secured by pari-passu charge on the Loans and Advances (Book Debts) and Further Guaranteed by the Government of India)		**820,455,921**	958,594,604
b.	**From Others**			
(i)	Small Industrial Development Bank of India	Interest @ 9.35% (Fixed for 2 years), repayable on quarterly basis starting from 10.06.2016 in 14 installments of ₹ 70,000,000 each and 1 installment of ₹ 20,000,000.	**1,000,000,000**	2,000,000,000
	Less: Current Maturity		**280,000,000**	-
	(Secured by pari-passu charge on the Loans and Advances (Book Debts))		**720,000,000**	2,000,000,000
C.	**Term Loans - Unsecured**			
a.	**From Banks**			
(i)	Nordic Investment Bank (NIB)	Repayment on half yearly basis starting from 17.12.2012 till 17.06.2019 in 8 installments of	**1,139,590,476**	1,463,490,824
	Less: Current Maturity		**325,597,279**	325,220,183
			813,993,197	1,138,270,641

PARTICULARS		Terms of Repayment	As at 31.03.2016 ₹	As at 31.03.2015 ₹
		US$ 3,571,428.58 each and 6 installments of US$ 3,571,428.56 each.		
(ii)	KFW Loan-I	Repayment on half yearly basis starting from 30.12.2009 till 30.12.2039 in 28 installments of Euro 586,451.79 each, 32 installments of Euro 586,963.08 each and 1 installment of Euro 586,963.	**1,758,826,942**	1,832,067,498
	Less: Current Maturity		**73,240,557**	73,240,557
	(Guaranteed by the Government of India)		**1,685,586,385**	1,758,826,941
(iii)	KFW Loan-II	Repayment on half yearly basis starting from 30.09.2012 till 30.09.2020 in 16 installments of Euro 2,858,000 each & 1 installment of Euro 4,272,000.	**1,757,432,623**	2,124,001,709
	Less: Current Maturity		**370,190,333**	369,560,263
	(Guaranteed by the Government of India)		**1,387,242,290**	1,754,441,446
(iv)	KFW Loan-III	Repayment on half yearly basis starting from 30.06.2020 till 30.12.2049 in 9 installments of Euro 332,000 each & 51 installments of Euro 333,000 each.	**1,324,347,788**	1,324,347,788
	Less: Current Maturity		**-**	-
	(Guaranteed by the Government of India)		**1,324,347,788**	1,324,347,788
(v)	KFW Loan-IV	Repayment on half yearly basis starting from 30.06.2014 till 30.12.2022 in 16 installments of Euro 11,111,000 each and 2 installments of Euro 11,112,000 each.	**11,346,345,139**	6,720,198,482
	Less: Current Maturity		**1,620,885,608**	1,528,800,592
	(Guaranteed by the Government of India)		**9,725,459,531**	5,191,397,890
(vi)	International Bank for Reconstruction and Development (IBRD)	Repayment on half yearly basis starting from 15.12.2005 till 15.06.2020 in installments ranging from Euro 1,309,700 to Euro 2,651,500.	**958,198,610**	1,138,929,762
	Less: Current Maturity		**191,612,575**	180,731,152
	(Guaranteed by the Government of India)		**766,586,035**	958,198,610
(vii)	Loan II from Asian Development Bank (ADB)	Repayment on half yearly basis starting from 15.04.2020 till 15.10.2034 in 29 equal installments of US$ 6,666,666 each and 30th installment of US$ 6,666,686.	**665,317,481**	-
	Less: Current Maturity		**-**	-
	(Guaranteed by the Government of India)		**665,317,481**	-
b.	**From Others**			
(i)	Loan from NCEF	Interest @ 2%, repayable in 40 equal quaterly instalments starting from 30.09.2015 of ₹ 1,525,000 each.	**56,425,000**	61,000,000
	Less: Current Maturity		**6,100,000**	4,575,000
			50,325,000	56,425,000
(ii)	Agence Francaise De Developpement (AFD)	Repayment on half yearly basis starting from 31.07.2016 till 31.01.2031 in 30 installments of Euro 2,333,333.33 each.	**5,646,228,207**	5,645,894,759
	Less: Current Maturity		**376,415,214**	-
	(Guaranteed by the Government of India)		**5,269,812,993**	5,645,894,759

PARTICULARS	Terms of Repayment	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(iii) Agence Francaise De Developpement (AFD)-II	Repayment on half yearly basis starting from 30.11.2019 till 30.05.2029 in 20 installments of Euro 5,000,000 each.	**1,465,455,000**	714,500,000
Less: Current Maturity		**-**	-
		1,465,455,000	714,500,000
(iv) Japan International Cooperation Agency (JICA)	Repayment on half yearly basis starting from 20.6.2021 to 20.06.2041 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each.	**18,893,083,798**	18,873,535,711
Less: Current Maturity		**-**	-
(Guaranteed by the Government of India)		**18,893,083,798**	18,873,535,711
(v) Japan International Cooperation Agency (JICA)-II	Repayment on half yearly basis starting from 20.03.2024 to 20.03.2044 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each.	**5,564,375,000**	2,611,375,000
Less: Current Maturity		**-**	-
(Guaranteed by the Government of India)		**5,564,375,000**	2,611,375,000
(vi) European Investment Bank (EIB)	Tranche I - Repayment on half yearly basis starting from 26.09.2019 to 26.03.2035 in 32 installments of US$ 662,000 each.	**1,326,306,560**	1,326,306,560
Less: Current Maturity		**-**	-
(Guaranteed by the Government of India)		**1,326,306,560**	1,326,306,560
(vii) Government of India			
Against International Development Agency (IDA) - Second Renewable Energy Project (INR Loan)	Repayment on half yearly basis starting from 15.10.2010 to 15.04.2035 in 20 installments of US$ 625,000 each and 30 installments of US$ 1,250,000 each payable in INR.	**2,075,733,750**	2,146,418,750
Add: Liability due to underlying exchange fluctuation		**648,667,813**	597,751,000
		2,724,401,563	2,744,169,750
Less: Current Maturity		**78,968,161**	77,300,556
		2,645,433,402	2,666,869,194
Total		**96,159,119,125**	71,295,363,366

Foot Notes:

All foreign currency borrowings from various multilateral / bilateral agencies (hedged) viz. ADB, IBRD, NIB, KfW, AFD, JICA and EIB have been converted into INR loan by way of plain vanilla swap transaction /currency, interest rate swap / principal only swap etc. entered into with various banks with whom IREDA has signed ISDA Master Agreement. These swap/derivative transactions have been entered into with the participating bank for a different maturity period for each transaction which is shorter from the maturity period of the loan. The hedging of the foreign currency loan has been carried out at various intervals and in multiple tranches of drawl against the lines of credit. Due to SWAP / hedging of foreign currency loans, in addition to the interest cost, these loans carry, hedging/derivative cost, commitment fee, government guarantee fee and other financial charges and due to multiplicity of the tranches of drawl against the line of credit, the applicable rate of interest on these lines of credit has not been disclosed above.

NOTE-'5'
OTHER LONG TERM LIABILITIES

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a)	Trade Payable	-	-
(b)	Others	-	-
(c)	IREDA-National Clean Energy Fund (NCEF)	**3,164,601,442**	3,000,304,428
	Total	**3,164,601,442**	3,000,304,428

NOTE-'6'
LONG TERM PROVISIONS

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a)	Provision for Employees' Benefits	**93,125,391**	103,765,674
(b)	Others Provision for Standard Assets	**243,832,368**	210,784,619
	Total	**336,957,759**	314,550,293

NOTE-'7'
SHORT TERM BORROWING

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
Vijaya Bank (Overdraft facility Secured by pari-passu charge on the Loans and Advances (Book Debts))	**2,697,759**	-
Total	**2,697,759**	-

NOTE-'8'
TRADE PAYABLE

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
Trade Payable	**69,125,792**	83,831,442
Total	**69,125,792**	**83,831,442**

NOTE-'9'
OTHER CURRENT LIABILITIES

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a)	Current Maturity of Long Term Debts	**3,885,526,347**	3,096,284,359
(b)	Interest accrued but not due on borrowings	**2,010,117,312**	1,611,989,350
(c)	Others Payable		
	Provident Fund Payable	**2,621,364**	2,383,579
	MNRE Programme Funds	**94,485,441**	94,736,941
	MNRE Co Generation Specific Grant	**2,790,182**	2,790,182
	National Hydrogen Energy Board	**467,629**	449,470
	MNRE GBI Fund	**113,861,399**	50,648,079
	Assosication of Renewable Energy of States	**50,000,000**	39,600,000
	Roof Top and other Small Scale Solar Project	**700,328,123**	1,145,597
	MNRE Capital Subsidy For Channel Patners	**1,663,613,724**	85,527,825
	MNRE UNDP Funds	**163,892,689**	39,381,692
	MNRE SWHS	**30,523,675**	-
	Other Liabilities	**59,077,082**	140,496,042
	Total	**8,777,304,967**	5,165,433,116

NOTE-'10'
SHORT TERM PROVISIONS

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a)	Provision for Employees' Benefits	**8,518,509**	6,196,318
(b)	**Others**		
	Proposed Dividend	-	544,000,000
	Corporate Dividend Tax	-	110,745,600
	Provision for Standard Assets (including Floating provision)	**316,824,396**	349,204,107
	Provision for Corporate Social Responsibility Fund	**109,131,482**	103,143,152
	Provision for Sustainable Development Fund	-	3,942,260
	Other Provisions	**52,745,073**	42,587,274
	Total	**487,219,460**	1,159,818,712

NOTE-'11'
FIXED ASSETS

Amount in ₹

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Opening Balance as at 01.04.2015	Additions during the year	Disposals during the year	Adjustments during the year	As at 31.03.2016	Opening up to 01.04.2015	For the year	Disposal during the year	Adjustments during the year	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
(i) **Tangible Assets**												
Buildings-Residential Leasehold	4,143,149	-	-	-	4,143,149	2,888,189	207,133	-	-	3,095,322	1,047,827	1,254,960
Buildings-Office Leasehold-IHC	43,956,603	-	-	-	43,956,603	21,563,172	2,761,924	-	-	24,325,096	19,631,507	22,393,431
Leasehold-AKB	422,757,821	-	-	-	422,757,821	157,562,288	28,639,325	-	-	186,201,613	236,556,208	265,195,533
Office Space at Chennai	14,353,680		-	-	14,353,680	7,472	1,362,890	-	-	1,370,362	12,983,318	14,346,208
Furniture and Fittings	28,157,072	747,119		-	28,904,191	20,401,294	2,517,089	-	-	22,918,383	5,985,808	7,755,778
Vehicles	5,704,198	-		-	5,704,198	3,205,283	812,709	-	-	4,017,992	1,686,206	2,498,915
Office Equipments	30,786,275	1,341,985	(87,807)	-	32,040,453	28,157,605	1,132,570	(82,975)	-	29,207,200	2,833,253	2,628,670
Computers	47,710,466	8,875,287	(4,713,192)	-	51,872,561	43,391,792	3,136,237	(4,528,488)	-	41,999,541	9,873,020	4,318,674
Library	1,854,060	4,063	-	-	1,858,123	1,854,060	4,063	-	-	1,858,123	-	-
Total A	**599,423,324**	**10,968,454**	**(4,800,999)**	-	**605,590,779**	**279,031,155**	**40,573,940**	**(4,611,463)**	-	**314,993,632**	**290,597,146**	**320,392,169**
Previous year	586,186,827	19,467,053	(6,230,556)	-	599,423,324	232,477,109	52,432,132	(5,878,086)	-	279,031,155	320,392,169	364,101,538
(ii) **Intangible Assets**												
Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Software	14,422,302	163,852	-	-	14,586,154	9,548,047	2,145,669	-	-	11,693,716	2,892,438	4,874,255
Total B	**14,422,302**	**163,852**	-	-	**14,586,154**	**9,548,047**	**2,145,669**	-	-	**11,693,716**	**2,892,438**	**4,874,255**
Previous year	14,258,584	163,718	-	-	14,422,302	7,176,459	2,371,588	-	-	9,548,047	4,874,255	8,274,705
Total A+B	**613,845,626**	**11,132,306**	**(4,800,999)**	-	**620,176,933**	**288,579,202**	**42,719,609**	**(4,611,463)**	-	**326,687,348**	**293,489,584**	**325,266,424**
Previous year	600,445,411	19,630,771	(6,230,556)	-	613,845,626	239,653,568	54,803,720	(5,878,086)	-	288,579,202	325,266,424	401,548,833
(iii) **Capital Work In Progress**												
Leasehold Office	-	8,000			8,000	-	-		-	-	8,000	-
Total C	-	**8,000**	-	-	**8,000**	-	-	-	-	-	**8,000**	-
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
(iv) **Intangible Assets under development**												
Software under Development	593,731	-	-	(35,021)	558,710	-	-	-	-	-	558,710	593,731
Total D	**593,731**	-	-	**(35,021)**	**558,710**	-	-	-	-	-	**558,710**	**593,731**
Previous year	558,710	35,021	-	-	593,731	-	-	-	-	-	593,731	558,710
(v) **Capital Work in Progress**												
Capital Work in Progress 50 MW Solar Project	70,000,000	70,319,983	-	-	140,319,983	-	-	-	-	-	140,319,983	70,000,000
Total E	**70,000,000**	**70,319,983**	-	-	**140,319,983**	-	-	-	-	-	**140,319,983**	**70,000,000**
Previous year	-	70,000,000	-	-	70,000,000	-	-	-	-	-	70,000,000	-
Total A+B+C+D+E	**684,439,357**	**81,460,289**	**(4,800,999)**	**(35,021)**	**761,063,626**	**288,579,202**	**42,719,609**	**(4,611,463)**	-	**326,687,348**	**434,376,277**	**395,860,155**
Previous year	601,004,121	89,665,792	(6,230,556)	-	684,439,357	239,653,568	54,803,720	(5,878,086)	-	288,579,202	395,860,155	372,934,953

NOTE-'12'
NON CURRENT INVESTMENT

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(i)	Trade Investment	-	-
(ii)	**Other Investments**		
	Investment in Equity Instruments (unquoted) (at cost) 1,68,000 (Previous year 1,68,000) fully paid up Equity shares of ₹10/- each, including 48,000 equity shares allotted as bonus shares, in MP Wind Farms Ltd, a Joint Sector Company of IREDA (having 24% equity), M. P. Urja Vikas Nigam Ltd (having 25% equity), Consolidated Energy Consultants Limited (having 49.5% equity) and balance shares by Others .	**1,200,000**	1,200,000
	Less: Provision for diminution in the value of Investment	-	-
		1,200,000	1,200,000
	Total	**1,200,000**	1,200,000

NOTE-'13'
LONG TERM LOANS & ADVANCES

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a) Capital Advances - For purchase of Office & Residence premises at NBCC Complex	463,109,323	-
(b) Security Deposits	-	-
(c) Loan & Advances to Related Parties		
Loans	41,764	341,856
Advances (Not bearing interest)	-	-
(d) Term Loans		
- Onlending	87,809,156,082	77,201,604,564
- Refinancing	557,025,000	657,025,000
Less: Allowance for bad and doubtful Loans	1,440,028,251	1,047,381,861
	86,926,152,831	76,811,247,703
(e) Interest Accrued but not due on Loans	14,559,943	12,734,258
(f) Loans to Employees	25,302,690	26,547,705
(g) Advance Tax & Other Tax Recoverable (Net)	1,112,512,623	949,347,663
(h) Staff Advances (Not bearing interest)	24,700	78,400
Total Loans & Advances of IREDA	88,541,703,874	77,800,297,585
Sub-classification of above :		
Secured (Considered good)		
- Term Loans	82,353,766,108	72,975,971,383
- Interest Accrued but not due on Loans	14,559,943	12,734,258
- Loans to Employees including related parties	25,344,454	26,889,561
- Term Loans Secured by Bank Guarantee	51,860,000	67,760,000
Secured (Considered doubtful)		
- Term Loans (Substandard, Doubtful & Loss)	5,910,229,974	4,758,473,181
Unsecured (Considered good)		
- Term Loans (Refinancing)	50,325,000	56,425,000
- Capital Advances	463,109,323	-
- Security Deposits	-	-
- Advance Tax & Other Tax Recoverable	1,112,512,623	949,347,663
- Staff Advances (Not bearing interest)	24,700	78,400
	89,981,732,125	78,847,679,446
Less: Allowance for bad and doubtful/Substandard Loans	1,440,028,251	1,047,381,861
GRAND TOTAL	88,541,703,874	77,800,297,585
- Due from Directors of the Company.	823,841	341,856
- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	-	1,026,567

NOTE-'14'
OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
OTHER BANK BALANCES (Refer Note No. 16)		
Foreign Currency Deposits		
- Dollar Deposit More than 12 months original maturity (earmarked against bank loan from BOB)	**816,575,116**	954,879,562
Total	**816,575,116**	954,879,562

NOTE-'15'
TRADE RECEIVABLE

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(A) Outstanding for a period exceeding six months from the date they are due for payment		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good	-	-
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - A	-	-
(B) Others		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good	**1,614,169**	6,361,855
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - B	**1,614,169**	6,361,855
Total (A+B)	**1,614,169**	6,361,855

NOTE-'16'
CASH AND BANK BALANCES

Particulars				As at 31.03.2016 ₹	As at 31.03.2015 ₹
A)	CASH AND CASH EQUIVALENTS				
(a)	Balances with Banks				
	A)	In Current Account with Schedule Banks - IREDA			
	i)	In Indian Branches		1,797,906,082	603,719,643
	ii)	In Foreign Branches		14,412	-
	B)	In Deposit Account			
		i)	**INR-Short term Deposit** - IREDA Includes deposits of ₹ 4,650,000,000 having original maturity of more than 90 days.	7,992,492,532	5,613,156,778
		(ii)	**Dollar Deposit** Less than 90 days original maturity	-	457,299
		(iii)	**Euro Deposit** Less than 90 days original maturity	-	1,992,005,558
		(iv)	**Yen Deposit** Less than 90 days original maturity	-	424,602
(b)	Cheques Under Collection/DD In hand			16,086,716	10,723,162
(c)	Postage Imprest			46,932	80,230
	Sub Total			9,806,546,674	8,220,567,272
B)	OTHER BANK BALANCES				
(a)	Balances with Banks				
	A)	In Current Account - MNRE		1,940,272	1,940,272
	B)	In Saving Account			
		- UNDP		5,000	5,000
		- MNRE UNDP Account		163,892,689	39,381,692
		- National Hydrogen Energy Board		467,629	449,470
		- IREDA (MNRE GBI Fund)		114,355,413	90,248,079
		- Rooftop & Other Small Solar Power Plant		700,328,123	1,145,597
		- MNRE Capital Subsidy for Channel Partners		229,313,724	1,488,516
		- IREDA National Clean Energy Fund		2,503,001,442	2,004,804,428
	C)	In Deposit Account			
		- MNRE Capital Subsidy for Channel Partners		1,434,300,000	84,039,309
		- MNRE Implementation of SWHS		30,523,675	-
		- Association of Renewable Energy Agencies of State-MNRE Share		50,000,000	-
b)	Foreign Currency Deposits				
	- Dollar Deposit				
		Less than 12 months original maturity		138,571,242	125,444,060
		More than 12 months original maturity		816,575,116	954,879,562
	- Euro Deposit				
		Less than 12 months original maturity		6,432,907,231	-
		More than 12 months original maturity		-	-
	- Yen Deposit				
		Less than 12 months original maturity		2,953,164,142	-
		More than 12 months original maturity		-	-
				15,569,345,698	3,303,825,985
	Less: Amount disclosed under non-current assets (Refer Note No. 14)			(816,575,116)	(954,879,562)
	Sub Total			14,752,770,582	2,348,946,423
	Total			24,559,317,256	10,569,513,695

NOTE-'17'
SHORT TERM LOANS & ADVANCES

	Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
A.	**Total Loans & Advances**		
(a)	Security Deposits	**32,039,779**	1,887,899
(b)	Loan & Advances to Related Parties		
	Loans	**743,292**	535,092
	Advances (Not bearing interest)	**120,000**	104,000
(c)	Term Loans		
	- Onlending	**14,990,724,920**	10,885,048,569
	- Refinancing	**100,000,000**	338,475,000
	Less: Allowance for bad and doubtful Loans	**-**	-
		15,090,724,920	11,223,523,569
(d)	Interest Accrued and due on Loans	**1,193,084,432**	851,206,351
(e)	Interest Accrued but not due on Loans	**143,950,180**	183,844,064
(f)	Loans to Employees	**5,237,171**	4,789,669
(g)	Advance Tax & Other Tax Recoverable (Net)	**183,591,090**	-
(h)	Staff Advances (Not bearing interest)	**1,951,275**	3,618,050
(i)	Others	**12,917,871**	9,769,681
	Sub Total - I	**16,664,360,010**	12,279,278,376
B.	**Total Loans to constituents of MNRE**		
(a)	Loans to constituents of MNRE	**25,476,919**	25,476,919
(b)	Interest Accrued and due on MNRE Loans	**66,469,295**	66,469,295
	Sub Total - II	**91,946,214**	91,946,214
	Total (I+II)	**16,756,306,224**	12,371,224,590
	Sub-classification of above :		
	IREDA		
	Secured (Considered good)		
	- Term Loans	**15,068,724,920**	11,206,911,412
	- Interest Accrued and due on Loans	**1,193,084,432**	851,206,351
	- Interest Accrued but not due on Loans	**143,950,180**	183,844,064
	- Loans to Employees including related parties	**5,980,463**	5,324,761
	- Term Loans Secured by Bank Guarantee	**15,900,000**	12,037,157
	Unsecured (Considered good)		
	- Term Loans (Refinancing)	**6,100,000**	4,575,000
	- Security Deposits	**32,039,779**	1,887,899
	- Staff Advances (Not bearing interest) including related parties	**2,071,275**	3,722,050
	- Advance Tax & Other Tax Recoverable	**183,591,090**	-
	- Others	**12,917,871**	9,769,681
		16,664,360,010	12,279,278,376
	MNRE		
	Doubtful		
	- Term Loans to Constituents of MNRE	**91,946,214**	91,946,214
	GRAND TOTAL	**16,756,306,224**	**12,371,224,590**
	- Due from Directors of the Company.	**863,292**	535,092
	- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	**-**	240,000

NOTE-'18'
OTHER CURRENT ASSETS

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
- Interest accrued but not due on deposits with banks	197,231,871	79,604,628
- RE Invest 2015	-	49,938,885
- Others	27,326,669	6,746,320
Total	224,558,540	136,289,833

NOTE-'19'
REVENUE FROM OPERATIONS

Particulars	For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
A. INTEREST		
(i) Interest on Lending Operations	10,048,711,862	9,137,909,235
Less : Rebate on Prompt Payment	12,239,494	14,558,685
	10,036,472,368	9,123,350,550
(ii) Differential Interest	223,513,547	187,591,588
Less: Service Tax	27,185,406	20,635,745
	196,328,141	166,955,843
(iii) Interest on Deposits with Banks		
- Short Term Deposit-INR	871,263,605	463,038,246
- US$ Deposit	7,787,038	5,285,335
- EURO Deposit	3,963,405	9,494,672
- Yen Deposit	549,144	620,132
	883,563,192	478,438,385
B. OTHER FINANCIAL SERVICES		
(a) Business Service Fees		
(i) Front end Fee	376,413,107	226,134,704
Less: Service Tax	45,581,908	24,875,622
	330,831,199	201,259,082
(ii) Application Fee on Loans	46,227,728	27,602,356
Less: Service Tax	5,645,728	3,036,357
	40,582,000	24,565,999
(iii) Application Fee - Generation Based Incentive	168,250,510	135,017,394
Less: Service Tax	20,191,760	14,852,394
	148,058,750	120,165,000

Particulars		For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
	(iv) Miscellaneous Application Fees	-	401,443
	Less: Service Tax	-	44,160
		-	357,283
(b)	**Business Service Charges**		
	Service Charges - UNDP Programme Fund	**919,477**	1,285,619
	Less Service Tax	**112,918**	141,422
		806,559	1,144,197
	Service Charges - Generation Based Incentive	**20,793,933**	32,593,524
	Less Service Tax	**2,550,498**	3,585,403
		18,243,435	29,008,121
	Service Charges - Biogas Feed Fertilizer Plant	-	400,001
	Less Service Tax	-	44,001
		-	356,000
	Service Charges - Roof Top and Other Small Solar Power Project	**45,078,337**	28,815,435
	Less Service Tax	**5,535,936**	3,169,800
		39,542,401	25,645,635
	Service Charges - MNRE Capital Subsidy for CPs, SNAs and PA	**25,256,817**	7,671,836
	Less Service Tax	**3,100,325**	843,929
		22,156,492	6,827,907
(c)	**Applicable Net Gain on Foreign Currency Translations and Transactions**	-	905,407,888
(d)	**Amount received in respect of Bad Debts written off**	**23,750,001**	87,788,009
(e)	**Guarantee Commission**	-	7,245,756
	Total	**11,740,334,538**	11,178,515,655

NOTE-'20'
OTHER INCOME

Particulars	For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
Interest on Staff Loan	**2,497,710**	2,575,475
Profit on Sale of Fixed Assets	**168,835**	83,979
Rental Income	**150,000**	-
Miscellaneous income		
- Transferred from Capital Grant	**432,102**	500,253
- Others	**1,814,513**	1,879,777
Total	**5,063,160**	5,039,484

NOTE-'21'
EMPLOYEE BENEFIT EXPENSES

Particulars		For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
(a)	Salaries, Wages and Other Amenities	**194,893,132**	197,851,901
(b)	Contribution to Provident and Other Funds		
	Contribution to Provident Fund.	**11,422,509**	10,325,680
	Provident Fund Administrative Charges	**172,513**	155,715
	Contribution to Benevolent Fund	**70,400**	67,120
	Contribution to Superannuation fund	**8,535,552**	7,262,275
	Contribution to Gratuity Fund	**(6,786,443)**	14,000,436
(c)	Staff Welfare Expenses	**16,571,440**	25,051,611
(d)	Human Resource Development	**1,012,269**	2,677,013
	Total	**225,891,372**	257,391,751

NOTE-'22'
FINANCE COST

Particulars	For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
A. Interest Expense		
Interest on Borrowings		
- on Bonds	**2,300,892,077**	1,947,639,295
- on Loans	**3,569,223,832**	3,218,791,960
	5,870,115,909	5,166,431,255
B. Other Borrowing Costs		
(i) Commitment fee		
- on Loan-III from KfW	**-**	39,987
- on Loan-IV from KfW	**10,687,480**	24,107,837
- on Loan-I from Japan International Cooperation Agency (JICA)	**-**	180,144
- on Loan-II from Agence Francaise De Developpement (AFD)	**1,865,357**	-
- on Loan-II from Asian Development Bank (ADB)	**5,154,810**	-
(ii) Guarantee Fee		
- on Loan from International Bank for Reconstruction and Development (IBRD)	**18,906,803**	20,713,824
- on Loan-I from KfW	**23,768,626**	30,167,700
- on Loan-II from KfW	**22,178,517**	31,776,947
- on Loan-III from KfW	**16,179,003**	18,643,096
- on Loan-IV from KfW	**79,134,585**	48,023,572
- on Loan-I from Asian Development Bank (ADB)	**9,010,848**	9,487,366
- on Loan-II from Asian Development Bank (ADB)	**69,366,821**	-
- on Loan-I from Agence Francaise De Developpement (AFD)	**56,708,736**	69,165,816
- on Loan-I from Japan International Cooperation Agency (JICA)	**187,596,000**	198,116,108
- on Loan-II from Japan International Cooperation Agency (JICA)	**31,266,000**	186,048,000
- on Loan from European Investment Bank (EIB)	**15,911,083**	196,557,600
C. Others		
(i) Bond Trusteeship fee	**250,000**	435,344
(ii) Bank Charges	**65,681**	118,360
(iii) Bond Issue Expenses	**70,089,249**	50,000
(iv) Loss due to underlying exchange fluctuation (IDA-II)	**59,678,375**	426,879,504
(v) Applicable Net Loss on Foreign Currency Translations and Transactions	**126,778,621**	-
(vi) Interest on Service Tax	**2,863,512**	102,682
(vii) Stamp duty on Bonds	**5,025,000**	-
(viii) Front end fees	**-**	31,266,000
(ix) Tax free Bond Series-XIII expense	**-**	39,476
(x) Others	**949,414**	5,049,673
Total	**6,683,550,430**	**6,463,400,291**

NOTE-'23'
OTHER EXPENSES

Particulars	For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
Electricity and Water Charges	**8,445,693**	7,717,437
Office rent	**2,239,511**	2,754,256
Office Maintenance	**5,375,709**	5,834,869
Repairs and Maintenance-Others	**12,119,440**	7,913,421
Insurance	**545,603**	588,076
Rates and Taxes	**16,678,039**	16,698,151
Business Promotion	**15,230,345**	9,582,982
Travelling and Conveyance	**19,820,435**	11,946,808
Information and Dissemination	**18,762,820**	7,744,748
Payment to Auditor	**920,000**	620,000
Legal and Professional	**29,739,022**	22,326,757
Newspapers and Periodicals	**133,243**	108,824
Postage Telegram and Telephone	**2,951,440**	2,303,284
Printing and Stationery	**4,068,258**	4,087,495
Recruitment Expenses	**712,985**	1,525,225
Credit Rating Expenses	**8,614,959**	8,523,041
Filing Fees	**2,595,100**	46,100
Corporate Social Responsibility	**64,532,050**	52,635,379
Director Sitting Fees	**60,000**	330,000
Loss on Sale of Assets	**24,341**	138,355
Sponsorship	**-**	10,000,000
Miscellaneous Expenses	**3,588,280**	5,021,091
Total	**217,157,273**	178,446,299

NOTE-'24'
NOTES ON ACCOUNTS

1. (a) The company is registered with the Reserve Bank of India (RBI) as a Non- Banking Financial Company (NBFC) vide order dated 10.02.1998. As per notification No. DNBS(PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 of RBI. Government companies as defined under Section 2(45) of The Companies Act, 2013 have been exempted from applicability of the provisions of Reserve Bank of India Act, 1934 relating to maintenance of liquid assets and creating of Reserve funds and the Directions relating to acceptance of public deposits and prudential norms. The said notification is also applicable to IREDA, being Govt. Company conforming to Section 2(45) of The Companies Act, 2013. Further, as per para No. 1(3) (iv) of RBI's Master Circular No. DNBS(PD) CC No. 333/03.02.001/2013-14 dated July 1, 2013, IREDA being a Government Company as defined under section 2(45) of The Companies Act, 2013 continues to be exempted from the applicability of non-banking financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Moreover in view of the non-applicability of the provisions of Section 45(I) C of the RBI Act 1934 regarding creation of Reserve Fund, the Reserve Fund is not created.

   In terms of the exemption vide notification No. DNBS(PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 as explained above, the Board of Directors of IREDA approved company's prudential norms relating to income recognition , assets classification and provisioning including restructuring / reschedulement of borrower's account which are being followed consistently . Some important features of these prudential norms are given in significant accounting policy No. 2 (v). These norms have been approved by the Board of Directors in terms of the Articles of Association of Company.

   (b) However, it has been observed that said articles do not specifically cover the asset classification / provisioning for restructured / rescheduled accounts for which classification / modification from MNRE has been sought .

2. 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 II of the Companies Act, 2013. However, if the balance sheet of the borrower(s) is older than 5 years from the financial year for which the shortfall is worked out, the same is ignored.

3. The provision for Standard Asset includes an amount of ₹316,824,397 (Previous year ₹349,204,108) on account of floating provision.

4. **Details of Contingent Liabilities and Commitment**

   As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India (ICAI), the movement in Provisions as on 31st March, 2016 are disclosed as under:-

a) **Details of Provisions**

(Amount in ₹)

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 including Floating	559,988,726 (429,233,192)	33,047,749 (130,755,534)	32,379,711 (-)	560,656,764 (559,988,726)
2	Income tax	3,932,627,707 (2,845,127,707)	1,248,600,000 (1,087,500,000)	- (-)	5,181,227,707 (3,932,627,707)
3	Proposed dividend*	544,000,000 (350,000,000)	- (544,000,000)	544,000,000 (350,000,000)	- (544,000,000)
4	Dividend tax*	110,745,600 (59,482,500)	- (110,745,600)	110,745,600 (59,482,500)	- (110,745,600)
5	Leave encashment	32,980,311 (25,390,179)	3,167,607 (12,033,794)	4,342,548 (4,443,662)	31,805,370 (32,980,311)
6	Gratuity	19,584,848 (9,055,077)	(-)6,786,443 (14,000,436)	489,388 (3,470,665)	12,309,017 (19,584,848)
7	Post retirement medical benefit	33,578,077 (17,062,360)	2,640,989 (17,624,834)	704,244 (1,109,117)	35,514,822 (33,578,077)
8	Sick leave	23,023,201 (16,881,303)	(-)456,129 (6,292,416)	1,334,661 (150,518)	21,232,411 (23,023,201)
9	Baggage Allowance	795,555 (546,528)	(-)13,275 (249,027)	- (-)	782,280 (795,555)
10	Corporate Social Responsibility	103,1 43,152 (56,787,811)	68,474,310** (52,635,379)	62,485,980 (6,280,038)	109,131,482 (103,143,152)
11	Sustainable Development	3,942,260 (3,942,260)	- (-)	3,942,260 ** (-)	- (3,942,260)

Previous year figures shown within brackets

* As per the O.M. on Capital Restructuring, containing the guidelines for payment of Dividend, applicable from financial year ending on or after 31.03.16, the Company is required to pay a minimum annual dividend of 30% of PAT or 5% of Net worth , whichever is higher. During the Financial year the Company has paid an amount of ₹1,500,000,000 (Previous year Nil) as Interim dividend and ₹305,370,000 (Previous year Nil) as Corporate Dividend Tax on the Interim dividend .Accordingly , no final dividend has been proposed.

** An amount of ₹3,942,260 relating to the unspent provision for Sustainable Development, as existing before 01.04.13, has been merged with Corporate Social Responsibility since the Sustainable Development activity is now a part of Corporate Social Responsibility.

b) **Details of Contingent Liabilities & Capital Commitments**

(Amount in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Contingent Liabilities The contingent liability is in respect of cases for the Assessment Years 2010-11, 2011-12, 2012-13 and 2013-14 which are pending with CIT(A) (Previous year – liability in respect of Assessment Years 2010-11, 2011-12 and 2012-13).The cases from AY 1998-99 to 2009-10 have been referred back to the Assessing Officer by ITAT vide order dated 21.11.14 for fresh assessments . No hearing for the same has been conducted by the Assessing Officer during the year.	605,226,810	439,407,189
Claims against the Company not acknowledged as debt in respect of petition filed against company seeking damages by M/s Mahakrishna Financial Services Pvt. Ltd.*	-	15,000,000
Counter indemnity in favour of Indusind Bank against issue of Bank Guarantee in favour of BSE ltd. as security for receiving subscription of Public issue of Tax Free Bonds.	141,600,000	70,000,000
Total of Contingent Liabilities	**761,826,810**	**524,407,189**
COMMITMENTS		
Estimated value of contract to be executed on Capital Account for 50MW Solar Project	2,859,680,017	3,430,000,000
Estimated value of capital contract in reference to the acquisition of new office space at NBCC Plaza.	992,890,677	-
Letter of comfort issued and outstanding	3,073,943,574	570,109,184

*Subsequent to the Balance Sheet date, the Company has arrived at a settlement with the claimant and paid an amount of ₹4,250,000 on 22.06.2016 in full and final settlement. The same has been provided for in the books of accounts for the year ended 31.03.2016. Subsequent to the payment a joint petition in respect of the receipt of payment and settlement has been filed in the Hon'ble Supreme Court of India .

5. During the financial year 2014-15 , Board of Directors of IREDA approved investment of approximately ₹3,500,000,000 (revised projected cost of ₹3,000,000,000 approx.) for setting up of 50 MW solar PV project in the state of Kerala. IREDA has signed MOU for implementation of the said project with Solar Energy Corporation of India . Through reverse bidding mechanism , M/s Jackson Engineers Ltd has been selected as the EPC contractor by SECI for setting up the project. An amount of ₹140,319,983 has been incurred upto 31.03.16 towards the same. The work is under progress and is expected to be completed during the next financial year 2016-17.

6. **AUTHORISED SHARE CAPITAL**

During the year, the company in its Extra Ordinary General Meeting held on 06.04.2015 increased its Authorized Equity Share Capital from its existing ₹1000 Crore to ₹6000 Crore after receiving approval of the President of India vide MNRE letter dated 17th November, 2014.

7. Conveyance deeds in respect of leasehold buildings - a residential flat costing ₹4,143,149. (Previous year – ₹4,143,149), office premises-IHC costing ₹43,956,603. (Previous year – ₹43,956,603) and office premises-AKB costing ₹422,757,822 (Previous year – ₹422,757,822) 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 in Schedule II to The Companies Act, 2013.

8. The property tax in respect of all the residential and office premises for the period upto 31st March, 2016 has been paid . The property tax in respect of office building at India Habitat Centre has been paid as per the demand of 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 for 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.

   The property tax for Financial Year 2015-16 for newly purchased office space for Chennai branch office shall be paid after the Tax arrears payable by SIDCO , from whom the property has been purchased , upto the year 2014-15 are settled by them. As has been gathered from the Tax Authorities , the property tax payable on the same for the year 2015-16 is ₹ 7,000 approx. , which has been provided for.

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

10. 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.

11. In terms of Section 135 of The Companies Act, 2013, IREDA is required to constitute a corporate social responsibility (CSR) Committee of the Board of Directors and the Company has to spend 2% of the average net profits of the Company's three immediately preceding financial year calculated as per section 198 of The Companies Act 2013. Accordingly, CSR Committee of the Board of Directors consisting of 4 Directors, one of whom is Government Director, has been constituted.

    During the year the Company has made a provision of ₹64,532,050 (Previous year ₹52,635,379) towards CSR. Further, balance of ₹3,942,260/- relating to the unspent balance in Sustainable Development has been merged with the Corporate Social Responsibility.

    During the financial year 2014-15, the following two projects were agreed to be financed under CSR

    i) Swachh Bharat Abhiyaan- construction of toilets in schools for total project cost of ₹50,000,000 (approximately)

    ii) 30 KW Solar Power Project and 500 LPD Capacity Solar Water Heating System to be set up at Old age Home at Vrindavan at a total cost of ₹3,000,000 .

    The project implementing agencies for these were IRCON Ltd. and SECI Ltd. respectively. Both these projects were completed in 2015-16.

    During the current year, following new projects, with a total outlay of ₹36,463,400 were agreed to be financed by IREDA under CSR as detailed under :

Sl. No.	CSR Project or activity identified	Outlay	Implementing Agency	Status 31.03.2016
1	Donation to Armed Forces Flag Day Fund	100,000	IREDA	Completed
2	Donation to Health Minister's Cancer Patient Fund	100,000	IREDA	Completed
3	Donation to Clean Ganga Fund	300,000	IREDA	Completed
	Electrification of Community Areas / Streets			
4	Installation of 100 Nos. SPV LED Streetlights in 6 backward villages of Bhadohi constituency, U.P.	2,030,000	National Small Industries Corporation	Completed
5	Installation of 250 Nos. SPV LED streetlights in backward villages in Phoolpur Constituency, UP.	5,450,000	Rajasthan Electronics and Instruments Limited	Completed
6	Installation of 362 Nos. SPV LED streetlights for Electrification of 18 Villages in the State of Meghalaya.	9,846,000	Meghalaya Non Conventional and Rural Energy Development Agency	Completed
7	Installation of 350 Nos. CFL streetlights in backward villages in 6 blocks of Gireedh Parliamentary Constituency, Jharkhand .	3,410,000	Deep Welfare NGO	In Progress
8	Installation of 173 SPV Street Lighting Systems in Pilibhit, Uttar Pradesh	3,771,400	Rajasthan Electronics and Instruments Limited	In Progress
	Electrification of Community Areas / Streets / Skill Development			
9	Installation of 5 kWp Solar Power Plants on the rooftop of Sewagram hospital and creating a roadmap of solar electrification of Bhatar Block, Bardhaman, West Bengal	2,071,000	Indian Institute of Social Welfare and Business Management , Kolkata	In Progress
10	Installation of 20 kWp Solar Powered System at 41 Sub Area of India Army, Jorhat	1,665,000	Rajasthan Electronics and Instruments Limited	In Progress
11	Donation of Cochlear Implants: Cochlear Implant Surgery of 5 Hearing Impaired Person through ALIMCO	3,000,000	Artificial Limbs Manufacturing Corporation	In Progress
12	Donation of Artificial Limbs: Donation of Modern Electronic Artificial Limbs to Four Disabled Persons .	720,000	Yuvak Pratisthan NGO, Mumbai .	In Progress
	Electrification of Community Areas / School:			
13	Installation of Grid Interactive 40 kWp Solar PV System at Saraswati Shishu Mandir Inter College, Meerut, Uttar Pradesh	1,550,000	Solar Energy Corporation Of India	MoA Signing In Progress
14	Installation of 3 units of off grid 2.565 kWp Solar PV systems and 40 Solar PV Street Lighting in Golawali Village, Ratnagiri District, Maharashtra	2,450,000	Solar Energy Corporation Of India	MoA Signing In Progress

During the year, an amount of ₹ 62,485,980/- has been paid to the implementing agencies against the CSR projects based on the progress of the projects.

12. As per the board approved Foreign Exchange and Derivative Risk Management Policy of IREDA, an open exposure on foreign currency loans upto 20% of its net worth is permissible. The open exposure as on 31.03.2016 is ₹ 4,304,311,249 (Previous Year ₹2,642,785,107) which is within the limit as per the policy. The said open exposure does not include ₹6,431,039,909 equivalent to Euro 85,638,153 and ₹2,953,000,000 equivalent to JPY 5,000,000,000 (Previous year ₹ 1,984,416,956 equivalent to Euro 29,394,240.82) which has been kept in Euro and JPY deposit outside India.

13. EARNING PER SHARE

In terms of Accounting Standard (AS) 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI), the Earnings Per Share (Basic & Diluted) is worked out as under:-

Particulars	As at 31.03.2016	As at 31.03.2015
Nominal value of Equity share (₹ per share)	1000	1000
Numerator Profit after Tax as per Statement of Profit & Loss	2,980,369,427	2,719,061,718
Denominator		
▪ Number of equity shares	7,846,000	7,846,000
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earnings per share	7,846,000*	7,658,192**
▪ Basic & Diluted Earnings per share	379.86	355.05

* weighted average (7846000 x 365/365) = 7,846,000

** weighted average (7446000 x 365/365 + 150000 x 248/365 + 250000 x 161/365) = 7,658,192

14. EMPLOYEE BENEFITS

(i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(a) **Change in the present value of the obligation**

(Amount in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Sick Leave (Unfunded)	Baggage Allowance (Unfunded)	Post Retirement Medical Benefit (Unfunded)
Present value of obligation as at the beginning of the year	61,749,683 (48,159,580)	32,980,311 (25,390,179)	23,023,201 (16,881,303)	795,555 (546,528)	33,578,077 (17,062,360)
Interest cost	4,785,600 (4,401,786)	2,555,974 (2,320,662)	1,784,298 (1,542,951)	61,656 (49,953)	2,602,301 (1,559,500)
Current service cost	3,527,780 (4,014,663)	3,532,722 (3,953,990)	2,131,793 (2,484,051)	49,758 (54,006)	1,619,331 (1,665,822)
Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
Benefits paid	(-)2,565,048 (-)(2,170,373)	(-)4,342,548 (-)(4,443,662)	(-)1,334,661 (-)(150,518)	- (-)	(-)704,244 (-)(1,109,117)
Actuarial loss/(gain) on obligations	(-)11,451,196 (7,344,027)	(-)2,921,089 (5,759,142)	(-)4,372,220 (2,265,414)	(-)124,689 (145,068)	(-)1,580,643 (14,399,512)
Present value of obligation at year end	56,046,819 (61,749,683)	31,805,370 (32,980,311)	21,232,411 (23,023,201)	782,280 (795,555)	35,514,822 (33,578,077)

(b) **Change in fair value of plan asset**

(Amount in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	42,164,835 (39,104,503)	- (-)	- (-)	- (-)	- (-)
Expected return on plan assets	3,794,835 (3,519,405)	- (-)	- (-)	- (-)	- (-)
Employer's contribution	724,381 (1,717,774)	- (-)	- (-)	- (-)	- (-)
Fund Management Charges	(-)10,504 (-)(3,974)	- (-)	- (-)	- (-)	- (-)
Benefits paid	(-)2,565,048 (-)(2,170,373)	- (-)	- (-)	- (-)	- (-)
Actuarial loss/(gain) on obligations	(-)370,697 (-)(2,500)	- (-)	- (-)	- (-)	- (-)
Fair value of plan asset at the end of the year	43,737,802 (42,164,835)	- (-)	- (-)	- (-)	- (-)

(c) **Amount recognized in Balance Sheet**

(Amount in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Estimated present value of obligations as at the end of the year	56,046,819 (61,749,683)	31,805,370 (32,980,311)	21,232,411 (23,023,201)	782,280 (795,555)	35,514,822 (33,578,077)
Fair value of plan assets as at the end of the year	43,737,802 (42,164,835)	- (-)	- (-)	- (-)	- (-)
Net liability recognized in balance sheet	(-)12,309,017 (19,584,848)	(-)31,805,370 (32,980,311)	(-)21,232,411 (23,023,201)	(-)782,280 (795,555)	(-)35,514,822 (33,578,077)

(d) **Expense recognized in the Statement of Profit & Loss.**

(Amount in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	3,527,780 (4,014,663)	3,532,722 (3,953,990)	2,131,793 (2,484,051)	49,758 (54,006)	1,619,331 (1,665,822)
Past service cost	- (-)	- (-)	- (-)	- (-)	- (-)
Interest cost	4,785,600 (4,401,786)	2,555,974 (2,320,662)	1,784,298 (1,542,951)	61,656 (49,953)	2,602,301 (1,559,500)
Expected return on plan asset	(-)3,794,835 (-)(3,519,405)	- (-)	- (-)	- (-)	- (-)
Net actuarial (Gain)/Loss recognized in the year	(-)11,080,499 (7,346,527)	(-)2,921,089 (5,759,142)	(-)4,372,220 (2,265,414)	(-)124,689 (145,068)	(-)1,580,643 (14,399,512)
Total expenses recognized in Statement of Profit & Loss	(-)6,561,954 (12,243,571)	3,167,607 (12,033,794)	(-)456,129 (6,292,416)	(-)13,275 (249,027)	2,640,989 (17,624,834)

(e) **Principal actuarial assumption as expressed as weighted average**

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post-Retirement Medical Benefit (Un funded)
Discount rate	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	8.00%	-	-	-	-
Expected rate of salary increase	6.50%	6.50%	6.50%	6.50%	6.50%
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

(f) **Defined Contribution Plan**

During the year, the company has recognized an expense of ₹11,422,509 (Previous year: ₹10,325,680.) in respect of contribution to Provident Fund, ₹70,400 (Previous year: ₹67,120) in respect of contribution to Benevolent Fund and ₹8,535,552 (Previous year: ₹7,262,275) in respect of contribution to Superannuation Fund.

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

15. RELATED PARTY DISCLOSURE

(i) Details of transactions entered into with the related parties during the year as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(Amount in ₹)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	14,469,735 (8,687,312)

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

Name	Designation	Period
Shri K. S. Popli	Chairman & Managing Director	01.04.2015 to 31.03.2016
Shri S. K. Bhargava	Director- Finance	01.04.2015 to 31.03.2016
Shri B.V Rao	Director- Technical	01.04.2015 to 31.03.2016
Shri Surender Suyal	Company Secretary	01.04.2015 to 31.03.2016
M/s M.P. Windfarms Limited	A joint venture company in collaboration with M.P. Urja Vikas Nigam Limited (25%), Consolidated Energy Consultants Limited (49.5%), IREDA (24%) and Others (1.5%).	No dividend received from the company during the current year as well as previous year.

16. REMUNERATION OF DIRECTORS

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

(Amount in ₹)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)	Company Secretary
Salary & allowances	3,152,111 (2,112,867)	2,712,721 (1,893,564)	2,580,270 (548,177)	1,789,253 (1,434,914)
Medical allowance	79,570 (79,570)	73,170 (71,030)	75,000 (20,137)	52,610 (51,070)
Provident Fund	251,727 (228,662)	227,293 (206,208)	222,318 (63,476)	169,836 (153,499)
Superannuation Contribution	177,543 (162,903)	159,216 (146,069)	166,740 (43,859)	116,130 (106,533)
Value of perquisites as per Income Tax Act, 1961	721,688 (428,427)	664,304 (455,564)	639,831 (149,924)	438,404 (333,859)
Total	**4,382,639** **(3,012,429)**	**3,836,704** **(2,772,435)**	**3,684,159** **(825,573)**	**2,566,233** **(2,079,875)**

Previous year figures shown within brackets

b) 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.

c) Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

d) Sitting Fees paid to Independent Directors ₹60,000 (Previous year ₹330,000).

17. REMUNERATION TO AUDITOR

(Amount in ₹)

Particulars	Statutory Auditor
As Auditor	300,000 (300,000)
Limited Review Audit	200,000 (200,000)
Tax Audit	120,000 (120,000)
Consolidation of accounts	50,000 (50,000)
Certification & Other Service	80,000 (80,000)
Fee as Auditor to Tax Free Bonds	1,550,000 (Nil)
Total	**2,300,000** **(700,000)**

Previous year figures shown within brackets

18. DEFERRED TAXES

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India (ICAI), the company has taken credit in the Statement of Profit & Loss 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.

b) Since the Company has resolved that it will not make any withdrawal from the Special Reserve created and being 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. 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 recognized any deferred tax liability on this account.

c) The details of deferred tax assets (net) as on 31st March, 2016 is given below:-

A	Deferred Tax Assets (+)		(Amount in ₹)
	Arising on account of timing differences:-	As at 31.03.16	As at 31.03.15
	▪ Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit.	35,176,921	38,055,646
	▪ Provision for Bad & Doubtful Debts & Standard Assets (Adhoc provision)	608,011,564	556,278,813
	Total – A	**643,188,485**	**594,334,459**
B	**Deferred Tax Liabilities (-)**		
	▪ Depreciation	21,142,644	25,024,709
	Total – B	**21,142,644**	**25,024,709**
C	Deferred Tax Asset (+)/Liability (-) **(A-B)**	622,045,841	569,309,750
	Deferred Tax Asset	**622,045,841**	**569,309,750**

19. DISCLOSURE OF PRIOR-PERIOD ITEMS

(Amount in ₹)

Particulars	2015-16		2014-15	
	Debits	Credits	Debits	Credits
Business promotion	-	-	91,149	-
Service tax Expenses	-	-	65,437	-
GBI Application Fees	4,155,000	-	-	-
Travelling	821,052	-	104,419	-
Wages-others	-	-	-	84,861
Internet Connectivity	170,161	-	22,945	-
Interest on Loans (Term Loan Due)	-	-	702,440	-
Service Charges –MNRE	-	-	-	265,402
Security Charges	-	-	221,660	-
Miscellaneous Expenses	-	-	36,456	-
Staff Welfare Expenses	-	-	72,416	-
Staff Welfare Expenses (Foundation day)	-	-	50,000	-
ISO Fees	19,909	-	-	-
Ground Rent –HUDCO	77,221	-	-	-
Insurance	309,560	-	-	-
Interest on Loans – Cogeneration	-	-	-	258,850
Interest on Bonds	-	-	-	363,698
Performance incentive	-	-	122,721	-
Repairs	-	30,569	-	-
Hindi Development Expenses	-	22,750	-	-
Corporate Social Responsibility Expenses	-	155,500	-	-
Postage & Telegram	21,525	-	-	-
Leave Salary	-	83,058	-	-
Service Charges – GBI Solar	1,248,699	-	-	-
Total	**6,823,127**	**291,877**	**1,489,643**	**972,811**

20. ADDITIONAL INFORMATION

a) Expenditure in Foreign Currency:

- On Travelling ₹3,655,509 (Previous year : ₹569,336)
- Interest expenses:- ₹644,700,337 (Previous year ₹433,499,764) which exclude hedging cost in ₹2,681,618,888 (Previous Year : ₹2,268,298,485)

b) Earnings in Foreign Exchange:

- Interest ₹12,299,587 (Previous year : ₹15,400,139)

c) M/s KfW paid ₹30,059,373.74 (Previous year: ₹41,485,381.09) directly to consultants (Abroad) hired under TA programme under Direct Disbursement Procedures against Technical Assistance Programme (TAP) of EURO 1.5 Million sanctioned to IREDA in respect of KFW II & KFW IV lines of credit for expert services /assignments, capacity building and training programme etc.

21. 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.

22. Generation Based Incentives (GBI) and Capital Subsidy Scheme, MNRE

IREDA is a Fund Administrator on behalf of MNRE for distribution of Generation Based Incentive and Capital Subsidy for Wind and Solar Sectors. Under these schemes, specific fund amount is provided by MNRE to IREDA for the purpose of disbursement of the same to the GBI claimants as per the scheme of MNRE. Therefore, essentially, the activity is receipt and utilization of funds. For any further release of GBI funds, IREDA is required to submit the Utilization Certificate along with audited statement of expenditure duly certified by a Chartered Accountants. The said requirement is fully complied with by IREDA and nothing further has been required by MNRE so far. The statutory auditors have not audited the accounts of Scheme.

23. SUBSIDY

(a) Interest Subsidy

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to borrowers implementing MNRE programmes of 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 passed on to the borrowers on quarterly basis subject to complying with the terms and conditions of the sanction by these borrowers.

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2016 are as under:-

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

(Amount in ₹)

Sl. No.	Name of the sector	Opening Balance as on 01.04.2016	Interest Subsidy received during 2015-16	Amount refunded during 2015-16	Interest Subsidy passed on during 2015-16	Closing Balance as on 31-03-2016
1	Bio-mass Co-generation	21,752,824 (22,698,740)	0 (0)	0 (0)	251,500 (945,906)	21,501,324 (21,752,834)
2	Small Hydro	182,667 (182,667)	0 (0)	0 (0)	0 (0)	182,667 (182,667)
	Sub Total....A	21,935,501 (22,881,407)	0 (0)	0 (0)	251,500 (945,906)	21,684,001 (21,935,501)

Previous year figures shown within brackets

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

(Amount in ₹)

Sl. No.	Name of the sector	Opening Balance as on 01.04.2015	Subsidy received during 2015-16	Amount refunded during 2015-16	Interest received on FDR	Subsidy passed / adjusted during 2015-16	Closing Balance as on 31-03-2016
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	(-)5,135,405 (-)(5,135,405)	0 (0)	0 (0)	0 (0)	0 (0)	(-)5,135,405 (-)(5,135,405)
3	SPV WP 2001-02	(-)13,602,787 (-)(1,36,02,787)	0 (0)	0 (0)	0 (0)	0 (0)	(-)13,602,787 (-)(1,36,02,787)
4	SPV WP 1999-00	(-)684,937 (-)(6,84,937)	0 (0)	0 (0)	0 (0)	0 (0)	(-)684,937 (-)(6,84,937)
5	SPV WP Manufacturing	(-)2,96,898 (-)(2,96,898)	0 (0)	0 (0)	0 (0)	0 (0)	(-)2,96,898 (-)(2,96,898)
6	SPV WP 2002-03	(-)4,138,701 (-)(4,138,701)	0 (0)	0 (0)	0 (0)	0 (0)	(-)4,138,701 (-)(4,138,701)
7	Accelerated SWH System	9,851 (9,851)	0 (0)	0 (0)	0 (0)	0 (0)	9,851 (9,851)
	Sub Total.....B	(-)23,844,925 (-)(23,844,925)	0 (0)	0 (0)	0 (0)	0 (0)	(-)23,844,925 (-)(23,844,925)
	Grand Total (A + B)	(-)1,909,424 (-)(963,518)	0 (0)	0 (0)	0 (0)	251,500 (945,906)	(-)2,160,924 (-)(963,518)

Previous year figures shown within brackets

(b) **Capital subsidy**

During the year an amount of ₹106,700,000 (Previous year: ₹Nil.) was received from MNRE towards Capital Subsidy. Out of the total capital subsidy amount available, ₹106,700,000 (Previous year: ₹Nil) was passed on to the borrowers on compliance of the terms and conditions of the capital subsidy scheme.

(c) During the year, an amount of ₹22,156,492 net of service tax was received (Previous year ₹6,827,907) on account of Service Charges under MNRE Scheme of " MNRE Capital Subsidy for Channel Partners State Nodal Agency".

24. NCEF FUNDS

During the year, Ministry of New and Renewable Energy had provided an amount of ₹ NIL (Previous year ₹2,000,000,000) from National Clean Energy Fund (NCEF) as grant to provide re-finance at concessional rates of interest to scheduled commercial banks/financial institutions in respect of their lending to renewable energy projects.

The amount of ₹2,000,000,000 has been kept in interest bearing Deposits as the same was meant for providing concessional funds to needy projects. The guidelines defining the needy projects have been prepared and sent to MNRE for approval which is awaited.

As on the 31.03.2016, an amount of ₹2,503,001,442 (Previous year ₹2,004,804,428) consisting of ₹164,297,014 as interest on deposits & savings bank interest (Previous year ₹304,428) and ₹333,900,000 as the principal repayments (Previous year ₹4,500,000) received during the year in respect of the amounts disbursed in earlier years is lying undisbursed in separate bank account pending modification in the Scheme by MNRE to provide concessional funds to needy projects.

25. Debenture Redemption Reserve

In terms of Rule 18 (7) (b) (ii) of The Companies Act 2013, the company is required to create a Debenture Redemption Reserve (DRR) upto 25% of the bonds issued through public issue. The Company has made a provision for DRR, so as to achieve the required amount over the respective tenure of the Tax Free Bonds . Accordingly a sum of ₹462,911,043 (Previous Year ₹138,230,000) has been provided during the year.

26. IMPAIRMENT OF ASSETS

Fixed Assets possessed by the company are treated as "Corporate Assets" and not "Cash Generating Units" as on March 31, 2016 as defined by Accounting Standard 28 (Impairment of Assets) issued by the Institute of Chartered Accountants of India (ICAI).

Further, in view of the nature of the assets held and the rates of depreciation applied there to, in the opinion of the management, there is no further impairment which needs to be provided for.

27. SEGMENT ACCOUNTING

The company operates in India, hence it is considered to operate only in domestic segment. Major revenue for the company comes from a single segment of financing activities as such considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).

28. All MNRE funds have been transferred in IREDA books of accounts and shown under the current assets- Cash and Bank Balances under Saving Bank account and corresponding liability shown under Other Current liabilities.

29. 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.

30. THE DISCLOSURES UNDER RBI GUIDELINES ARE AS UNDER (IREDA ONLY)

a.	Capital to Risk Assets Ratio (CRAR)	19.99% (23.14%)
b.	Exposure to Real Estate Sector (Direct and Indirect)	0 (0)

c. Maturity Pattern of Assets & Liabilities :

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years
Loan Assets	16,427,480,458 (12,258,304,007)	22,745,184,582 (21,247,510,230)	23,105,923,588 (19,136,006,333)
Foreign currency assets	9,524,657,028 (2,118,331,519)	320,336,010 (290,656,460)	389,395,696 (353,184,388)
Total Assets	**25,952,137,486 (14,376,635,526)**	**23,065,520,592 (21,538,166,690)**	**23,495,319,284 (19,489,190,721)**
Rupee liabilities	6,160,946,076 (475,739,060)	2,249,666,010 (874,296,460)	3,453,526,734 (5,436,824,388)
Foreign currency liabilities	3,175,401,901 (2,680,297,363)	6,429,799,932 (6,186,395,062)	7,860,468,138 (5,651,467,411)
Total liabilities	**9,336,347,977 (3,156,036,423)**	**8,679,465,942 (7,060,691,522)**	**11,313,994,872 (11,088,291,799)**

Items	More than 5 years upto 7 years	More than 7 years	Total
Loan Assets	16,681,393,291 (17,329,356,762)	24,393,651,371 (19,098,374,378)	103,353,633,290 (89,069,551,710)
Foreign currency assets	106,843,410 (311,038,714)	0 (0)	10,341,232,144 (3,073,211,081)
Total Assets	**16,788,236,701 (17,640,395,476)**	**24,393,651,371 (19,098,374,378)**	**113,694,865,434 (92,142,762,791)**
Rupee liabilities	3,012,200,000 (1,965,436,342)	61,552,501,196 (18,096,371,000)	76,431,007,530 (26,848,667,250)
Foreign currency liabilities	7,030,313,673 (3,412,635,026)	31,032,873,637 (29,672,185,612)	55,528,857,281 (47,602,980,474)
Total liabilities	**10,042,513,673 (5,378,071,368)**	**92,585,374,833 (47,768,556,612)**	**131,957,697,297 (74,451,647,724)**

As per our report of even date

For Jain Chopra & Company
Chartered Accountants
ICAI Regn. No. 002198N

Sd/-
Ashok Chopra
Partner
Membership No.017199

Sd/-
S K Bhargava
Director (Finance)
DIN No. 01430006

Sd/-
K S Popli
Chairman and
Managing Director
DIN No. 01976135

Sd/-
Surender Suyal
Company Secretary
M.No.: A11900

Place: New Delhi
Date: 22.08.2016

Cash Flow Statement For the Year Ended 31.03.2016

(Amount in ₹)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
A Cash Flow from Operating Activities:				
Net Profit Before Tax and Extraordinary / Prior Period Items:	4182764586		3786271350	
Adjustment for:				
1 Depreciation	42719609		54803722	
2 Provision for Non Performing Assets	392646390		-93171511	
3 Provision for Standard Assets	668038		130755534	
4 Prior Period Expenses/Income	-6531250		-516832	
5 Foreign Exchange Fluctuations/Underlying exchange fluctuation	186456996		-478528384	
6 Interest Funded adjusted from provision held	0		0	
7 Amortization of Capital Grant	-432102		-500253	
8 Income Tax Provision written back	0		0	
9 Loss on sale of Fixed Assets/Adjustment	24341		138355	
10 Profit on Sale of Fixed Assets	-168835		-83979	
11 Dividend on investment	0		0	
12 Adjustment of depreciation with prior period	0		0	
Operating profit before Working Capital Changes	4798147773		3399168003	
Increase / Decrease in				
1 Loans and Advances - IREDA	-15172378263		-6275556930	
2 Loans and Advances - MNRE	0		-741	
3 Other Non Current Assets	138304446		125444060	
4 Other Bank Balances	-12403824159		-2147793644	
5 Other Current Assets	-88268707		915515	
6 Trade Receivable	4747686		-4674932	
7 Other Long Term Liabilities	164297014		2000304428	
8 Other Current Liabilities	2822629863		323579978	
9 Trade Payable	-14705650		-83961673	
10 Provisions	3885777		107381886	
	-24545311993		-5954362053	
Cash Generated from Operations	-19747164220		-2555194051	
Income Tax	-1595356050		-1334844323	
Net Cash Generated from Operations		-21342520270		-3890038374
B Cash Flow From Investing Activities				
1 Purchase of Fixed Assets	-81425268		-19630771	
2 Sale of Fixed Assets	334030		293170	
3 Dividend on Investment	0		0	
Net Cash flow from Investing Activities		-81091238		-19337601
C Cash Flow from Financial Activities				
1 Equity Contribution	0		400000000	
2 National Clean Energy Fund	0		0	
3 Securities Premuim	468000		0	
4 Redemption of Bonds	0		0	
5 Dividend paid	-544000000		-350000000	
6 Dividend Tax paid	-110745600		-59482500	
7 Interim Dividend paid	-1500000000			
8 Dividend Tax on Interim Dividend paid	-305370000			
9 Increase /Decrease in Short term Debts	2697759		-1153692926	
10 Increase /Decrease in Long term Debts	25466540751		8384307326	
Net Cash flow from Financing Activities		23009590910		7221131900
Net Increase in Cash and Cash Equivalents		1585979402		3311755925
Cash and Cash Equivalents at the beginning of the year		8220567272		4908811347
Cash and Cash Equivalents at the end of the year		9806546674		8220567272
Net Increase in Cash and Cash Equivalents		1585979402		3311755925
		0		0
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR				
Postage Imprest		46932		80230
In Current Accounts with Banks		1797920494		603719643
In Deposit Accounts with Banks		7992492532		7606044237
Cheques under Collection/DD in hand		16086716		10723162
		9806546674		8220567272

Notes to the Cash Flow statement.

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.
4. Total Deposits includes deposits of ₹ 4,650,000,000 having original maturity of more than 90 days.

As per our Report of even date

For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Sd/-
Ashok Chopra
Partner
M.No.- 017199
Place : New Delhi
Date : 22.08.2016

Sd/-
S K Bhargava
Director (Finance)
DIN No. 01430006

Sd/-
Surender Suyal
Company Secretary
M.No.: A11900

Sd/-
K S Popli
Chairman and
Managing Director
DIN No. 01976135

FORM AOC-1

Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.No.	Particulars	Remarks
1	Name of the Associate/Joint Venture	M/s M.P. Wind Farms Limited.
2	Latest Audited Balance Sheet Date	31.03.2016
3	Share of Associate/Joint Venture held by the Company on the year end	
	a) No.	168,000 shares (including 48,000 shares allotted as Bonus Shares)
	b) Amount of investment in Associate/Joint Venture	₹ 1,200,000
	c) Extent of Holding	24%
4	Reason why the Associate/Joint Venture is not consolidated	-
5	Net Worth attributable to shareholding	₹ 5,221,439
6	Profit/Loss for the year	
	a) Considered in Consolidation	₹ 1,161,980
	b) Not Considered in Consolidation	₹ 3,679,603

As per our report of even date

Jain Chopra & Company
Chartered Accountants
Firm's Registration No. 02198N

Sd/-
Ashok Chopra
Partner
Membership No.017199

Place: New Delhi
Date: 22.08.2016

Sd/-
S K Bhargava
Director (Finance)
DIN No. 01430006

Sd/-
Surender Suyal
Company Secretary
M.No.: A11900

Sd/-
K S Popli
Chairman and
Managing Director
DIN No. 01976135

INDEPENDENT AUDITORS' REPORT

To
The Members of
Indian Renewable Energy Development Agency Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Indian Renewable Energy Development Agency Limited,** (the company) and its associate company in which the company holds 24% equity share capital, which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss for the year then ended, the Consolidated Cash Flow Statement and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance of the Company including its associate company in accordance with the accounting principles generally accepted in India, including theAccounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statement by the Directors of the company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion of these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due do fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evauating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate company as at 31st March, 2016, their consolidated profit for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters on the standalone financial statements

i. The Company has sanctioned and disbursed loans under it's newly Board Approved Policy titled "IREDA Scheme for Discounting of Energy Bills". The loans so sanctioned and disbursed had been adjusted against dues of the borrowing company/group company, which do not meet with some of the criteria of the scheme. However, the company proposes to make suitable changes in the scheme for more clarity and get them approved.

   Further for one of the loans amounting to ₹ 3.36 Crore, registration of charge is yet to be created.

ii. No. 24(1)(b) regarding provisions relating to Asset classification/ provisioning of restructured/rescheduled accounts not being in conformity with the Articles of Association of the company,

iii. No. 24(11) regarding the obligation under section 135 of The Companies Act, 2013 on Corporate Social Responsibility (CSR) having not been discharged during the year.

iv. No. 24(22) which states that specific audit of accounts of Generation based incentive funds has not been done.

Other Matters

We did not audit the financial statements of the associate company whose financial statements reflect total assets of ₹ 3,18,04,844/- as at March 31, 2016 and total revenue of ₹ 2,48,31,954/- for the year ended on that date, the company's share of 24% where of as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the associate company, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' report of the company and associate company, we give in the Annexure-A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable and in terms of sub-sections 5 of section 143 of the Act we give in the Annexure-B information in respect of the directions issued by the Comptroller and Auditor-General of India.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

   c) the consolidated Balance Sheet and the consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of written representations obtained from the directors none of the directors are disqualified from being appointed as a director in terms of Section 164(2) of the Act as on 31st March 2016.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure C", and

   g) With respect to the other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 24(4) the Standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material forseeable losses;

      iii. There is no amounts, required to be transferred by the Company to the Investor Education and Protection Fund.

Jain Chopra & Company
Chartered Accountants
(Firm's Registration No. 02198N)

Sd/-
Ashok Chopra
Partner
(Membership No. 017199)

Place: New Delhi
Dated: 22.08.2016

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

i) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

b) We are informed that the management had physically verified the fixed assets during the year and no discrepancies were noticed on such verification.

c) On the basis of information and explanations provided, the properties have been allotted in the name of the company but in the case of its Office premises at India Habitat Centre and at August Kranti Bhawan, New Delhi, and its residential flat at Jangpura, New Delhi, the title deeds have yet to be executed.

ii) The company does not hold any inventories as such the provisions are not applicable

iii) According to the information and explanstions provided, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

iv) In respect of loans given to its whole time directors the same are covered under the exclusion as stated in the proviso to subsection 1 of section 185. The provision of section 186 is not applicable to the company as the company is engaged in the business of financing companies. Further the provision of subsection 1 of section 186 is not applicable as the company does not have any subsidiary company.

v) The company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or nay other relevant provisions of the Companies Act and the rules framed thereunder apply.

vi) According to the information and explanations provided. The Central Government has not prescribed the maintenance of cost records under subsection (1) of section 148 of the Companies Act, and the rules made thereunder, in the case of the Company.

vii) a) As per the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities.

b) The Company is in appeal in the following cases:

Name of the Statute	Subject	Ass. Yr.	Amount in ₹	Forum
Income Tax Act, 1961	Income Tax	2010-11	13.70 crore	CIT (Appeals)
Income Tax Act, 1961	Income Tax	2011-12	14.96 crore	CIT (Appeals)
Income Tax Act, 1961	Income Tax	2012-13	15.54 crore	CIT (Appeals)
Income Tax Act, 1961	Income Tax	2013-14	16.32 crore	CIT (Appeals)
In respect of Associate company Service Tax Act	Service Tax	2005-06	0.39 crore	Service tax (Appeals)

viii) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the financial year.

ix) The company has raised moneys through Bonds and were applied for the purposes for which those are raised.

x) According to the information and explanations provided, no fraud committed on or by the company has been noticed or reported during the course of our audit.

xi) The company being a Government Company, the provisions relating to Managerial Remuneration do not apply to the company in terms of MCA Notification issued dated 5th June 2015.

xii) The company is not a Nidhi Company.

xiii) On the basis of information and explanations provided, the transactions with related parties are in compliance with Section 177 and 188, wherever applicable, and have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv) During the FY 2015-16, the Company has issued Tax-free bonds aggregating ₹284 crore on Private Placement basis allotted on October 01, 2015 as per the requirement of section 42 of the Companies Act, 2013 and the Rules made thereunder. The amount raised have been fully utilized for the purposes for which the funds were raised.

xv) On the basis of information and explanations provided, the company has not entered into any non-cash transactions with the Directors or persons connected with them.

xvi) Yes. The company is required and is registered with Reserve Bank of India under Section 45-IA of The Reserve Bank of India Act, 1934.

Jain Chopra & Company
Chartered Accountants
(Firm's Registration No. 02198N)

Sd/-
Ashok Chopra
Partner
(Membership No. 017199)

Place: New Delhi
Dated: 22.08.2016

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

Directions under section143(5) of the Companies Act, 2013 for the year 2015-16 issued by the Comptroller & Auditor General of India.

1. Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available?

   Answer:- On the basis of information and explanations provided the company holds clear title to the properties which have been allotted/purchased in the name of the company but the title deeds/lease deeds have yet to be executed in the case of its office premises in New Delhi at India Habitat Centre (Area 1048.79 sqmtr) and at August Kranti Bhawan, (Area 1813. 175 sqmtr), and its residential flat in New Delhi at Jangpura. (170.40 sqmtr).

2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.

   Answer:- During the year the company had sanctioned one time settlement (OTS) in the case of one of its borrowers. The account had already been written off in earlier years. The ledger balance as on the date of OTS was ₹10000/- and the balance in memorandum accounts was ₹937.19 lacs. As per information available the party has not come forward to pay the amount in settlement of the account. According, the OTS had fallen through. There has however been no write off in the current year.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. of other authorities.

   Answer:- The Company does not have any inventories. Further as per information and explanations provided the Company has not received any Grants from the Govt. or other authorities during the year.

Jain Chopra & Company
Chartered Accountants
(Firm's Registration No. 02198N)

Sd/-
Ashok Chopra
Partner
(Membership No. 017199)

Place: New Delhi
Dated: 22.08.2016

ANNEXURE-C TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Indian Renewable Energy Development Agency Limited**, ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weekness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my/our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, subject to the following, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

a. *Application of interest/reversal of interest in borrowers' accounts having manual interventions*

b. *Delegation of authority of various levels to be reviewed and is pending for a number of years*

c. *Information technology system for maintenance of records to be updated.*

d. *Absence of audit trail in case of collection of incomes in some misc. heads of accounts.*

Jain Chopra & Company
Chartered Accountants
(Firm's Registration No. 02198N)

Sd/-
Ashok Chopra
Partner
(Membership No. 017199)

Place: New Delhi
Dated: 22.08.2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED FOR THE YEAR ENDED 31 MARCH 2016

(As conveyed vide letter No. 471/PDCA/HS/MAB-IV/A/cs /IREDA(Consolidated)/16-17 dated 17th October, 2016 by the office of the Principal Director of Commercial Audit & Ex-officio Member, Audit Board –IV, New Delhi.)

The preparation of consolidated financial statements of **Indian Renewable Energy Development Agency Limited** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **22 August, 2016.**

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4)of the Act of the consolidated financial statements of Indian Renewable Energy Development Agency Limited for the year ended 31 March 2016. Further, section 139 (5) and 143 (6) (b) of the Act are not applicable to M/S MP Windfarms Ltd. being private entity, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of this entity. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4)of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

Comments	Management's Reply
I. Comments on Disclosure **Balance Sheet (Consolidated)** **Employee Benefits – Note No. 1(14)** **Deferred tax - Note No. 1 (18)**	
The above note was deficient to the extent that it did not disclose that it's Joint Venture Company (M/s M.P. Windfarms Limited):	The Notes to Accounts on consolidated accounts incorporate the disclosure to the effect that IREDA's joint venture company (M/s M.P. Windfarms Limited) charges the retirement benefits to P & L account as and when payable.
(a) had neither assessed liability towards gratuity as per actuarial valuation in compliance with Accounting Standard 15 nor had made provision on account of gratuity of ₹ 29.13 lakh payable to the employees of the Joint Venture upto the year end. Besides, Joint Venture had also not assessed the liability towards leave encashment and other benefits.	
(b) had not recognised Deferred tax assets/liabilities in compliance with Accounting Standard 22 - Accounting for Taxes on Income in absence of reasonable certainty that sufficient future income would be available against which these could be realised.	Considering the size of the operations of the associate company and also considering that no significant items could result in any significant effect on deferred tax obligation, no separate mention was required in consolidated accounts.

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

Sd/-
(Dr. Ashutosh Sharma)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place: New Delhi
Date: 17 .10.2016

For and on the behalf of the
Board of Directors

Sd/-
(K.S. Popli)
Chairman & Managing Director

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Consolidated Balance Sheet as at 31.03.2016

Particulars	Note No.	As at 31.03.2016 ₹	As at 31.03.2015 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	**7,846,000,000**	7,846,000,000
(b) Reserves and Surplus	3	**15,118,692,431**	13,942,495,130
(2) Share Application Money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowing	4	**96,159,119,125**	71,295,363,366
(b) Other long-term liabilities	5	**3,165,321,442**	3,001,024,428
(c) Long-term provisions	6	**337,448,439**	315,076,973
(4) Current liabilities			
(a) Short-term borrowing	7	**2,702,705**	-
(b) Trade payables (Includes balance payable to MSME - Nil (Previous year Nil))	8	**69,280,306**	83,853,806
(c) Other current liabilities	9	**8,777,491,215**	5,165,881,857
(d) Short-term provisions	10	**488,074,799**	1,160,273,346
TOTAL		**131,964,130,461**	102,809,968,905
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	11		
(i) Tangible assets		**291,422,955**	321,348,806
(ii) Intangible assets		**2,892,438**	4,874,255
(iii) Capital work-in-progress		**8,000**	-
(iv) Capital Work in Progress 50 MW Solar Project		**140,319,983**	70,000,000
(v) Intangible assets under development		**558,710**	593,731
		435,202,086	396,816,792
(b) Non-current investments	12	-	-
(c) Deferred tax assets (Net)	24(18)	**622,045,841**	569,309,750
(d) Long-term loans and advances	13	**88,541,773,359**	77,800,367,070
(e) Other non-current assets	14	**816,575,116**	954,879,562
(2) Current assets			
(a) Trade Receivable	15	**2,712,334**	6,990,209
(b) Cash and bank balances	16	**24,564,250,914**	10,573,665,739
(c) Short-term loans and advances	17	**16,756,308,865**	12,371,224,590
(d) Other current assets	18	**225,261,946**	136,715,191
TOTAL		**131,964,130,461**	102,809,968,905
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 24		

As per our Report of even date
For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Sd/-
Ashok Chopra
Partner
M.No.- 017199

Sd/-
S K Bhargava
Director (Finance)
DIN No. 01430006

Sd/-
K S Popli
Chairman and Managing Director
DIN No. 01976135

Sd/-
Surender Suyal
Company Secretary
M.No.: A11900

Place : New Delhi
Date : 22.08.2016

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Consolidated Statement of Profit and Loss for the year ended on 31.03.2016

	Particulars	Note No.	For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
I.	Revenue from operations	19	11,745,002,384	11,183,186,723
II.	Other Income	20	6,354,983	5,357,157
III.	Total Revenue (I+II)		11,751,357,367	11,188,543,880
IV.	**Expenses:**			
	Employee Benefit Expenses	21	228,490,769	259,458,217
	Finance Cost	22	6,683,562,571	6,463,410,978
	Depreciation and Amortisation Expenses		42,850,439	54,946,540
	Other Expenses	23	218,654,595	180,199,226
	Bad Debts Written Off		-	405,657,703
	Less Provision for Bad and Doubtful Debts created in earlier years written back		-	(405,657,703)
	Provision for Bad and Doubtful Debts		392,646,390	312,486,192
	General Provision for Standard Assets		668,038	130,755,534
			7,566,872,802	7,401,256,687
V.	Profit before Exceptional & Extrordinery items and tax (III-IV)		4,184,484,565	3,787,287,193
VI.	**Add+/Less(-) Prior Period Adjustments (Net)**		(6,531,250)	(634,637)
VII.	**Add+/Less(-) Exceptional items**		-	395
VIII.	**Profit before tax (V-VI)**		4,177,953,315	3,786,652,951
IX.	Tax Expenses			
	(1) Current Tax		1,249,158,000	1,087,840,800
	(2) Income Tax- Earlier Years		-	-
	(3) Deferred Tax		(52,736,091)	(20,807,200)
X.	**Profit for the period (VII-VIII)**		2,981,531,406	2,719,619,352
XI.	**Earning per Equity Share:**	24(13)		
	(1) Basic & Diluted (Annualised)		380.01	355.13
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 24		

As per our Report of even date

For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Sd/-
Ashok Chopra
Partner
M.No.- 017199

Sd/-
S K Bhargava
Director (Finance)
DIN No. 01430006

Sd/-
K S Popli
Chairman and Managing Director
DIN No. 01976135

Sd/-
Surender Suyal
Company Secretary
M.No.: A11900

Place : New Delhi
Date : 22.08.2016

NOTE '1'

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 as per section 129, the Accounting Standards referred to in Section 2 clause II of The Companies Act, 2013 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 principal has remained overdue for a period of more than two quarters at the end of financial year. 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 Statement of Profit and Loss in the year of issue of such loan/bond.

(iii) Prepaid expenses and prior period expenses/income upto ₹20,000/- per item are charged to Statement of Profit & Loss as and when incurred/adjusted/received.

(iv) Insurance claims are accounted for as and when admitted by the insurance company.

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

- **Assets classification**

a) Standard Asset:- An asset is classified as Standard Asset if it is not an Non-Performing Asset (NPA).

b) Non performing Asset: A non-performing asset (NPA) is a loan where:

- An assets, in respect of which, interest and/ or principal has remained overdue for a period of more than two quarters.
- The company classifies NPA at the end of the financial year.

c) The Non-performing Asset is further classified as below:-

I. **Sub-standard Assets**
A sub-standard asset is one, which has remained NPA for a period of upto 18 months.

II. **Doubtful Assets**
A doubtful asset is one, which has remained in the substandard category for a period exceeding 18 months.

III. **Loss assets**
A Loss asset is one which is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value and where loss has been identified by the company or internal or external auditors or any other relevant Government authority but the amount has not been written off wholly or the asset remains doubtful asset for a period exceeding 5 years.

Provisioning against loans

The provisioning in respect of loans & advances is made as under:

(i) Standard Assets: provision in respect of Standard Assets is made @ 0.25% of the outstanding standard assets. In addition, the Board of Directors may decide to create floating provision on Standard Asset. The floating provision can not be reversed by credit to statement of P&L Account. It can only be utilised for making specific provisions in respect of impaired accounts.

(ii) Sub-standard Assets: A provision of 10% of loan outstanding is made.

(iii) **Doubtful Assets:** 100% of the extent to which the loan is not covered by the realisable value of the security to which IREDA has a valid recourse. With regard to secured portion of loan, provision as follows is made:-

Period for which the asset has been considered as doubtful	**% of provision**
Upto one year	20%
1 to 3 year	30%
More than 3 years	Between 50% to 100% of loan outstanding depending upon risk perception.

(iv) **Loss Assets:-** 100% of the loan outstanding is provided for.

(v) In joint venture company, the revenue from sales and /or services are recognized when requirements as to performance is satisfied, which represents transfer of significant risks and rewards to the customers as per terms of relevant contracts and no significant uncertainty remains regarding the consideration. Sales & Income are shown exclusive of taxes, if any, applicable on sales/services. Applicable taxes are accounted for separately.

3) Foreign Currency Transactions

(i) Transactions in foreign currency (except the foreign currency loans where derivative transactions have been made with banks), 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 Statement of Profit and Loss and accounted as per Accounting Standard (AS)-11 on "The Effects of Changes in Foreign Exchange Rates (revised 2003)" issued by the Institute of Chartered Accountants of India (ICAI).

(ii) The transaction in foreign currency loans, where Derivative transaction take place, are recorded at the contracted exchange rate on deal date till the Period of maturity of derivative deals. The difference between the exchange rate at the date of transaction and derivatives rate is recognized as income or expense in the Statement of Profit and Loss.

(iii) Derivative transactions includes principal swap, Currency & Interest Rate Swap (CIRS), forwards, interest rate swaps, cross currency swaps, currency and cross currency options etc. to hedge foreign currency assets and liabilities.

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 and intangible assets is provided as per the useful life mentioned and in the manner prescribed in Schedule II of The Companies Act, 2013 on written down value method.

(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.

(iv) Depreciation is provided in the financial year in respect of assets of ₹5000 or less 100%.

7) **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.

8) **Loans**

Loans secured against Hypothecation, English Mortgage, Equitable Mortgage and Joint Equitable Mortgage and guaranteed by Banks/Financial Institution/Central Government/State Government as the case may be, are classified as fully secured.

9) **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.

10) **Employee Benefits**

(A) **Short Term Employee Benefits**

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

(B) **Retirement Benefits**

1. The liability for retirement of employees in respect of provident fund, benevolent fund, superannuation fund and Gratuity, which is ascertained annually on actuarial valuation at the year end, are accrued and funded separately.

2. The liabilities for leave encashment, sick leave and post retirement medical benefits and baggage allowance to employees are accounted for on accrual basis based on actuarial valuation at the year end.

11) **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 any liability is recognized only when it is virtually certain that the reimbursement will be received.

Notes on Financial Statements for the year ended 31.03.2016

NOTE-'2'
SHARE CAPITAL

PARTICULARS	As at 31.03.2016 ₹	As at 31.03.2015 ₹
Authorised 600,00,000 (Previous year 100,00,000) Equity Shares of ₹ 1,000 each	**60,000,000,000**	10,000,000,000
Issued, Subscribed & Fully Paid up		
78,46,000 (Previous Year 78,46,000) Equity Shares of ₹ 1,000 each fully paid up .	**7,846,000,000**	7,846,000,000
Total	**7,846,000,000**	**7,846,000,000**

RECONCILIATION OF EQUITY SHARES

PARTICULARS	Equity Shares		Equity Shares	
	Number	₹	Number	₹
	2015-16		2014-15	
Shares outstanding as on 1st April	7,846,000	7,846,000,000	7,446,000	7,446,000,000
Shares issued during the period	-	-	400,000	400,000,000
Shares bought back during the period	-	-	-	-
Shares outstanding as on 31st March	7,846,000	7,846,000,000	7,846,000	7,846,000,000

Foot Notes:

(i) 100% Equity Shares are held by Government of India.

(ii) Equity Shareholders have full voting rights with no restrictions.

(iii) All the Equity Shares are fully paid up in cash.

NOTE-'3'
RESERVES & SURPLUS

PARTICULARS		As at 31.03.2016 ₹	As at 31.03.2015 ₹
a.	**Capital Reserves**		
i.	**Capital Grant from world bank for purchase of Fixed Assets**		
	Opening Balance	**846,924**	1,347,177
	(+) Received During the year	-	-
	(-) Transferred to Miscellaneous Income	**432,102**	500,253
	Closing Balance	**414,822**	846,924
ii.	**Grant-in-aid from Government of Netherlands**	**167,858,986**	167,858,986
iii.	**Grant-in-aid from World Bank**	**839,484,095**	839,484,095
iv.	**Other Capital Grant**	**60,144,000**	60,144,000
v.	**Securities Premium**	**504,000**	36,000
vi.	**24% share in Bonus Shares in M.P. Wind Farms**	**480,000**	480,000
		1,068,885,903	1,068,850,005
b.	**Special Reserve**		
	(under Section 36(1)(viii) of the Income Tax Act, 1961)		
	Opening Balance	**4,616,517,961**	3,876,044,145
	(+) Addition during the year	**797,091,019**	740,473,816
	(-) Written Back in Current Year	-	-
	Closing Balance	**5,413,608,980**	4,616,517,961
c.	**Debenture Redemption Reserve**		
	Opening Balance	**276,460,000**	138,230,000
	(+) Addition during the year	**462,911,043**	138,230,000
	(-) Written Back in Current Year	-	-
	Closing Balance	**739,371,043**	276,460,000
d.	**General Reserve**		
	Opening Balance	**7,976,770,065**	6,793,565,266
	(+) Addition during the year	-	1,190,000,000
	(-) Additional depreciation charged	-	10,391,805
	(-) Deferred Tax on additional depreciation charged (@ 34.61%)	-	3,596,604
	(-) Transfere to Profit & Loss Account	**850,000,000**	-
	Closing Balance	**7,126,770,065**	7,976,770,065
	24% Share in MP Wind Farms	**593,504**	593,504
	Closing Balance	**7,127,363,569**	7,977,363,569
e.	**Profit & Loss Account**		
	Opening Balance	**1,517,637**	5,905,335
	(+) Net Profit for the current year	**2,981,531,406**	2,719,619,352
	(-) Interim Dividend (also the Final Dividend)	**1,500,000,000**	-
	(-) Corporate Dividend Tax on Interim dividend (also the Final Dividend)	**305,370,000**	-
	(-) Proposed Dividend	-	544,000,000
	(-) Corporate Dividend Tax on proposed dividend	-	110,745,600
	(-) Transfer to Special Reserve	**797,091,019**	740,473,816
	(-) Transfer to Debenture Redemption Reserve	**462,911,043**	138,230,000
	(-)/+ Transfer to / from General Reserve	**850,000,000**	(1,190,000,000)
	Closing Balance	**767,676,981**	2,075,271
	24% Share in MP Wind Farms	**1,785,955**	1,228,324
	Closing Balance	**769,462,936**	3,303,595
	Total	**15,118,692,431**	13,942,495,130

NOTE-'4'
LONG TERM BORROWINGS

PARTICULARS	Terms of Repayment	As at 31.03.2016 ₹	As at 31.03.2015 ₹
A. Bonds			
I) **Taxfree Bonds - Non Convertible Redeemable Debentures** (Secured by paripassu charge on Loans and Advances (book debts) of the company.)			
(i) 7.68% Tax free Bonds (Series XIV Tranche-I-IIIB- 2015-16)	Redeemable at par on 21-01-2036	**749,988,000**	-
(ii) 7.43% Tax free Bonds (Series XIV Tranche-I-IIIA- 2015-16)	Redeemable at par on 21-01-2036	**364,442,000**	-
(iii) 8.80% Tax free Bonds (Series XIII Tranche-I-IIIB- 2013-14)	Redeemable at par on 13-03-2034	**1,441,642,000**	1,441,642,000
(iv) 8.55% Tax free Bonds (Series XIII Tranche-I-IIIA- 2013-14)	Redeemable at par on 13-03-2034	**388,123,000**	388,123,000
(v) 7.74% Tax free Bonds (Series XIV Tranche-I-IIB- 2015-16)	Redeemable at par on 21-01-2031	**4,835,153,000**	-
(vi) 7.49% Tax free Bonds (Series XIV Tranche-I-IIA- 2015-16)	Redeemable at par on 21-01-2031	**8,842,652,000**	-
(vii) 8.56% Tax free Bonds (Series XIII Tranche-I-IC- 2013-14)	Redeemable at par on 27-03-2029	**360,000,000**	360,000,000
(viii) 8.80% Tax free Bonds (Series XIII Tranche-I-IIB- 2013-14)	Redeemable at par on 13-03-2029	**2,345,508,000**	2,345,508,000
(ix) 8.55% Tax free Bonds (Series XIII Tranche-I-IIA- 2013-14)	Redeemable at par on 13-03-2029	**1,230,769,000**	1,230,769,000
(x) 7.53% Tax free Bonds (Series XIV Tranche-I-IB- 2015-16)	Redeemable at par on 21-01-2026	**1,278,859,000**	-
(xi) 7.28% Tax free Bonds (Series XIV Tranche-I-IA- 2015-16)	Redeemable at par on 21-01-2026	**1,088,906,000**	-
(xii) 7.17% Tax free Bonds (Series XIV Private IC- 2015-16)	Redeemable at par on 01-10-2025	**2,840,000,000**	-
(xiii) 8.41% Tax free Bonds (Series XIII Tranche-I-IB- 2013-14)	Redeemable at par on 13-03-2024	**1,052,914,000**	1,052,914,000
(xiv) 8.16% Tax free Bonds (Series XIII Tranche-I-IA- 2013-14)	Redeemable at par on 13-03-2024	**757,590,000**	757,590,000
II) **Taxable Bonds - Non Convertible Redeemable Debentures** (Secured by negative lien on Loans and Advances (Book Debts) of the company.)			
(i) 8.49% Taxable Bonds (Series VB- 2013-14)	Redeemable at par on 10-05-2028	**2,000,000,000**	2,000,000,000
(ii) 9.02% Taxable Bonds (Series III- 2010-11 - Tranche-II)	Redeemable at par on 24-09-2025	**2,500,000,000**	2,500,000,000

PARTICULARS		Terms of Repayment	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(iii)	8.44% Taxable Bonds (Series VA- 2013-14)	Redeemable at par on 10-05-2023	**3,000,000,000**	3,000,000,000
(iv)	9.49% Taxable Bonds (Series IV- 2012-13)	Redeemable at par on 04-06-2022	**3,000,000,000**	3,000,000,000
(v)	8.87% Taxable Bonds (Series III- 2010-11 - Tranche-I)	Redeemable at par on 24-09-2020	**1,500,000,000**	1,500,000,000
(vi)	8.85% Taxable Bonds (Series II- 2009-10)	Redeemable at par on 13-01-2020	**1,500,000,000**	1,500,000,000
(vii)	9.60% Taxable Bonds (Series I- 2008-09)	Redeemable at par on 24-02-2019	**1,000,000,000**	1,000,000,000
Total of Bonds			**42,076,546,000**	22,076,546,000
B.	**Term Loans - Secured**			
a.	**From Banks**			
(i)	Bank of Baroda (INR Loan)	Repayment on half yearly basis	**739,967,190**	865,411,250
	Less: Current Maturity	starting from 15.01.2003 till	**138,304,446**	125,568,028
	(Secured by US$ deposit with BOB London)	15.07.2021. Installments ranging between ₹ 19,147,506 to ₹ 96,126,342.	**601,662,744**	739,843,222
(ii)	Union Bank of India Term Loan-II	Interest @ base rate i.e 9.65%	**642,850,000**	1,785,710,000
	Less: Current Maturity	(Floating), Repayment on	**285,720,000**	285,720,000
	(Secured by pari-passu charge on the Loans and Advances (Book Debts))	quarterly basis starting from 09.09.2014. Balance repayable in 8 Installments of ₹ 71,430,000 each and 1 installment of ₹ 71,410,000.	**357,130,000**	1,499,990,000
(iii)	Loan I from Asian Development Bank (ADB)	Repayment on half yearly basis starting from 15.01.2003 till	**958,948,095**	1,084,162,632
	Less: Current Maturity	15.07.2021 in installments ranging	**138,492,174**	125,568,028
	(Secured by pari-passu charge on the Loans and Advances (Book Debts) and Further Guaranteed by the Government of India)	between US$ 398,900 to US$ 2,428,269.	**820,455,921**	958,594,604
b.	**From Others**			
(i)	Small Industrial Development Bank of India	Interest @ 9.35% (Fixed for 2 years), repayable on quarterly	**1,000,000,000**	2,000,000,000
	Less: Current Maturity	basis starting from 10.06.2016 in	**280,000,000**	-
	(Secured by pari-passu charge on the Loans and Advances (Book Debts))	14 installments of ₹ 70,000,000 each and 1 installment of ₹ 20,000,000.	**720,000,000**	2,000,000,000
C.	**Term Loans - Unsecured**			
a.	**From Banks**			
(i)	Nordic Investment Bank (NIB)	Repayment on half yearly basis	**1,139,590,476**	1,463,490,824
	Less: Current Maturity	starting from 17.12.2012 till	**325,597,279**	325,220,183
		17.06.2019 in 8 installments of US$ 3,571,428.58 each and 6 installments of US$ 3,571,428.56 each.	**813,993,197**	1,138,270,641

PARTICULARS		Terms of Repayment	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(ii)	KFW Loan-I Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.12.2009 till 30.12.2039 in 28 installments of Euro 586,451.79 each, 32 installments of Euro 586,963.08 each and 1 installment of Euro 586,963.00.	**1,758,826,942** **73,240,557** **1,685,586,385**	1,832,067,498 73,240,557 1,758,826,941
(iii)	KFW Loan-II Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.09.2012 till 30.09.2020 in 16 installments of Euro 2,858,000 each & 1 installment of Euro 4,272,000.	**1,757,432,623** **370,190,333** **1,387,242,290**	2,124,001,709 369,560,263 1,754,441,446
(iv)	KFW Loan-III Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.06.2020 till 30.12.2049 in 9 installments of Euro 332,000 each & 51 installments of Euro 333,000 each.	**1,324,347,788** **-** **1,324,347,788**	1,324,347,788 - 1,324,347,788
(v)	KFW Loan-IV Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.06.2014 till 30.12.2022 in 16 installments of Euro 11,111,000 each and 2 installments of Euro 11,112,000 each.	**11,346,345,139** **1,620,885,608** **9,725,459,531**	6,720,198,482 1,528,800,592 5,191,397,890
(vi)	International Bank for Reconstruction and Development (IBRD) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 15.12.2005 till 15.06.2020 in installments ranging from Euro 1,309,700 to Euro 2,651,500.	**958,198,610** **191,612,575** **766,586,035**	1,138,929,762 180,731,152 958,198,610
(vii)	Loan II from Asian Development Bank (ADB) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 15.04.2020 till 15.10.2034 in 29 equal installments of US$ 6,666,666 each and 30th installment of US$ 6,666,686.	**665,317,481** **-** **665,317,481**	- - -
b.	**From Others**			
(i)	Loan from NCEF Less: Current Maturity	Interest @ 2%, repayable in 40 equal quaterly instalments starting from 30.09.2015 of ₹ 1,525,000 each.	**56,425,000** **6,100,000** **50,325,000**	61,000,000 4,575,000 56,425,000
(ii)	Agence Francaise De Developpement (AFD) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 31.07.2016 till 31.01.2031 in 30 installments of Euro 2,333,333.33 each.	**5,646,228,207** **376,415,214** **5,269,812,993**	5,645,894,759 - 5,645,894,759
(iii)	Agence Francaise De Developpement (AFD)-II Less: Current Maturity	Repayment on half yearly basis starting from 30.11.2019 till 30.05.2029 in 20 installments of Euro 5,000,000 each.	**1,465,455,000** **-** **1,465,455,000**	714,500,000 - 714,500,000

PARTICULARS	Terms of Repayment	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(iv) Japan International Cooperation Agency (JICA)	Repayment on half yearly basis starting from 20.6.2021 to 20.06.2041 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each	**18,893,083,798**	18,873,535,711
Less: Current Maturity		**-**	-
(Guaranteed by the Government of India)		**18,893,083,798**	18,873,535,711
(v) Japan International Cooperation Agency (JICA)-II	Repayment on half yearly basis starting from 20.03.2024 to 20.03.2044 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each	**5,564,375,000**	2,611,375,000
Less: Current Maturity		**-**	-
(Guaranteed by the Government of India)		**5,564,375,000**	2,611,375,000
(vi) European Investment Bank (EIB)	Tranche I - Repayment on half yearly basis starting from 26.09.2019 to 26.03.2035 in 32 installments of US$ 662,000 each.	**1,326,306,560**	1,326,306,560
Less: Current Maturity		**-**	-
(Guaranteed by the Government of India)		**1,326,306,560**	1,326,306,560
(vii) Government of India Against International Development Agency (IDA) - Second Renewable Energy Project (INR Loan)	Repayment on half yearly basis starting from 15.10.2010 to 15.04.2035 in 20 installments of US$ 625,000 each and 30 installments of US$ 1,250,000 each payable in INR	**2,075,733,750**	2,146,418,750
Add: Liability due to underlying exchange fluctuation		**648,667,813**	597,751,000
		2,724,401,563	2,744,169,750
Less: Current Maturity		**78,968,161**	77,300,556
		2,645,433,402	2,666,869,194
Total		**96,159,119,125**	**71,295,363,366**

Foot Notes:

All foreign currency borrowings from various multilateral / bilateral agencies (hedged) viz. ADB, IBRD, NIB, KfW, AFD,JICA and EIB have been converted into INR loan by way of plain vanilla swap transaction /currency, interest rate swap / principal only swap etc. entered into with various banks with whom IREDA has signed ISDA Master Agreement. These swap/derivative transactions have been entered into with the participating bank for a different maturity period for each transaction which is shorter from the maturity period of the loan. The hedging of the foreign currency loan has been carried out at various intervals and in multiple tranches of drawl against the lines of credit. Due to SWAP / hedging of foreign currency loans, in addition to the interest cost, these loans carry, hedging/derivative cost, commitment fee, government guarantee fee and other financial charges and due to multiplicity of the tranches of drawl against the line of credit, the applicable rate of interest on these lines of credit has not been disclosed above.

NOTE-'5'
OTHER LONG TERM LIABILITIES

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a)	Trade Payable	-	-
(b)	Others	-	-
(c)	IREDA-National Clean Energy Fund (NCEF)	**3,164,601,442**	3,000,304,428
	24% Share in MP Wind Farms	**720,000**	720,000
	Total	**3,165,321,442**	3,001,024,428

NOTE-'6'
LONG TERM PROVISIONS

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a)	Provision for Employees' Benefits	**93,125,391**	103,765,674
(b)	Others		
	Provision for Standard Assets	**243,832,368**	210,784,619
	24% Share in MP Wind Farms	**490,680**	526,680
	Total	**337,448,439**	315,076,973

NOTE-'7'
SHORT TERM BORROWING

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(i)	Vijaya Bank (Overdraft facility Secured by pari-passu charge on the Loans and Advances (Book Debts))	**2,697,759**	-
	24% Share in MP Wind Farms	**4,946**	-
	Total	**2,702,705**	-

NOTE-'8'
TRADE PAYABLE

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
Trade Payable	**69,125,792**	83,831,442
24% Share in MP Wind Farms	**154,514**	22,364
Total	**69,280,306**	83,853,806

NOTE-'9'
OTHER CURRENT LIABILITIES

	Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a)	Current Maturity of Long Term Debts	**3,885,526,347**	3,096,284,359
(b)	Interest accrued but not due on borrowings	**2,010,117,312**	1,611,989,350
(c)	Others Payable		
	Provident Fund Payable	**2,621,364**	2,383,579
	MNRE Programme Funds	**94,485,441**	94,736,941
	MNRE Co Generation Specific Grant	**2,790,182**	2,790,182
	National Hydrogen Energy Board	**467,629**	449,470
	MNRE GBI Fund	**113,861,399**	50,648,079
	Assosication of Renewable Energy of States	**50,000,000**	39,600,000
	Roof Top and other Small Scale Solar Project	**700,328,123**	1,145,597
	MNRE Capital Subsidy For Channel Patners	**1,663,613,724**	85,527,825
	MNRE UNDP Funds	**163,892,689**	39,381,692
	MNRE SWHS	**30,523,675**	-
	Other Liabilities	**59,077,086**	140,496,042
	24% Share in MP Wind Farms	**186,244**	448,741
	Total	**8,777,491,215**	5,165,881,857

NOTE-'10'
SHORT TERM PROVISIONS

	Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a)	Provision for Employees' Benefits	**8,518,509**	6,196,318
(b)	Others		
	Proposed Dividend	-	544,000,000
	Corporate Dividend Tax	-	110,745,600
	Provision for Standard Assets (including Floating provision)	**316,824,396**	349,204,107
	Provision for Corporate Social Responsibility Fund	**109,131,482**	103,143,152
	Provision for Sustainable Development Fund	-	3,942,260
	Other Provisions	**52,745,073**	42,587,274
	24% Share in MP Wind Farms	**855,339**	454,634
	Total	**488,074,799**	1,160,273,346

NOTE-'11'
FIXED ASSETS

Amount in ₹

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Opening Balance as at 01.04.2015	Additions during the year	Disposals during the year	Adjustments during the year	As at 31.03.2016	Opening up to 01.04.2015	For the year	Disposal during the year	Adjustments during the year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
(i) **Tangible Assets**												
Buildings-Residential Leasehold	4,143,149	-	-	-	4,143,149	2,888,189	207,133	-	-	3,095,322	1,047,827	1,254,960
Buildings-Office												
Leasehold-IHC	43,956,603	-	-	-	43,956,603	21,563,172	2,761,924	-	-	24,325,096	19,631,507	22,393,431
Leasehold-AKB	422,757,821	-	-	-	422,757,821	157,562,288	28,639,325	-	-	186,201,613	236,556,208	265,195,533
Office Space at Chennai	14,353,680		-	-	14,353,680	7,472	1,362,890	-	-	1,370,362	12,983,318	14,346,208
24% Share in MP Wind Farms	65,922				65,922	-	-			-	65,922	65,922
Furniture and Fittings	28,157,072	747,119		-	28,904,191	20,401,294	2,517,089	-	-	22,918,383	5,985,808	7,755,778
24% Share in MP Wind Farms	70,577				70,577	61,279	1,555			62,834	7,743	9,297
Vehicles	5,704,198	-		-	5,704,198	3,205,283	812,709	-	-	4,017,992	1,686,206	2,498,915
24% Share in MP Wind Farms	430,242				430,242	304,623	55,023			359,646	70,596	125,619
Office Equipments	30,786,275	1,341,985	(87,807)	-	32,040,453	28,157,605	1,132,570	(82,975)	-	29,207,200	2,833,253	2,628,670
24% Share in MP Wind Farms	56,033				56,033	53,996				53,996	2,038	2,038
Computers	47,710,466	8,875,287	(4,713,192)	-	51,872,561	43,391,792	3,136,237	(4,528,488)	-	41,999,541	9,873,020	4,318,674
24% Share in MP Wind Farms	41,421				41,421	37,712	1,337			39,049	2,372	3,709
Library	1,854,060	4,063	-	-	1,858,123	1,854,060	4,063	-	-	1,858,123	-	-
24% Share in MP Wind Farms					-					-	-	-
Electrical Equipments												
24% Share in MP Wind Farms	77,087				77,087	36,619	7,730			44,349	32,738	40,468.00
Tools												
24% Share in MP Wind Farms	10,578				10,578	10,369	-			10,369	209	209.00
Wind Electricity Generator (WEG)												
24% Share in MP Wind Farms	7,740,849				7,740,849	7,031,473	65,185			7,096,658	644,191	709,375.00
Total A	607,916,033	10,968,454	(4,800,999)	-	614,083,488	286,567,226	40,704,770	(4,611,463)	-	322,660,533	291,422,955	321,348,806
Previous year	594,678,015	19,471,274	(6,233,256)	-	607,916,033	239,873,060	52,574,952	(5,880,786)	-	286,567,226	321,348,806	364,167,460
24% Share in MP Wind Farms	8,491,188	4,221	(2,700)	-	8,492,708	7,395,951	142,820	(2,700)	-	7,536,071	956,637	1,095,236
Previous year total	8,466,629	156,000	(131,441)	-	8,491,188	7,032,889	462,284	(99,222)	-	7,395,951	1,095,236	1,433,740
(ii) Intangible Assets												
Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Software	14,422,302	163,852	-	-	14,586,154	9,548,047	2,145,669	-	-	11,693,716	2,892,438	4,874,255
Total B	14,422,302	163,852	-	-	14,586,154	9,548,047	2,145,669	-	-	11,693,716	2,892,438	4,874,255
Previous year	14,258,584	163,718	-	-	14,422,302	7,176,459	2,371,588	-	-	9,548,047	4,874,255	8,274,705
Total A+B	622,338,335	11,132,306	(4,800,999)	-	628,669,642	296,115,273	42,850,439	(4,611,463)	-	334,354,249	294,315,393	326,223,061
Previous year	608,936,599	19,634,992	(6,233,256)	-	622,338,335	247,049,519	54,946,540	(5,880,786)	-	296,115,273	326,223,061	372,442,165
(iii) Capital Work In Progress												
Leasehold Office	-	8,000			8,000	-	-	-	-	-	8,000	-
Total C	-	8,000	-	-	8,000	-	-	-	-	-	8,000	-
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Intangible Assets under development												
Software under Development	593,731	-	-	(35,021)	558,710	-	-	-	-	-	558,710	593,731
Total D	593,731	-	-	(35,021)	558,710	-	-	-	-	-	558,710	593,731
Previous year	558,710	35,021	-	-	593,731	-	-	-	-	-	593,731	558,710
(v) **Capital Work in Progress**												
Capital Work in Progress 50 MW Solar Project	70,000,000	70,319,983	-	-	140,319,983	-	-	-	-	-	140,319,983	70,000,000
Total E	70,000,000	70,319,983	-	-	140,319,983	-	-	-	-	-	140,319,983	70,000,000
Previous year	-	70,000,000	-	-	70,000,000	-	-	-	-	-	70,000,000	-
Total A+B+C+D+E	692,932,066	81,460,289	(4,800,999)	(35,021)	769,556,335	296,115,273	42,850,439	(4,611,463)	-	334,354,249	435,202,086	396,816,792
Previous year	609,495,309	89,670,013	(6,233,256)	-	692,932,066	247,049,519	54,946,540	(5,880,786)	-	296,115,273	396,816,792	373,000,875

NOTE-'12'
NON CURRENT INVESTMENT

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(i)	Trade Investment	-	-
(ii)	**Other Investments**	-	-
	Investment in Equity Instruments (unquoted) (at cost)		
	Total	-	-

NOTE-'13'
LONG TERM LOANS & ADVANCES

Particulars		As at 31.03.2016 ₹	As at 31.03.2015 ₹
(a)	Capital Advances	**463,109,323**	-
	- For purchase of Office & Residence premises at NBCC Complex		
(b)	Security Deposits	**-**	-
(c)	Loan & Advances to Related Parties		
	Loans	**41,764**	341,856
	Advances (Not bearing interest)	**-**	-
(d)	Term Loans		
	- Onlending	**87,809,156,082**	77,201,604,564
	- Refinancing	**557,025,000**	657,025,000
	Less: Allowance for bad and doubtful Loans	**1,440,028,251**	1,047,381,861
		86,926,152,831	76,811,247,703
(e)	Interest Accrued but not due on Loans	**14,559,943**	12,734,258
(f)	Loans to Employees	**25,302,690**	26,547,705
(g)	Advance Tax & Other Tax Recoverable (Net)	**1,112,512,623**	949,347,663
(h)	Staff Advances (Not bearing interest)	**24,700**	78,400
Total Loans & Advances of IREDA		**88,541,703,874**	77,800,297,585
	24% Share in MP Wind Farms	**69,485**	69,485
Total Loans & Advances		**88,541,773,359**	77,800,367,070
Sub-classification of above :			
Secured (Considered good)			
	- Term Loans	**82,353,766,108**	72,975,971,383
	- Interest Accrued but not due on Loans	**14,559,943**	12,734,258
	- Loans to Employees including related parties	**25,344,454**	26,889,561
	- Term Loans Secured by Bank Guarantee	**51,860,000**	67,760,000
Secured (Considered doubtful)			
	- Term Loans (Substandard, Doubtful & Loss)	**5,910,229,974**	4,758,473,181
Unsecured (Considered good)			
	- Term Loans (Refinancing)	**50,325,000**	56,425,000
	- Capital Advances	**463,109,323**	-
	- Security Deposits	**-**	-
	- Advance Tax & Other Tax Recoverable	**1,112,512,623**	949,347,663
	- Staff Advances (Not bearing interest)	**24,700**	78,400
	24% Share in MP Wind Farms	**69,485**	69,485
		89,981,801,610	78,847,748,931
	Less: Allowance for bad and doubtful/Substandard Loans	**1,440,028,251**	1,047,381,861
GRAND TOTAL		**88,541,773,359**	77,800,367,070
- Due from Directors of the Company.		**823,841**	341,856
- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956		**-**	1,026,567

NOTE-'14'
OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
OTHER BANK BALANCES (Refer Note No. 16)		
Foreign Currency Deposits **- Dollar Deposit** More than 12 months original maturity (earmarked against bank loan from BOB)	**816,575,116**	954,879,562
Total	**816,575,116**	954,879,562

NOTE-'15'
TRADE RECEIVABLE

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
(A) Outstanding for a period exceeding six months from the date they are due for payment		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good	-	-
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - A	-	-
(B) Others		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good	**1,614,169**	6,361,855
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - B	**1,614,169**	6,361,855
24% Share in MP Wind Farms	**1,098,165**	628,354
Total (A+B)	**2,712,334**	6,990,209

NOTE-'16'
CASH AND BANK BALANCES

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
A) CASH AND CASH EQUIVALENTS		
(a) **Balances with Banks**		
A) In Current Account with Schedule Banks - IREDA		
i) In Indian Branches	1,797,906,082	603,719,643
ii) In Foreign Branches	14,412	-
B) In Deposit Account		
i) INR-Short term Deposit - IREDA Includes deposits of ₹ 4,650,000,000 having original maturity of more than 90 days.	7,992,492,532	5,613,156,778
(ii) Dollar Deposit		
Less than 90 days original maturity	-	457,299
(iii) Euro Deposit		
Less than 90 days original maturity	-	1,992,005,558
(iv) Yen Deposit		
Less than 90 days original maturity	-	424,602
(b) Cheques Under Collection/DD in hand	16,086,716	10,723,162
(c) Postage Imprest	46,932	80,230
Sub Total	9,806,546,674	8,220,567,272
B) OTHER BANK BALANCES		
(a) **Balances with Banks**		
A) In Current Account		
- MNRE	1,940,272	1,940,272
B) In Saving Account		
- UNDP	5,000	5,000
- MNRE UNDP Account	163,892,689	39,381,692
- National Hydrogen Energy Board	467,629	449,470
- IREDA (MNRE GBI Fund)	114,355,413	90,248,079
- Rooftop & Other Small Solar Power Plant	700,328,123	1,145,597
- MNRE Capital Subsidy for Channel Partners	229,313,724	1,488,516
- IREDA National Clean Energy Fund	2,503,001,442	2,004,804,428
C) In Deposit Account		
- MNRE Capital Subsidy for Channel Partners	1,434,300,000	84,039,309
- MNRE Implementation of SWHS	30,523,675	-
- Association of Renewable Energy Agencies of State-MNRE Share	50,000,000	-
b) **Foreign Currency Deposits**		
- Dollar Deposit		
Less than 12 months original maturity	138,571,242	125,444,060
More than 12 months original maturity	816,575,116	954,879,562
- Euro Deposit		
Less than 12 months original maturity	6,432,907,231	-
More than 12 months original maturity	-	-
- Yen Deposit		
Less than 12 months original maturity	2,953,164,142	-
More than 12 months original maturity	-	-
	15,569,345,698	3,303,825,985
Less: Amount disclosed under non-current assets (Refer Note No. 14)	(816,575,116)	(954,879,562)
Sub Total	14,752,770,582	2,348,946,423
24% Share in MP Wind Farms	4,933,658	4,152,044
Total	24,564,250,914	10,573,665,739

NOTE-'17'
SHORT TERM LOANS & ADVANCES

	Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
A.	**Total Loans & Advances**		
(a)	Security Deposits	**32,039,779**	1,887,899
(b)	Loan & Advances to Related Parties		
	Loans	**743,292**	535,092
	Advances (Not bearing interest)	**120,000**	104,000
(c)	Term Loans		
	- Onlending	**14,990,724,920**	10,885,048,569
	- Refinancing	**100,000,000**	338,475,000
	Less: Allowance for bad and doubtful Loans	**-**	-
		15,090,724,920	11,223,523,569
(d)	Interest Accrued and due on Loans	**1,193,084,432**	851,206,351
(e)	Interest Accrued but not due on Loans	**143,950,180**	183,844,064
(f)	Loans to Employees	**5,237,171**	4,789,669
(g)	Advance Tax & Other Tax Recoverable (Net)	**183,591,090**	-
(h)	Staff Advances (Not bearing interest)	**1,951,275**	3,618,050
(i)	Others	**12,917,871**	9,769,681
	Sub Total - I	**16,664,360,010**	12,279,278,376
B.	**Total Loans to constituents of MNRE**		
(a)	Loans to constituents of MNRE	**25,476,919**	25,476,919
(b)	Interest Accrued and due on MNRE Loans	**66,469,295**	66,469,295
	Sub Total - II	**91,946,214**	91,946,214
	24% Share in MP Wind Farms	**2,640**	-
	Total (I+II)	**16,756,308,865**	12,371,224,590
	Sub-classification of above :		
	IREDA		
	Secured (Considered good)		
	- Term Loans	**15,068,724,920**	11,206,911,412
	- Interest Accrued and due on Loans	**1,193,084,432**	851,206,351
	- Interest Accrued but not due on Loans	**143,950,180**	183,844,064
	- Loans to Employees including related parties	**5,980,463**	5,324,761
	- Term Loans Secured by Bank Guarantee	**15,900,000**	12,037,157
	Unsecured (Considered good)		
	- Term Loans (Refinancing)	**6,100,000**	4,575,000
	- Security Deposits	**32,039,779**	1,887,899
	- Staff Advances (Not bearing interest) including related parties	**2,071,275**	3,722,050
	- Advance Tax & Other Tax Recoverable	**183,591,090**	-
	- Others	**12,917,871**	9,769,681
	24% Share in MP Wind Farms	**2,640**	-
		16,664,362,650	12,279,278,376
	MNRE		
	Doubtful		
	- Term Loans to Constituents of MNRE	**91,946,214**	91,946,214
	GRAND TOTAL	**16,756,308,865**	12,371,224,590
	- Due from Directors of the Company.	**863,292**	535,092
	- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	**-**	240,000

NOTE-'18'
OTHER CURRENT ASSETS

Particulars	As at 31.03.2016 ₹	As at 31.03.2015 ₹
- Interest accrued but not due on deposits with banks	**197,231,871**	79,604,628
- RE Invest 2015	**-**	49,938,885
- Others	**27,326,669**	6,746,320
24% Share in MP Wind Farms	**703,406**	425,358
Total	**225,261,946**	136,715,191

NOTE-'19'
REVENUE FROM OPERATIONS

Particulars		For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
A.	**INTEREST**		
(i)	Interest on Lending Operations	**10,048,711,862**	9,137,909,235
	Less : Rebate on Prompt Payment	**12,239,494**	14,558,685
		10,036,472,368	9,123,350,550
(ii)	Differential Interest	**223,513,547**	187,591,588
	Less: Service Tax	**27,185,406**	20,635,745
		196,328,141	166,955,843
(iii)	Interest on Deposits with Banks		
	- Short Term Deposit-INR	**871,263,605**	463,038,246
	- US$ Deposit	**7,787,038**	5,285,335
	- EURO Deposit	**3,963,405**	9,494,672
	- Yen Deposit	**549,144**	620,132
		883,563,192	478,438,385
B.	**OTHER FINANCIAL SERVICES**		
(a)	**Business Service Fees**		
	(i) Front end Fee	**376,413,107**	226,134,704
	Less: Service Tax	**45,581,908**	24,875,622
		330,831,199	201,259,082
	(ii) Application Fee on Loans	**46,227,728**	27,602,356
	Less: Service Tax	**5,645,728**	3,036,357
		40,582,000	24,565,999
	(iii) Application Fee - Generation Based Incentive	**168,250,510**	135,017,394
	Less: Service Tax	**20,191,760**	14,852,394
		148,058,750	120,165,000
	(iv) Miscellaneous Application Fees	**-**	401,443
	Less: Service Tax	**-**	44,160
		-	357,283

Particulars		For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
(b)	**Business Service Charges**		
	Service Charges - UNDP Programme Fund	**919,477**	1,285,619
	Less: Service Tax	**112,918**	141,422
		806,559	1,144,197
	Service Charges - Generation Based Incentive	**20,793,933**	32,593,524
	Less: Service Tax	**2,550,498**	3,585,403
		18,243,435	29,008,121
	Service Charges - Biogas Feed Fertilizer Plant	-	400,001
	Less: Service Tax	-	44,001
		-	356,000
	Service Charges - Roof Top and Other Small Solar Power Project	**45,078,337**	28,815,435
	Less: Service Tax	**5,535,936**	3,169,800
		39,542,401	25,645,635
	Service Charges - MNRE Capital Subsidy for CPs, SNAs and PA	**25,256,817**	7,671,836
	Less: Service Tax	**3,100,325**	843,929
		22,156,492	6,827,907
(c)	**Applicable Net Gain on Foreign Currency Translations and Transactions**	-	905,407,888
(d)	**Amount received in respect of Bad Debts written off**	**23,750,001**	87,788,009
(e)	**Guarantee Commission**	-	7,245,756
	24% Share in MP Wind Farms	**4,667,846**	4,671,068
	Total	**11,745,002,384**	11,183,186,723

NOTE-'20'
OTHER INCOME

Particulars	For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
Interest on Staff Loan	**2,497,710**	2,575,475
Profit on Sale of Fixed Assets	**168,835**	83,979
Rental Income	**150,000**	-
Miscellaneous income		
- Transferred from Capital Grant	**432,102**	500,253
- Others	**1,814,513**	1,879,777
24% Share in MP Wind Farms	**1,291,823**	317,673
Total	**6,354,983**	5,357,157

NOTE-'21'
EMPLOYEE BENEFIT EXPENSES

Particulars		For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
(a)	Salaries, Wages and Other Amenities	**194,893,132**	197,851,901
(b)	Contribution to Provident and Other Funds		
	Contribution to Provident Fund	**11,422,509**	10,325,680
	Provident Fund Administrative Charges	**172,513**	155,715
	Contribution to Benevolent Fund	**70,400**	67,120
	Contribution to Superannuation fund	**8,535,552**	7,262,275
	Contribution to Gratuity Fund	**(6,786,443)**	14,000,436
(c)	Staff Welfare Expenses	**16,571,440**	25,051,611
(d)	Human Resource Development	**1,012,269**	2,677,013
24% Share in MP Wind Farms		**2,599,397**	2,066,466
	Total	**228,490,769**	259,458,217

NOTE-'22'
FINANCE COST

Particulars	For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
A. Interest Expense		
Interest on Borrowings		
- on Bonds	**2,300,892,077**	1,947,639,295
- on Loans	**3,569,223,832**	3,218,791,960
	5,870,115,909	5,166,431,255
B. Other Borrowing Costs		
(i) Commitment fee		
- on Loan-III from KfW	-	39,987
- on Loan-IV from KfW	**10,687,480**	24,107,837
- on Loan-I from Japan International Cooperation Agency (JICA)	-	180,144
- on Loan-II from Agence Francaise De Developpement (AFD)	**1,865,357**	-
- on Loan-II from Asian Development Bank (ADB)	**5,154,810**	-
(ii) Guarantee Fee		
- on Loan from International Bank for Reconstruction and Development (IBRD)	**18,906,803**	20,713,824
- on Loan-I from KfW	**23,768,626**	30,167,700
- on Loan-II from KfW	**22,178,517**	31,776,947
- on Loan-III from KfW	**16,179,003**	18,643,096
- on Loan-IV from KfW	**79,134,585**	48,023,572
- on Loan-I from Asian Development Bank (ADB)	**9,010,848**	9,487,366
- on Loan-II from Asian Development Bank (ADB)	**69,366,821**	-
- on Loan-I from Agence Francaise De Developpement (AFD)	**56,708,736**	69,165,816
- on Loan-I from Japan International Cooperation Agency (JICA)	**187,596,000**	198,116,108
- on Loan-II from Japan International Cooperation Agency (JICA)	**31,266,000**	186,048,000
- on Loan from European Investment Bank (EIB)	**15,911,083**	196,557,600
C. Others		
(i) Bond Trusteeship fee	**250,000**	435,344
(ii) Bank Charges	**65,681**	118,360
(iii) Bond Issue Expenses	**70,089,249**	50,000
(iv) Loss due to underlying exchange fluctuation (IDA-II)	**59,678,375**	426,879,504
(v) Applicable Net Loss on Foreign Currency Translations and Transactions	**126,778,620.86**	-
(vi) Interest on Service Tax	**2,863,512**	102,682
(vii) Stamp duty on Bonds	**5,025,000**	-
(viii) Front end fees	-	31,266,000
(ix) Tax free Bond Series-XIII expense	-	39,476
(x) Others	**949,414**	5,049,673
24% Share in MP Wind Farms	**12,141**	10,687
Total	**6,683,562,571**	6,463,410,978

NOTE-'23'
OTHER EXPENSES

Particulars	For the year ended 31.03.2016 ₹	For the year ended 31.03.2015 ₹
Electricity and Water Charges	8,445,693	7,717,437
Office rent	2,239,511	2,754,256
Office Maintenance	5,375,709	5,834,869
Repairs and Maintenance-Others	12,119,440	7,913,421
Insurance	545,603	588,076
Rates and Taxes	16,678,039	16,698,151
Business Promotion	15,230,345	9,582,982
Travelling and Conveyance	19,820,435	11,946,808
Information and Dissemination	18,762,820	7,744,748
Payment to Auditor	920,000	620,000
Legal and Professional	29,739,022	22,326,757
Newspapers and Periodicals	133,243	108,824
Postage Telegram and Telephone	2,951,440	2,303,284
Printing and Stationery	4,068,258	4,087,495
Recruitment Expenses	712,985	1,525,225
Credit Rating Expenses	8,614,959	8,523,041
Filing Fees	2,595,100	46,100
Corporate Social Responsibility	64,532,050	52,635,379
Director Sitting Fees	60,000	330,000
Loss on Sale of Assets	24,341	138,355
Sponsorship	-	10,000,000
Miscellaneous Expenses	3,588,280	5,021,091
24% Share in MP Wind Farms in project expenses	556,660	830,581
24% Share in MP Wind Farms in other expenses	940,662	922,346
Total	218,654,595	180,199,226

NOTE-'24'
NOTES ON ACCOUNTS

1. (a) The company is registered with the Reserve Bank of India (RBI) as a Non- Banking Financial Company (NBFC) vide order dated 10.02.1998. As per notification No. DNBS(PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 of RBI. Government companies as defined under Section 2(45) of The Companies Act, 2013 have been exempted from applicability of the provisions of Reserve Bank of India Act, 1934 relating to maintenance of liquid assets and creating of Reserve funds and the Directions relating to acceptance of public deposits and prudential norms. The said notification is also applicable to IREDA, being Govt. Company conforming to Section 2(45) of The Companies Act, 2013. Further, as per para No. 1(3) (iv) of RBI's Master Circular No. DNBS(PD) CC No. 333/03.02.001/2013-14 dated July 1, 2013, IREDA being a Government Company as defined under section 2(45) of The Companies Act, 2013 continues to be exempted from the applicability of non-banking financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Moreover in view of the non-applicability of the provisions of Section 45(I) C of the RBI Act 1934 regarding creation of Reserve Fund, the Reserve Fund is not created.

   In terms of the exemption vide notification No. DNBS(PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 as explained above, the Board of Directors of IREDA approved company's prudential norms relating to income recognition , assets classification and provisioning including restructuring / reschedulement of borrower's account which are being followed consistently . Some important features of these prudential norms are given in significant accounting policy No. 2 (v). These norms have been approved by the Board of Directors in terms of the Articles of Association of Company.

   (b) However, it has been observed that said articles do not specifically cover the asset classification / provisioning for restructured / rescheduled accounts for which classification / modification from MNRE has been sought.

   (c) M/s M.P. Wind Farms Ltd. (MPWL) is a joint sector company in collaboration with IREDA, M.P.Urja Vikas Nigam Limited and Consolidated Energy Consultants Pvt. Ltd. a private Ltd. Co. with share holding of 24%, 25% and 50% respectively. The paid up capital of MPWL stood at ₹ 70,00,000 which includes IREDA's initial subscription of ₹ 12,00,000 and bonus shares of ₹4,80,000 against the authorized share capital of ₹ 1,00,00,000. In accordance with The Companies Act 2013 and accounting standard AS-21 on consolidated financial statement read with AS-23 on accounting for investment in associates and AS-27 on financial reporting of interest in joint ventures, the consolidated financial statement is prepared based on the audited annual accounts provided by M/s M.P. Wind Farms Ltd.

2. 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 II of the Companies Act, 2013. However, if the balance sheet of the borrower(s) is older than 5 years from the financial year for which the shortfall is worked out, the same is ignored.

3. The provision for Standard Asset includes an amount of ₹316,824,397 (Previous year ₹349,204,108) on account of floating provision.

4. **Details of Contingent Liabilities and Commitment**

   As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India (ICAI), the movement in Provisions as on 31st March, 2016 are disclosed as under:-

a) **Details of Provisions**

(Amount in ₹)

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 including Floating	559,988,726 (429,233,192)	33,047,749 (130,755,534)	32,379,711 (-)	560,656,764 (559,988,726)
2	Income tax	3,932,627,707 (2,845,127,707)	1,248,600,000 (1,087,500,000)	- (-)	5,181,227,707 (3,932,627,707)
3	Proposed dividend*	544,000,000 (350,000,000)	- (544,000,000)	544,000,000 (350,000,000)	- (544,000,000)
4	Dividend tax*	110,745,600 (59,482,500)	- (110,745,600)	110,745,600 (59,482,500)	- (110,745,600)
5	Leave encashment	32,980,311 (25,390,179)	3,167,607 (12,033,794)	4,342,548 (4,443,662)	31,805,370 (32,980,311)
6	Gratuity	19,584,848 (9,055,077)	(-)6,786,443 (14,000,436)	489,388 (3,470,665)	12,309,017 (19,584,848)
7	Post retirement medical benefit	33,578,077 (17,062,360)	2,640,989 (17,624,834)	704,244 (1,109,117)	35,514,822 (33,578,077)
8	Sick leave	23,023,201 (16,881,303)	(456,129) (6,292,416)	1,334,661 (150,518)	21,232,411 (23,023,201)
9	Baggage Allowance	795,555 (546,528)	(13,275) (249,027)	- (-)	782,280 (795,555)
10	Corporate Social Responsibility	103,143,152 (56,787,811)	68,474,310** (52,635,379)	62,485,980 (6,280,038)	109,131,482 (103,143,152)
11	Sustainable Development	3,942,260 (3,942,260)	- (-)	3,942,260 ** (-)	- (3,942,260)

Previous year figures shown within brackets

* As per the O.M. on Capital Restructuring, containing the guidelines for payment of Dividend, applicable from financial year ending on or after 31.03.16, the Company is required to pay a minimum annual dividend of 30% of PAT or 5% of Net worth, whichever is higher. During the Financial year the Company has paid an amount of ₹ 1,500,000,000 (Previous year Nil) as Interim dividend and ₹ 305,370,000 (Previous year Nil) as Corporate Dividend Tax on the Interim dividend .Accordingly, no final dividend has been proposed.

** An amount of ₹ 3,942,260 relating to the unspent provision for Sustainable Development, as existing before 01.04.13, has been merged with Corporate Social Responsibility since the Sustainable Development activity is now a part of Corporate Social Responsibility.

b) **Details of Contingent Liabilities & Capital Commitments**

(Amount in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
Contingent Liabilities The contingent liability is in respect of cases for the Assessment Years 2010-11, 2011-12, 2012-13 and 2013-14 which are pending with CIT(A) (Previous year – liability in respect of Assessment Years 2010-11, 2011-12 and 2012-13). The cases from AY 1998-99 to 2009-10 have been referred back to the Assessing Officer by ITAT vide order dated 21.11.14 for fresh assessments . No hearing for the same has been conducted by the Assessing Officer during the year.	605,226,810	439,407,189
Claims against the Company not acknowledged as debt in respect of petition filed against company seeking damages by M/s Mahakrishna Financial Services Pvt. Ltd. *	-	15,000,000
Counter indemnity in favour of Indusind Bank against issue of Bank Guarantee in favour of BSE ltd. as security for receiving subscription of Public issue of Tax Free Bonds.	141,600,000	70,000,000
Total of Contingent Liabilities	**761,826,810**	**524,407,189**
COMMITMENTS		
Estimated value of contract to be executed on Capital Account for 50MW Solar Project	2,859,680,017	3,430,000,000
Estimated value of capital contract in reference to the acquisition of new office space at NBCC Plaza.	992,890,677	-
Letter of comfort issued and outstanding	3,073,943,574	570,109,184

* Subsequent to the Balance Sheet date, the Company has arrived at a settlement with the claimant and paid an amount of ₹ 4,250,000 on 22.06.2016 in full and final settlement. The same has been provided for in the books of accounts for the year ended 31.03.2016. Subsequent to the payment a joint petition in respect of the receipt of payment and settlement has been filed in the Hon'ble Supreme Court of India.

In case of JV - Service tax demand of ₹ 3,942,111/- for the year 2005-06 has been dropped by Commissioner Service tax (Appeals). The Service tax Department has moved before the Appellate Tribunal at Delhi. The Company has contested before the tribunal for dismissal of Revenue's appeal. The matter is still pending for further proceedings.

The Company is defending the matter "Engineering Majdoor Sangh Dewas Vs M.P.Wind Farms Limited " at Labour Court , Dewas for grant of annual salary increment at higher rates for the year 2011-12 and 2012-13 to the employees who are at present not in the employment with the Company.

5. During the financial year 2014-15 , Board of Directors of IREDA approved investment of approximately ₹ 3,500,000,000 (revised projected cost of ₹ 3,000,000,000 approx.) for setting up of 50 MW solar PV project in the state of Kerala. IREDA has signed MOU for implementation of the said project with Solar Energy Corporation of India.. Through reverse bidding

mechanism , M/s Jackson Engineers Ltd has been selected as the EPC contractor by SECI for setting up the project. An amount of ₹ 140,319,983 has been incurred upto 31.03.16 towards the same. The work is under progress and is expected to be completed during the next financial year 2016-17.

6. **AUTHORISED SHARE CAPITAL**

During the year, the company in its Extra Ordinary General Meeting held on 06.04.2015 increased its Authorized Equity Share Capital from its existing ₹1000 Crore to ₹ 6000 Crore after receiving approval of the President of India vide MNRE letter dated 17th November, 2014.

7. Conveyance deeds in respect of leasehold buildings - a residential flat costing ₹ 4,143,149. (Previous year – ₹ 4,143,149), office premises-IHC costing ₹ 43,956,603. (Previous year – ₹ 43,956,603) and office premises-AKB costing ₹ 422,757,822 (Previous year – ₹ 422,757,822) 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 in Schedule II to The Companies Act, 2013.

8. The property tax in respect of all the residential and office premises for the period upto 31st March, 2016 has been paid. The property tax in respect of office building at India Habitat Centre has been paid as per the demand of 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 for 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.

The property tax for Financial Year 2015-16 for newly purchased office space for Chennai branch office shall be paid after the Tax arrears payable by SIDCO , from whom the property has been purchased , upto the year 2014-15 are settled by them. As has been gathered from the Tax Authorities , the property tax payable on the same for the year 2015-16 is ₹ 7,000 approx., which has been provided for.

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

10. 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.

11. In terms of Section 135 of The Companies Act, 2013, IREDA is required to constitute a corporate social responsibility (CSR) Committee of the Board of Directors and the Company has to spend 2% of the average net profits of the Company's three immediately preceding financial year calculated as per section 198 of The Companies Act 2013. Accordingly, CSR Committee of the Board of Directors consisting of 4 Directors, one of whom is Government Director, has been constituted.

During the year the Company has made a provision of ₹ 64,532,050 (Previous year ₹ 52,635,379) towards CSR. Further, balance of ₹ 3,942,260/- relating to the unspent balance in Sustainable Development has been merged with the Corporate Social Responsibility.

During the financial year 2014-15, the following two projects were agreed to be financed under CSR

i) Swachh Bharat Abhiyaan- construction of toilets in schools for total project cost of ₹ 50,000,000 (approximately)

ii) 30 KW Solar Power Project and 500 LPD Capacity Solar Water Heating System to be set up at Old age Home at Vrindavan at a total cost of ₹ 3,000,000.

The project implementing agencies for these were IRCON Ltd. and SECI Ltd. respectively. Both these projects were completed in 2015-16.

During the current year, following new projects, with a total outlay of ₹ 36,463,400 were agreed to be financed by IREDA under CSR as detailed under :

Sl. No.	CSR Project or activity identified	Outlay	Implementing Agency	Status - 31.03.2016
1	Donation to Armed Forces Flag Day Fund	100,000	IREDA	Completed
2	Donation to Health Minister's Cancer Patient Fund	100,000	IREDA	Completed
3	Donation to Clean Ganga Fund	300,000	IREDA	Completed
	Electrification of Community Areas / Streets			
4	Installation of 100 Nos. SPV LED Streetlights in 6 backward villages of Bhadohi constituency, U.P.	2,030,000	National Small Industries Corporation	Completed
5	Installation of 250 Nos. SPV LED streetlights in backward villages in Phoolpur Constituency, UP.	5,450,000	Rajasthan Electronics and Instruments Limited	Completed
6	Installation of 362 Nos. SPV LED streetlights for Electrification of 18 Villages in the State of Meghalaya.	9,846,000	Meghalaya Non Conventional and Rural Energy Development Agency	Completed
7	Installation of 350 Nos. CFL streetlights in backward villages in 6 blocks of Gireedh Parliamentary Constituency, Jharkhand .	3,410,000	Deep Welfare NGO	In Progress
8	Installation of 173 SPV Street Lighting Systems in Pilibhit, Uttar Pradesh	3,771,400	Rajasthan Electronics and Instruments Limited	In Progress
	Electrification of Community Areas / Streets / Skill Development			
9	Installation of 5 kWp Solar Power Plants on the rooftop of Sewagram hospital and creating a roadmap of solar electrification of Bhatar Block, Bardhaman, West Bengal	2,071,000	Indian Institute of Social Welfare and Business Management , Kolkata	In Progress
10	Installation of 20 kWp Solar Powered System at 41 Sub Area of India Army, Jorhat	1,665,000	Rajasthan Electronics and Instruments Limited	In Progress
11	Donation of Cochlear Implants: Cochlear Implant Surgery of 5 Hearing Impaired Person through ALIMCO	3,000,000	Artificial Limbs Manufacturing Corporation	In Progress
12	Donation of Artificial Limbs: Donation of Modern Electronic Artificial Limbs to Four Disabled Persons.	720,000	Yuvak Pratisthan NGO, Mumbai	In Progress
	Electrification of Community Areas / School:			
13	Installation of Grid Interactive 40 kWp Solar PV System at Saraswati Shishu Mandir Inter College, Meerut, Uttar Pradesh	1,550,000	Solar Energy Corporation Of India	MoA Signing In Progress
14	Installation of 3 units of off grid 2.565 kWp Solar PV systems and 40 Solar PV Street Lighting in Golawali Village, Ratnagiri District, Maharashtra	2,450,000	Solar Energy Corporation Of India	MoA Signing In Progress

During the year, an amount of ₹ 62,485,980/- has been paid to the implementing agencies against the CSR projects based on the progress of the projects.

12. As per the board approved Foreign Exchange and Derivative Risk Management Policy of IREDA, an open exposure on foreign currency loans upto 20% of its net worth is permissible. The open exposure as on 31.03.2016 is ₹ 4,304,311,249 (Previous Year ₹ 2,642,785,107) which is within the limit as per the policy. The said open exposure does not include ₹6,431,039,909 equivalent to Euro 85,638,153 and ₹ 2,953,000,000 equivalent to JPY 5,000,000,000 (Previous year ₹1,984,416,956 equivalent to Euro 29,394,240.82) which has been kept in Euro and JPY deposit outside India.

13. **EARNING PER SHARE**

In terms of Accounting Standard (AS) 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI), the Earnings Per Share (Basic & Diluted) is worked out as under:-

Particulars	**As at 31.03.2016**	**As at 31.03.2015**
Nominal value of Equity share (₹ per share)	1000	1000
Numerator Profit after Tax as per Statement of Profit & Loss	2,981,531,406	2,719,619,352
Denominator ▪ Number of equity shares ▪ Weighted average number of Equity shares for calculating Basic and Diluted Earnings per share ▪ Basic & Diluted Earnings per share	7,846,000 7,846,000* 380.01	7,846,000 7,658,192** 355.13

* weighted average (7846000 x 365/365) = 7,846,000

** weighted average (7446000 x 365/365 + 150000 x 248/365 + 250000 x 161/365) = 7,658,192

14. **EMPLOYEE BENEFITS**

(i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(a) **Change in the present value of the obligation**

(Amount in ₹)

Particulars	**Gratuity (Funded)**	**Leave Encashment (Un funded)**	**Sick Leave (Un funded)**	**Baggage Allowance (Un funded)**	**Post Retirement Medical Benefit (Un funded)**
Present value of obligation as at the beginning of the year	61,749,683 (48,159,580)	32,980,311 (25,390,179)	23,023,201 (16,881,303)	795,555 (546,528)	33,578,077 (17,062,360)
Interest cost	4,785,600 (4,401,786)	2,555,974 (2,320,662)	1,784,298 (1,542,951)	61,656 (49,953)	2,602,301 (1,559,500)
Current service cost	3,527,780 (4,014,663)	3,532,722 (3,953,990)	2,131,793 (2,484,051)	49,758 (54,006)	1,619,331 (1,665,822)
Past Service Cost	- (-)	- (-)	- (-)	- (-)	- (-)
Benefits paid	(-)2,565,048 (-)(2,170,373)	(-)4,342,548 (-)(4,443,662)	(-)1,334,661 (-)(150,518)	- (-)	(-)704,244 (-)(1,109,117)
Actuarial loss/(gain) on obligations	(-)11,451,196 (7,344,027)	(-)2,921,089 (5,759,142)	(-)4,372,220 (2,265,414)	(-)124,689 (145,068)	(-)1,580,643 (14,399,512)
Present value of obligation at year end	56,046,819 (61,749,683)	31,805,370 (32,980,311)	21,232,411 (23,023,201)	782,280 (795,555)	35,514,822 (33,578,077)

(b) **Change in fair value of plan asset**

(Amount in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	42,164,835 (39,104,503)	- (-)	- (-)	- (-)	- (-)
Expected return on plan assets	3,794,835 (3,519,405)	- (-)	- (-)	- (-)	- (-)
Employer's contribution	724,381 (1,717,774)	- (-)	- (-)	- (-)	- (-)
Fund Management Charges	(-)10,504 (-)(3,974)	- (-)	- (-)	- (-)	- (-)
Benefits paid	(-)2,565,048 (-)(2,170,373)	- (-)	- (-)	- (-)	- (-)
Actuarial loss/(gain) on obligations	(-)370,697 (-)(2,500)	- (-)	- (-)	- (-)	- (-)
Fair value of plan asset at the end of the year	43,737,802 (42,164,835)	- (-)	- (-)	- (-)	- (-)

(c) **Amount recognized in Balance Sheet**

(Amount in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Estimated present value of obligations as at the end of the year	56,046,819 (61,749,683)	31,805,370 (32,980,311)	21,232,411 (23,023,201)	782,280 (795,555)	35,514,822 (33,578,077)
Fair value of plan assets as at the end of the year	43,737,802 (42,164,835)	- (-)	- (-)	- (-)	- (-)
Net liability recognized in balance sheet	(-)12,309,017 (19,584,848)	(-)31,805,370 (32,980,311)	(-)21,232,411 (23,023,201)	(-)782,280 (795,555)	(-)35,514,822 (33,578,077)

(d) **Expense recognized in the Statement of Profit & Loss.**

(Amount in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	3,527,780 (4,014,663)	3,532,722 (3,953,990)	2,131,793 (2,484,051)	49,758 (54,006)	1,619,331 (1,665,822)
Past service cost	- (-)	- (-)	- (-)	- (-)	- (-)
Interest cost	4,785,600 (4,401,786)	2,555,974 (2,320,662)	1,784,298 (1,542,951)	61,656 (49,953)	2,602,301 (1,559,500)
Expected return on plan asset	(-)3,794,835 (-)(3,519,405)	- (-)	- (-)	- (-)	- (-)
Net actuarial (Gain)/Loss recognized in the year	(-)11,080,499 (7,346,527)	(-)2,921,089 (5,759,142)	(-)4,372,220 (2,265,414)	(-)124,689 (145,068)	(-)1,580,643 (14,399,512)
Total expenses recognized in Statement of Profit & Loss	(-)6,561,954 (12,243,571)	3,167,607 (12,033,794)	(-)456,129 (6,292,416)	(-)13,275 (249,027)	2,640,989 (17,624,834)

(e) **Principal actuarial assumption as expressed as weighted average**

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance(Un funded)	Post-Retirement Medical Benefit (Un funded)
Discount rate	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	8.00%	-	-	-	-
Expected rate of salary increase	6.50%	6.50%	6.50%	6.50%	6.50%
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

In joint venture company, the retirement benefits viz. Gratuity, Leave encashment & other benefits as applicable at the time of retirement or discontinuance from services are charged to the Profit and Loss Account as and when payable. The liability for Gratuity payable upto the year end has been worked out to be ₹ 2,913,000 (Previous year ₹ 3,454,000).

(f) **Defined Contribution Plan**

During the year, the company has recognized an expense of ₹ 11,422,509 (Previous year: ₹ 10,325,680) in respect of contribution to Provident Fund, ₹ 70,400 (Previous year: ₹ 67,120) in respect of contribution to Benevolent Fund and ₹ 8,535,552 (Previous year: ₹ 7,262,275) in respect of contribution to Superannuation Fund.

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

15. RELATED PARTY DISCLOSURE

(i) Details of transactions entered into with the related parties during the year as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(Amount in ₹)

Particulars	**Key Management Personnel (KMP)**
Managerial remuneration	14,469,735 (8,687,312)

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

Name	**Designation**	**Period**
Shri K. S. Popli	Chairman & Managing Director	01.04.2015 to 31.03.2016
Shri S. K. Bhargava	Director- Finance	01.04.2015 to 31.03.2016
Shri B.V Rao	Director- Technical	01.04.2015 to 31.03.2016
Shri Surender Suyal	Company Secretary	01.04.2015 to 31.03.2016
M/s M.P. Windfarms Limited	A joint venture company in collaboration with M.P.Urja Vikas Nigam Limited (25%), Consolidated Energy Consultants Limited (49.5%), IREDA (24%) and balance Shares by Others (1.5%).	No dividend received from the company during the current year as well as previous year.

16. REMUNERATION OF DIRECTORS

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

(Amount in ₹)

Particulars	**Chairman and Managing Director**	**Director (Finance)**	**Director (Technical)**	**Company Secretary**
Salary & allowances	3,152,111 (2,112,867)	2,712,721 (1,893,564)	2,580,270 (548,177)	1,789,253 (1,434,914)
Medical allowance	79,570 (79,570)	73,170 (71,030)	75,000 (20,137)	52,610 (51,070)
Provident Fund	251,727 (228,662)	227,293 (206,208)	222,318 (63,476)	169,836 (153,499)
Superannuation Contribution	177,543 (162,903)	159,216 (146,069)	166,740 (43,859)	116,130 (106,533)
Value of perquisites as per Income Tax Act, 1961	721,688 (428,427)	664,304 (455,564)	639,831 (149,924)	438,404 (333,859)
Total	**4,382,639 (3,012,429)**	**3,836,704 (2,772,435)**	**3,684,159 (825,573)**	**2,566,233 (2,079,875)**

Previous year figures shown within brackets

b) 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.

c) Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

d) Sitting Fees paid to Independent Directors ₹ 60,000 (Previous year ₹ 330,000).

17. REMUNERATION TO AUDITOR

(Amount in ₹)

Particulars	**Statutory Auditor**
As Auditor	300,000 (300,000)
Limited Review Audit	200,000 (200,000)
Tax Audit	120,000 (120,000)
Consolidation of accounts	50,000 (50,000)
Certification & Other Service	80,000 (80,000)
Fee as Auditor to Tax Free Bonds	1,550,000 (Nil)
Total	**2,300,000** **(700,000)**

Previous year figures shown within brackets

18. DEFERRED TAXES

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India (ICAI), the company has taken credit in the Statement of Profit & Loss 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.

b) Since the Company has resolved that it will not make any withdrawal from the Special Reserve created and being 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. 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 recognized any deferred tax liability on this account.

c) The details of deferred tax assets (net) as on 31st March, 2016 is given below:-

A	Deferred Tax Assets (+)		(Amount in ₹)
	Arising on account of timing differences:-	As at 31.03.16	As at 31.03.15
	▪ Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit.	35,176,921	38,055,646
	▪ Provision for Bad & Doubtful Debts & Standard Assets (Adhoc provision)	608,011,564	556,278,813
	Total – A	**643,188,485**	**594,334,459**
B	**Deferred Tax Liabilities (-)**		
	▪ Depreciation	21,142,644	25,024,709
	Total – B	**21,142,644**	**25,024,709**
C	Deferred Tax Asset (+)/Liability (-) (A-B)	622,045,841	569,309,750
	Deferred Tax Asset	**622,045,841**	**569,309,750**

19. DISCLOSURE OF PRIOR-PERIOD ITEMS

(Amount in ₹)

Particulars	2015-16		2014-15	
	Debits	Credits	Debits	Credits
Business promotion	-	-	91,149	-
Service tax Expenses	-	-	65,437	-
GBI Application Fees	4,155,000	-	-	-
Travelling	821,052	-	104,419	-
Wages-others	-	-	-	84,861
Internet Connectivity	170,161	-	22,945	-
Interest on Loans (Term Loan Due)	-	-	702,440	-
Service Charges –MNRE	-	-	-	265,402
Security Charges	-	-	221,660	-
Miscellaneous Expenses	-	-	36,456	-
Staff Welfare Expenses	-	-	72,416	-
Staff Welfare Expenses (Foundation day)	-	-	50,000	-
ISO Fees	19,909	-	-	-
Ground Rent –HUDCO	77,221	-	-	-
Insurance	309,560	-	-	-
Interest on Loans – Cogeneration	-	-	-	258,850
Interest on Bonds	-	-	-	363,698
Performance incentive	-	-	122,721	-
Repairs	-	30,569	-	-
Hindi Development Expenses	-	22,750	-	-
Corporate Social Responsibility Expenses	-	155,500	-	-
Postage & Telegram	21,525	-	-	-
Leave Salary	-	83,058	-	-
Service Charges – GBI Solar	1,248,699	-	-	-
Total	**6,823,127**	**291,877**	**1,489,643**	**972,811**

20. ADDITIONAL INFORMATION

a) Expenditure in Foreign Currency:

- On Travelling ₹ 3,655,509 (Previous year : ₹ 569,336)
- Interest expenses:- ₹ 644,700,337 (Previous year ₹ 433,499,764) which exclude hedging cost in ₹ 2,681,618,888 (Previous Year : ₹ 2,268,298,485)

b) Earnings in Foreign Exchange:

- Interest ₹ 12,299,587 (Previous year : ₹ 15,400,139)

c) M/s KfW paid ₹ 30,059,373.74 (previous year: ₹ 41,485,381.09) directly to consultants (Abroad) hired under TA programme under Direct Disbursement Procedures against Technical Assistance Programme (TAP) of EURO 1.5 Million sanctioned to IREDA in respect of KFW II & KFW IV lines of credit for expert services /assignments, capacity building and training programme etc.

21. 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.

22. Generation Based Incentives (GBI) and Capital Subsidy Scheme, MNRE

IREDA is a Fund Administrator on behalf of MNRE for distribution of Generation Based Incentive and Capital Subsidy for Wind and Solar Sectors. Under these schemes, specific fund amount is provided by MNRE to IREDA for the purpose of disbursement of the same to the GBI claimants as per the scheme of MNRE. Therefore, essentially, the activity is receipt and utilization of funds. For any further release of GBI funds, IREDA is required to submit the Utilization Certificate along with audited statement of expenditure duly certified by a Chartered Accountants. The said requirement is fully complied with by IREDA and nothing further has been required by MNRE so far. The statutory auditors have not audited the accounts of Scheme.

23. SUBSIDY

(a) Interest Subsidy

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to borrowers implementing MNRE programmes of 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 passed on to the borrowers on quarterly basis subject to complying with the terms and conditions of the sanction by these borrowers.

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2016 are as under:-

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

(Amount in ₹)

Sl. No.	Name of the sector	Opening Balance as on 01.04.2016	Interest Subsidy received during 2015-16	Amount refunded during 2015-16	Interest Subsidy passed on during 2015-16	Closing Balance as on 31-03-2016
1	Bio-mass Co-generation	21,752,824 (22,698,740)	0 (0)	0 (0)	251,500 (945,906)	21,501,324 (21,752,834)
2	Small Hydro	182,667 (182,667)	0 (0)	0 (0)	0 (0)	182,667 (182,667)
	Sub Total....A	21,935,501 (22,881,407)	0 (0)	0 (0)	251,500 (945,906)	21,684,001 (21,935,501)

Previous year figures shown within brackets

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

(Amount in ₹)

Sl. No.	Name of the sector	Opening Balance as on 01.04.2015	Subsidy received during 2015-16	Amount refunded during 2015-16	Interest received on FDR	Subsidy passed / adjusted during 2015-16	Closing Balance as on 31-03-2016
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	(-)5,135,405 (-)(5,135,405)	0 (0)	0 (0)	0 (0)	0 (0)	(-)5,135,405 (-)(5,135,405)
3	SPV WP 2001-02	(-)13,602,787 (-)(1,36,02,787)	0 (0)	0 (0)	0 (0)	0 (0)	(-)13,602,787 (-)(1,36,02,787)
4	SPV WP 1999-00	(-)684,937 (-)(6,84,937)	0 (0)	0 (0)	0 (0)	0 (0)	(-)684,937 (-)(6,84,937)
5	SPV WP Manufacturing	(-)2,96,898 (-)(2,96,898)	0 (0)	0 (0)	0 (0)	0 (0)	(-)2,96,898 (-)(2,96,898)
6	SPV WP 2002-03	(-)4,138,701 (-)(4,138,701)	0 (0)	0 (0)	0 (0)	0 (0)	(-)4,138,701 (-)(4,138,701)
7	Accelerated SWH System	9,851 (9,851)	0 (0)	0 (0)	0 (0)	0 (0)	9,851 (9,851)
	Sub Total.....B	(-)23,844,925 (-)(23,844,925)	0 (0)	0 (0)	0 (0)	0 (0)	(-)23,844,925 (-)(23,844,925)
	Grand Total (A+B)	(-)1,909,424 (-)(963,518)	0 (0)	0 (0)	0 (0)	251,500 (945,906)	(-)2,160,924 (-)(963,518)

Previous year figures shown within brackets

(b) **Capital subsidy**

During the year an amount of ₹ 106,700,000 (Previous year: ₹ Nil.) was received from MNRE towards Capital Subsidy. Out of the total capital subsidy amount available, ₹ 106,700,000 (Previous year: ₹ Nil) was passed on to the borrowers on compliance of the terms and conditions of the capital subsidy scheme.

(c) During the year, an amount of ₹ 22,156,492 net of service tax was received (Previous year ₹ 6,827,907) on account of Service Charges under MNRE Scheme of " MNRE Capital Subsidy for Channel Partners State Nodal Agency".

24. NCEF FUNDS

During the year, Ministry of New and Renewable Energy had provided an amount of ₹ NIL (Previous year ₹ 2,000,000,000) from National Clean Energy Fund (NCEF) as grant to provide re-finance at concessional rates of interest to scheduled commercial banks/financial institutions in respect of their lending to renewable energy projects.

The amount of ₹ 2,000,000,000 has been kept in interest bearing Deposits as the same was meant for providing concessional funds to needy projects. The guidelines defining the needy projects have been prepared and sent to MNRE for approval which is awaited.

As on the 31.03.2016, an amount of ₹ 2,503,001,442 (Previous year ₹ 2,004,804,428) consisting of ₹ 164,297,014 as interest on deposits & savings bank interest (Previous year ₹ 304,428) and ₹ 333,900,000 as the principal repayments (Previous year ₹ 4,500,000) received during the year in respect of the amounts disbursed in earlier years is lying undisbursed in separate bank account pending modification in the Scheme by MNRE to provide concessional funds to needy projects.

25. Debenture Redemption Reserve

In terms of Rule 18 (7) (b) (ii) of The Companies Act 2013, the company is required to create a Debenture Redemption Reserve (DRR) upto 25% of the bonds issued through public issue. The Company has made a provision for DRR, so as to achieve the required amount over the respective tenure of the Tax Free Bonds. Accordingly a sum of ₹ 462,911,043 (Previous Year ₹ 138,230,000) has been provided during the year.

26. IMPAIRMENT OF ASSETS

Fixed Assets possessed by the company are treated as "Corporate Assets" and not "Cash Generating Units" as on March 31, 2016 as defined by Accounting Standard 28 (Impairment of Assets) issued by the Institute of Chartered Accountants of India (ICAI).

Further, in view of the nature of the assets held and the rates of depreciation applied there to, in the opinion of the management, there is no further impairment which needs to be provided for.

27. SEGMENT ACCOUNTING

The company operates in India, hence it is considered to operate only in domestic segment. Major revenue for the company comes from a single segment of financing activities as such considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).

28. All MNRE funds have been transferred in IREDA books of accounts and shown under the current assets- Cash and Bank Balances under Saving Bank account and corresponding liability shown under Other Current liabilities.

29. In case of MP Windfarm, the O&M Charges for 6 WEGs of M/s. NEPC India Ltd & 2 WEGs of M/s. Windgen India P Ltd. has not been accounted for since the matter is pending under litigation. During the year on 14.07.15 , the 2nd ADJ Court , Dewas ordered the disposal of 6 WEGs of NEPC India Ltd. Company realized its Book Debts of ₹ 1,263,000 with interest ₹ 3,686,000 and expenses on recovery ₹ 51,000.

30. In case of MP Windfarm there are 38 WEFs (after removal of 6 WEGs of M/s. NEPC India Ltd.) installed in the Jamgodrani hills Dewas Windfarm of the Company out of them 4 WEGs are owned by the Company .Further 8 WEGs owned by 4 Investors have completed their 20 years project life in September 2015 and after disconnection from grid by the State Utility , are in the process of dismantling and removal from the windfarm site .

31. In case of MP Windfarm , out of 44 WEGs installed in the Windfarm, 6 WEGs of NEPC India Ltd. were permanently disconnected and removed under court proceedings, and further upon completion of 20 years of project life, 23 WEFs owned by various investors have been permanently disconnected from grid. 2 WEGs owned by the Company, selling electricity generated to State Utility have also completed their project life.

32. 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.

33. THE DISCLOSURES UNDER RBI GUIDELINES ARE AS UNDER (IREDA ONLY)

a.	Capital to Risk Assets Ratio (CRAR)	19.99% (23.14%)
b.	Exposure to Real Estate Sector (Direct and Indirect)	0 (0)

c. Maturity Pattern of Assets & Liabilities

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years
Loan Assets	16,427,480,458 (12,258,304,007)	22,745,184,582 (21,247,510,230)	23,105,923,588 (19,136,006,333)
Foreign currency assets	9,524,657,028 (2,118,331,519)	320,336,010 (290,656,460)	389,395,696 (353,184,388)
Total Assets	**25,952,137,486 (14,376,635,526)**	**23,065,520,592 (21,538,166,690)**	**23,495,319,284 (19,489,190,721)**
Rupee liabilities	6,160,946,076 (475,739,060)	2,249,666,010 (874,296,460)	3,453,526,734 (5,436,824,388)
Foreign currency liabilities	3,175,401,901 (2,680,297,363)	6,429,799,932 (6,186,395,062)	7,860,468,138 (5,651,467,411)
Total liabilities	**9,336,347,977 (3,156,036,423)**	**8,679,465,942 (7,060,691,522)**	**11,313,994,872 (11,088,291,799)**

Items	More than 5 years upto 7 years	More than 7 years	Total
Loan Assets	16,681,393,291 (17,329,356,762)	24,393,651,371 (19,098,374,378)	103,353,633,290 (89,069,551,710)
Foreign currency assets	106,843,410 (311,038,714)	0 (0)	10,341,232,144 (3,073,211,081)
Total Assets	**16,788,236,701 (17,640,395,476)**	**24,393,651,371 (19,098,374,378)**	**113,694,865,434 (92,142,762,791)**
Rupee liabilities	3,012,200,000 (1,965,436,342)	61,552,501,196 (18,096,371,000)	76,431,007,530 (26,848,667,250)
Foreign currency liabilities	7,030,313,673 (3,412,635,026)	31,032,873,637 (29,672,185,612)	55,528,857,281 (47,602,980,474)
Total liabilities	**10,042,513,673 (5,378,071,368)**	**92,585,374,833 (47,768,556,612)**	**131,957,697,297 (74,451,647,724)**

As per our report of even date

For Jain Chopra & Company
Chartered Accountants
ICAI Regn. No. 002198N

Sd/-
Ashok Chopra
Partner
Membership No.017199

Sd/-
S K Bhargava
Director (Finance)
DIN No. 01430006

Sd/-
K S Popli
Chairman and
Managing Director
DIN No. 01976135

Sd/-
Surender Suyal
Company Secretary
M.No.: A11900

Place: New Delhi
Date: 22.08.2016

Consolidated Cash Flow Statement For the Year Ended 31.03.2016

(Amount in ₹)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
A Cash Flow from Operating Activities:				
Net Profit Before Tax and Extraordinary / Prior Period Items:	4184484565		3787287193	
Adjustment for:				
1 Depreciation	42850439		54946540	
2 Provision for Non Performing Assets	392646390		-93171511	
3 Provision for Standard Assets	668038		130755534	
4 Prior Period Expenses/Income	-6531250		-634242	
5 Foreign Exchange Fluctuations/Underlying exchange fluctuation	186456996		-478528384	
6 Interest Funded adjusted from provision held	0		0	
7 Amortization of Capital Grant	-432102		-500253	
8 Income Tax Provision written back	0		0	
9 Loss on sale of Fixed Assets/Adjustment	24341		138355	
10 Profit on Sale of Fixed Assets	-168835		-83979	
11 Dividend on investment	0		0	
12 Adjustment of depreciation with prior period	0		0	
13 Annual Lease Rent (24% Share in MP Wind Farms)	-36000		-36000	
Operating profit before Working Capital Changes	4799962582		3400173253	
Increase / Decrease in				
1 Loans and Advances - IREDA	-15172378263		-6275556930	
2 Loans and Advances - MNRE	0		-741	
3 Other Non Current Assets	138304446		125444060	
4 Other Bank Balances	-12403824159		-2147793644	
5 Other Current Assets	-88268707		915515	
6 Trade Receivable	4747686		-4674932	
7 Other Long Term Liabilities	164297014		2000304428	
8 Other Current Liabilities	2822629863		323579978	
9 Trade Payable	-14705650		-83961673	
10 Provisions	3885777		107381886	
24% Share in MP Wind Farms				
Decrease/ (Increase) in Current Liabilities	-282696		-1166654	
Decrease/ (Increase) in Current Assets	-481239		547110	
	-24546075928		-5954981597	
Cash Generated from Operations	-19746113346		-2554808344	
Income Tax	-1595356050		-1334844323	
24% Share in MP Wind Farms	-360000		-120000	
Net Cash Generated from Operations		-21341829396		-3889772667
B Cash Flow From Investing Activities				
1 Purchase of Fixed Assets	-81425268		-19634992	
2 Sale of Fixed Assets	334030		293170	
3 Dividend on Investment	0		0	
Net Cash flow from Investing Activities		-81091238		-19341822
C Cash Flow from Financial Activities				
1 Equity Contribution	0		400000000	
2 National Clean Energy Fund	0		0	
3 Securities Premuim	468000		0	
4 Redemption of Bonds	0		0	
5 Dividend paid	-544000000		-350000000	
6 Dividend Tax paid	-110745600		-59482500	
7 Interim Dividend paid	-1500000000			
8 Dividend Tax on Interim Dividend paid	-305370000			
9 Increase /Decrease in Short term Debts	2697759		-1153692926	
10 Increase /Decrease in Long term Debts	25466540751		8384307326	
Net Cash flow from Financing Activities		23009590910		7221131900
Net Increase in Cash and Cash Equivalents		1586670276		3312017411
Cash and Cash Equivalents at the beginning of the year		8220567272		4908811347
24% Share in MP Wind Farms		4028456		3766970
Total Cash and Cash Equivalents at the beginning of the year		8224595728		4912578317

(Amount in ₹)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
Cash and Cash Equivalents at the end of the year		9806546674		8220567272
24% Share in MP Wind Farms		4719330		4028456
Total Cash and Cash Equivalents at the end of the year		9811266004		8224595728
Net Increase in Cash and Cash Equivalents		1586670276		3312017411
		0		0
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR				
Postage Imprest		46932		80230
In Current Accounts with Banks		1797920494		603719643
In Deposit Accounts with Banks		7992492532		7606044237
Cheques under Collection/DD in hand		16086716		10723162
		9806546674		8220567272

Notes to the Cash Flow statement.

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.
4 Total Deposits includes deposits of ₹ 4,650,000,000 having original maturity of more than 90 days .

As per our Report of even date

For Jain Chopra & Company
Chartered Accountants
ICAI Regn No.- 002198N

Sd/-
Ashok Chopra
Partner
M.No.- 017199

Sd/-
S K Bhargava
Director (Finance)
DIN No. 01430006

Sd/-
K S Popli
Chairman and
Managing Director
DIN No. 01976135

Sd/-
Surender Suyal
Company Secretary
M.No.: A11900

Place : New Delhi
Date: 22.08.2016

INDEPENDENT AUDITORS' REPORT

To
The Members of
Indian Renewable Energy Development Agency Limited.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Indian Renewable Energy Development Agency Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, wherever due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whatever the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted In India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the Notes to the standalone financial statements

i. No. 24(1)(b) regarding provisions relating to Asset classification/provisioning of restructured/ rescheduled account not being in conformity with the Articles of Association of the company.

ii. No.24(3) related to up gradation of loan account of M/s Everest Power Limited on recovery of irregularity after close of the year.

iii. No.24 (5)(b) which describes the uncertainty related to the outcome of the petition filed against the company by M/s Mahakrishna Financial Services Pvt. Ltd.

iv. No.24(13) regarding the obligation under section 135 of The Companies Act, 2013 on Corporate Social Responsibility (CSR) having not been discharged during the year.

v. No.24(25) which states that specific audit of account of Generation based Incentive funds has not been done.

Our opinion is not modified in respect of these matters

Report on other legal and Regulatory Requirement

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-I a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable and in terms of sub-section (5) of section 143 of the Act we give in the Annexure-II information in respect of the direction issued by the Comptroller and Auditor-General of India.

2. As required by Section 143(3) of the Act, we report that:

   a) we have sought and 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 it appears from our examination of those books.

   c) the Balances Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of written representations received form the directors none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act as on 31st March 2015

   f) with respect to the other matter to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us;

      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 24 (5)(b) to the standalone financial statements;

      ii. there is no amounts, required to be transferred by the Company to the Investor Education and Protection Fund.

For Jain Chopra & Company
Chartered Accountants
Firm Reg. No. 02198N

Place: New Delhi
Date: 26.08.2015

Ashok Chopra
Partner
M. No. 017199

ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2015, we report that;

(i) (a) The company is maintaining proper records records showing full particulars, including quantitative details and situation of fixed assets;

(b) We are informed that the management had physically verified the fixed assets during the year and the discrepancies noticed on such verification which are not material have yet to be determined and dealt with in the books of account.

(ii) (a) The company does not hold any inventories as such the provision are not applicable

(b) The company does not hold any inventories as such the provision are not applicable

(c) The company does not hold any inventories as such the provision are not applicable

(iii) In our opinion and according to the information explanations provided, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

(iv) In our opinion and according to the information explanations provided, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services. However in following activities internal control needs to be strengthen

a. application of interest/reversal of interest in borrowers' accounts

b. delegation of authority at various levels to be reviewed

c. information technology system for maintenance of records

(v) The company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder, where applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under subsection (1) of section 148 of the Companies Act, in the case of the Company.

(vii) (a) As per the records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except

(b) The Company is in appeal in the following case:

Name of statute	Subject	Ass.Yr.	Amount in Rs.	Forum
Income Tax Act, 1961	Income Tax	2010-11	13.44 Crore	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2011-12	14.96 Crore	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2012-13	15.54 Crore	Commissioner of Income Tax (Appeal)

(c) There is no amounts, required, to be transferred by the Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The company does not have any accumulated losses as at the end of the financial year.

(ix) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the financial year.

(x) In our opinion and according to the information and explanations provided, the company has given guarantee for credit facility taken by one of its constituents from other establishment and has granted letters of comfort for acquisition of assets by the borrowers who have been sanctioned credit facilities, the terms and conditions whereof are not prejudicial to the interest of the company.

(xi) The term loans obtained has been applied for the purpose for which the loans were obtained.

(xii) A ccording to the information explanations provided, no fraud committed on or by the company has been noticed or reported during the course of our audit.

For Jain Chopra & Company
Chartered Accountants
Firm Reg. No. 02198N

Ashok Chopra
Partner
M. No. 017199

Place: New Delhi
Date: 26.08.2015

ANNEXURE-II TO THE INDEPENDENT AUDITORS' REPORT

Information is respect of the directions issued by the Comptroller and Auditor-General of India

1. If the company has been selected for disinvestment a complete status report in terms of valuation if Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined including the mode and present stage of disinvestment process.

Answer - Not applicable

2. Please report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons there for and the amount involved.

   Answer - On the basis of information and examination of relevant records, during the year two Accounts were settled by way of one time settlement (OTS) in terms of approved policy. The said accounts were classified as Loss Asset and technically written off in the books of the company in the year 2008-09 wherein an amount of Rs. 335.15 Lacs was technically written off from the books of the company leaving a balance of Rs. 10000/- in each account. Through OTS an amount, Rs. 167.88 lacs has been recovered against these account during the financial year 2014-15 and shown as recovery against written off asset (Refer Note-19)

   Further during the year four accounts for an aggregate amount of Rs. 40.97 Crore have been classified as Loss Asset and an amount of Rs. 40.57 Crore has been technically written off from the books of the company and leaving a balance of Rs. 10,000/- in each account.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.

   Answer - Not applicable

4. Report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

   Answer - On the basis of information and examination of relevant records, the legal expenses being spent are reasonable and the company has a standard scheduled of fee. All the legal expenses are debited to the borrower's account only. During the last 02 years only 03 DRT cases have been filed. The company also files criminal cases u/s 138 of Negotiable Instrument Act against the dishonor of cheque. The company has no litigation in foreign countries and no arbitration cases.

Age-wise status of DRT cases

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Cases pending	09
Cases decreed	20
Sine Die	04 matters-all matters are decreed

Age-wise status of criminal cases u/s 138 of Negotiable Act

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Summoning stage	46
For issuance of notice/appearance of accused	468

JAIN CHOPRA & COMPANY
Chartered accountants
105, Jyoti Bhawan,
Commercial Complex,
Dr. Mukherjee Nagar, Delhi-110009

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NON BANKING FINANCIAL COMPANIES AUDITOR'S REPORT

The Board of Directors,
Indian Renewable Energy Development Agency Ltd
New Delhi

Dear Sir,

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India on the matters specified therein to the extent applicable to the Company, we report that:

1. The company is engaged in the business of non-banking financial institution, having a valid certificate No. -14.000012 issued on 23rd January 2008 in lieu of the earlier Certificate No. -14.000012 dated10th February1998 pursuant to the company's application for registration as per provisions of Section 45-1A of the Reserve Bank of India Act, 1934.

2. The Board of Directors have resolved on 28th April, 2015 that the company will not accept public deposit during the financial year 2015-16 without prior approval of the Reserve Bank of India;

3. The company has not accepted any public deposits during the year ended on 31st March, 2015;

4. We draw reference to Note no. 24(1) (b) to the Notes to Financial statements for the year ended 31st March, 2015 which is in the context of the company's accounting practice regarding dealing with non performing assets and standard assets restructured/ rescheduled and stated in its articles of association and which reads as under :-

   "*1.(b)However, it has been observed that said Articles do not specifically cover the asset classification/provisioning for restructured/ rescheduled accounts for which clarification/modification from MNRE will be sought.*"

   Subject to the above the company has complied with the prudential norms relating to income recognition, asset classifications and provisioning for the bad and doubtful debts as approved by the Board of Directors of IREDA in terms of Article of Association. The Company has also complied with the Accounting Standards as per the Companies (Accounting Standards) rules, 2006

For JAIN CHOPRA & COMPANY
Chartered Accountants
Firm Reg. No. 002198N

Ashok Chopra
Partner
M. No. 017199

Place: New Delhi
Dated: 18.09.2015

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED FOR THE YEAR ENDED 31ST MARCH 2015

The preparation of financial statements of INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26.08.2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED for the year ended 31 March, 2015.This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

(Dr. Ashutosh Sharma)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board -IV

Place : New Delhi
Date : 21.09.2015

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Balance Sheet as at 31.03.2015

Particulars	Note No.	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	7,846,000,000	7,446,000,000
(b) Reserves and Surplus	3	13,939,635,668	11,882,615,004
(2) Share Application Money pending allotment			
(3) Non-current liabilities			
(a) Long-term borrowing	4	71,295,363,366	63,310,760,307
(b) Other long-term liabilities	5	3,000,304,428	1,000,000,000
(c) Long-term provisions	6	288,138,075	462,690,790
(4) Current liabilities			
(a) Short-term borrowing	7	-	1,153,692,926
(b) Trade payables	8	83,831,442	167,793,115
(c) Other current liabilities	9	5,165,433,116	4,850,677,254
(d) Short-term provisions	10	1,186,230,929	528,277,694
TOTAL		102,804,937,024	90,802,507,090
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	11		
(i) Tangible assets		320,392,169	364,101,538
(ii) Intangible assets		4,874,255	7,082,125
(iii) Capital work-in-progress		70,000,000	
(iv) Capital Work in Progress 50 MW Solar Project			
(iv) Intangible assets under development		593,731	558,710
		395,860,155	371,742,373
(b) Non-current investments	12	1,200,000	1,200,000
(c) Deferred tax assets (Net)	24	569,309,750	544,905,946
(d) Long-term loans and advances	13	77,387,370,561	71,489,099,729
(e) Other non-current assets	14	954,879,562	1,080,323,622
(2) Current assets			
(a) Trade Receivable	15	6,361,855	1,686,923
(b) Cash and bank balances	16	10,569,513,695	5,109,964,127
(c) Short-term loans and advances	17	12,784,326,613	12,066,554,022
(d) Other current assets	18	136,114,833	137,030,348
TOTAL		102,804,937,024	90,802,507,090
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 24		

As per our Report of even date
Jain Chopra & Company
Chartered Accountants
ICAI Regn No 002198N

Ashok Chopra
Patner (M No-017199)

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Place : New Delhi
Date : 26.08.2015

Surender Suyal
Company Secretary

इरेडा IREDA
IS/ISO 9001:2008 Certified
(A Mini Ratna Category-I PSU)

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Statement of Profit and Loss for the year ended 31.03.2015

	Particulars	Note No.	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
I.	Revenue from operations	19	**11,178,515,655**	8,907,588,879
II.	Other Income	20	**5,039,484**	46,411,649
III.	**Total Revenue (I+II)**		**11,183,555,139**	8,954,000,528
IV.	**Expenses:**			
	Employee Benefit Expenses	21	**257,391,751**	211,779,994
	Finance Cost	22	**6,463,400,291**	4,879,601,310
	Depreciation and Amortisation Expenses		**54,803,722**	33,115,583
	Other Expenses	23	**178,446,299**	118,977,358
	Bad Debts Written Off		**405,657,703**	988,016,676
	Less Provision for Bad and Doubtful Debts created in earlier years written back		**(405,657,703)**	(1,031,044,888)
	Provision for Bad and Doubtful Debts		**312,486,192**	191,308,584
	General Provision for Standard Assets (including Adhoc)		**130,755,534**	154,665,459
			7,397,283,789	5,546,420,076
V.	Profit before Exceptional & extrordinery items and tax (III-IV)		**3,786,271,350**	3,407,580,452
VI.	**Add+/Less(-) Prior Period Adjustments (Net)**		**(516,832)**	(4,514,199)
VII.	**Add+/Less(-) Exceptional items**		**-**	-
VIII.	**Profit before tax (V-VI)**		**3,785,754,518**	3,403,066,253
IX.	**Tax Expenses**			
	(1) Current Tax		**1,087,500,000**	766,200,000
	(2) Income Tax- Earlier Years		**-**	-
	(3) Deferred Tax		**(20,807,200)**	231,731,426
X.	**Profit for the period (VII-VIII)**		**2,719,061,718**	2,405,134,827
XI.	**Earning per Equity Share:**	24(15)		
	(1) Basic & Diluted		**355.05**	327.29
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 24		

As per our Report of even date

Jain Chopra & Company
Chartered Accountants
ICAI Regn No 002198N

Ashok Chopra
Patner (M No-017199)

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Place : New Delhi
Date : 26.08.2015

Surender Suyal
Company Secretary

NOTE '1'

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 as per section 129, the Accounting Standards referred to in Section 2 clause II of The Companies Act, 2013 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 principal has remained overdue for a period of more than two quarters at the end of financial year. 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 Statement of Profit and Loss in the year of issue of such loan/bond.

(iii) Prepaid expenses and prior period expenses/income upto Rs. 20,000/- per item are charged to Statement of Profit & Loss as and when incurred/adjusted/received.

(iv) Insurance claims are accounted for as and when admitted by the insurance company.

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

- **Assets classification**

a) Standard Asset:- An asset is classified as Standard Asset if it is not an Non-Performing Asset (NPA).

b) Non performing Asset: A non-performing asset (NPA) is a loan where:

➢ An assets, in respect of which, interest and/ or principal has remained overdue for a period of more than two quarters.

➢ The company classifies NPA at the end of the financial year.

c) The Non-performing Asset is further classified as below:-

I. Sub-standard Assets
A sub-standard asset is one, which has remained NPA for a period of upto 18 months.

II. Doubtful Assets
A doubtful asset is one, which has remained in the substandard category for a period exceeding 18 months.

III. Loss assets
A Loss asset is one which is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value and where loss has been identified by the company or internal or external auditors or any other relevant Government authority but the amount has not been written off wholly or the asset remains doubtful asset for a period exceeding 5 years.

Provisioning against loans
The provisioning in respect of loans & advances is made as under:

(i) **Standard Assets:** provision in respect of Standard Assets is made @ 0.25% of the outstanding standard assets. In addition, the Board of Directors may decide to create floating provision on Standard Asset. The floating provision can not be reversed by credit to statement of P&L Account. It can only be utilised for making specific provisions in respect of impaired accounts.

(ii) **Sub-standard Assets:** A provision of 10% of loan outstanding is made.

(iii) **Doubtful Assets:** 100% of the extent to which the loan is not covered by the realisable value of the security to which IREDA has a valid recourse. With regard to secured portion of loan, provision as follows is made:-

Period for which the asset has been considered as doubtful	**% of provision**
Upto one year	20%
1 to 3 year	30%
More than 3 years	Between 50% to 100% of loan outstanding depending upon risk perception.

(iv) **Loss Assets:-** 100% of the loan outstanding is provided for

3) **Foreign Currency Transactions**

(i) Transactions in foreign currency (except the foreign currency loans where derivative transactions have been made with banks), 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 Statement of Profit and Loss and accounted as per Accounting Standard (AS)-11 on "The Effects of Changes in Foreign Exchange Rates (revised 2003)" issued by the Institute of Chartered Accountants of India (ICAI).

(ii) The transaction in foreign currency loans, where Derivative transaction take place, are recorded at the contracted exchange rate on deal date till the Period of maturity of derivative deals. The difference between the exchange rate at the date of transaction and derivatives rate is recognized as income or expense in the Statement of Profit and Loss.

(iii) Derivative transactions includes principal swap, Currency & Interest Rate Swap (CIRS), forwards, interest rate swaps, cross currency swaps, currency and cross currency options etc. to hedge foreign currency assets and liabilities.

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 and intangible assets is provided as per the useful life mentioned and in the manner prescribed in Schedule II of The Companies Act, 2013 on written down value method.

(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.

(iv) Depreciation is provided in the financial year in respect of assets of Rs. 5000 or less 100%.

7) **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.

8) **Loans**

Loans secured against Hypothecation, English Mortgage, Equitable Mortgage and Joint Equitable Mortgage and guaranteed by Banks/Financial Institution/Central Government/State Government as the case may be, are classified as fully secured.

9) **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.

10) **Employee Benefits**

(A) **Short Term Employee Benefits**

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

(B) **Retirement Benefits**

1. The liability for retirement of employees in respect of provident fund, benevolent fund, superannuation fund and Gratuity, which is ascertained annually on actuarial valuation at the year end, are accrued and funded separately.

2. The liabilities for leave encashment, sick leave and post retirement medical benefits and baggage allowance to employees are accounted for on accrual basis based on actuarial valuation at the year end.

11) **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 any liability is recognized only when it is virtually certain that the reimbursement will be received.

Notes on Financial Statements for the year ended 31st March, 2015

NOTE- '2'
SHARE CAPITAL

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Authorised 100,00,000 (Previous year 100,00,000) Equity Shares of Rs. 1,000 each	**10,000,000,000**	10,000,000,000
Issued, Subscribed & Fully Paid up		
78,46,000 (Previous Year 74,46,000) Equity Shares of Rs. 1,000 each fully paid up	**7,846,000,000**	7,446,000,000
Total	**7,846,000,000**	7,446,000,000

RECONCILIATION OF EQUITY SHARES

Particulars	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
	2014-15		2013-14	
Shares outstanding as on 1st April	**7,446,000**	**7,446,000,000**	6,996,000	**6,996,000,000**
Shares issued during the year	**400,000**	**400,000,000**	450,000	**450,000,000**
shares bought back during the year	-	-	-	-
Shares outstanding as on 31st March	**7,846,000**	**7,846,000,000**	7,446,000	**7,446,000,000**

Foot Notes:

(i) 100% Equity Shares are held by Government of India.

(ii) Equity Shareholders have full voting rights with no restrictions.

(iii) All the Equity Shares are fully paid up in cash.

NOTE- '3'
RESERVES & SURPLUS

	Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
a.	**Capital Reserves**			
i.	**Capital Grant from world bank for purchase of Fixed Assets**			
	Opening Balance		**1,347,177**	1,937,307
	(-) Transferred to Miscellaneous Income		**500,253**	590,130
	Closing Balance		**846,924**	1,347,177
ii.	**Grant-in-aid from Government of Netherlands**		**167,858,986**	167,858,986
iii.	**Grant-in-aid from World Bank**		**839,484,095**	839,484,095
iv.	**Other Capital Grant**		**60,144,000**	60,144,000
v.	**Securities Premium**		**36,000**	36,000
			1,068,370,005	1,068,870,258
b.	**Special Reserve**			
	(under Section 36(1)(viii) of the Income Tax Act, 1961)			
	Opening Balance		**3,876,044,145**	3,361,929,145
	(+) Addition during the year		**740,473,816**	514,115,000
	Closing Balance		**4,616,517,961**	3,876,044,145
c.	**Debenture Redemption Reserve**		**276,460,000**	138,230,000
d.	**General Reserve**			
	Opening Balance		**6,793,565,266**	5,385,631,990
	(+) Addition during the year		**1,190,000,000**	1,340,000,000
	(+) Transfer from NBFC Reserve		**-**	67,933,276
	(-) Additional depreciation charged	10,391,805	**6,795,201**	0
	(-) Deferred Tax on additional depreciation charged (@ 34.61%)	3,596,604		
		6,795,201		
	Closing Balance		**7,976,770,065**	6,793,565,266
e.	**Profit & Loss Account**			
	Opening Balance		**5,905,335**	2,598,008
	(+) Net Profit for the current year		**2,719,061,718**	2,405,134,827
	(-) Proposed Dividend		**544,000,000**	350,000,000
	(-) Corporate Dividend Tax		**110,745,600**	59,482,500
	(-) Transfer to Special Reserve		**740,473,816**	514,115,000
	(-) Transfer Debenture Redemption Reserve		**138,230,000**	138,230,000
	(-) Transfer to General Reserve		**1,190,000,000**	1,340,000,000
	Closing Balance		**1,517,637**	5,905,335
	Total		**13,939,635,668**	11,882,615,004

NOTE- '4'
LONG TERM BORROWINGS

Particulars	Terms of Repayment	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
A. Bonds			
I) Taxfree Bonds - Non Convertible Redemable Debentures (Secured by paripassu charge on Loans and Advances (book debts) of the company.)			
(i) 8.80% Tax free Bonds (Series XIII Tranche-I-IIIB- 2013-14)	Redeemable at par on 13-03-2034	**1,441,642,000**	1,441,642,000
(ii) 8.55% Tax free Bonds (Series XIII Tranche-I-IIIA- 2013-14)	Redeemable at par on 13-03-2034	**388,123,000**	388,123,000
(iii) 8.56% Tax free Bonds (Series XIII Tranche-I-IC- 2013-14)	Redeemable at par on 27-03-2029	**360,000,000**	360,000,000
(iv) 8.80% Tax free Bonds (Series XIII Tranche-I-IIB- 2013-14)	Redeemable at par on 13-03-2029	**2,345,508,000**	2,345,508,000
(v) 8.55% Tax free Bonds (Series XIII Tranche-I-IIA- 2013-14)	Redeemable at par on 13-03-2029	**1,230,769,000**	1,230,769,000
(vi) 8.16% Tax free Bonds (Series XIII Tranche-I-IA- 2013-14)	Redeemable at par on 13-03-2024	**757,590,000**	757,590,000
(vii) 8.41% Tax free Bonds (Series XIII Tranche-I-IB- 2013-14)	Redeemable at par on 13-03-2024	**1,052,914,000**	1,052,914,000
II) Taxable Bonds - Non Convertible Redemable Debentures			
(Secured by negative lien on Loans and Advances (Book Debts) of the company)			
(i) 8.49% Taxable Bonds (Series VB- 2013-14)	Redeemable at par on 10-05-2028	**2,000,000,000**	2,000,000,000
(ii) 9.02% Taxable Bonds (Series III- 2010-11 - Tranche-II)	Redeemable at par on 24.09.2025	**2,500,000,000**	2,500,000,000
(iii) 8.44% Taxable Bonds (Series VA- 2013-14)	Redeemable at par on 10-05-2023	**3,000,000,000**	3,000,000,000
(iv) 9.49% Taxable Bonds (Series IV- 2012-13)	Redeemable at par on 04.06.2022	**3,000,000,000**	3,000,000,000
(v) 8.87% Taxable Bonds (Series III- 2010-11 - Tranche-I)	Redeemable at par on 24.09.2020	**1,500,000,000**	1,500,000,000
(vi) 8.85% Taxable Bonds (Series II- 2009-10)	Redeemable at par on 13.01.2020	**1,500,000,000**	1,500,000,000
(vii) 9.60% Taxable Bonds (Series I- 2008-09)	Redeemable at par on 24.2.2019	**1,000,000,000**	1,000,000,000
Total of Bonds		**22,076,546,000**	22,076,546,000

Particulars	Terms of Repayment	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
B. Term Loans - Secured			
a. **From Banks**			
(i) Bank of Baroda (INR Loan)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021. Installments ranging between Rs. 1,91,47,506 to Rs. 9,61,26,342	**865,411,250**	978,983,490
Less: Current Maturity		**125,568,028**	113,572,240
(Secured by US$ deposit with BOB London)		**739,843,222**	865,411,250
(ii) Union Bank of India Term Loan-II	Interest @ base rate i.e 10.00% (Floating), Repayment on quarterly basis starting from 09.09.2014 in 27 Installments of Rs. 7,14,30,000/- each and 1 installment of Rs 7,13,90,000/-	**1,785,710,000**	2,000,000,000
Less: Current Maturity		**285,720,000**	214,290,000
(Secured by pari-passu charge on the Loans and Advances (Book Debts))		**1,499,990,000**	1,785,710,000
(iii) Asian Development Bank (ADB)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021 in installments ranging between US$ 398,900 to US$ 2,428,269	**1,084,162,632**	1,197,582,087
Less: Current Maturity		**125,568,028**	113,572,240
(Secured by pari-passu charge on the Loans and Advances (Book Debts) and Further Guaranteed by the Government of India)		**958,594,604**	1,084,009,847
b. **From Others**			
(i) Small Industrial Development Bank of India (Secured by pari-passu charge on the Loans and Advances (Book Debts))	Interest @ 10.25% (Fixed for 2 years), repayable on 28.12.2019	**2,000,000,000**	2,000,000,000
(ii) Loan from NCEF	Interest @ 2% , repayable in 40 equal quaterly instalments starting from 30.6.2015 of Rs 15,25,000/- each.	**61,000,000**	61,000,000
Less: Current Maturity		**4,575,000**	-
		56,425,000	61,000,000
C. Term Loans - Unsecured			
a. **From Banks**			
(i) Nordic Investment Bank (NIB)	Repayment on half yearly basis starting from 17.12.2012 till 17.06.2019 in 8 installments of US$ 3,571,428.58 each and 6 installments of US$ 3,571,428.56 each	**1,463,490,824**	1,787,609,610
Less: Current Maturity		**325,220,183**	325,019,930
		1,138,270,641	1,462,589,680
(ii) KFW Loan-I	Repayment on half yearly basis starting from 30.12.2009 till 30.12.2039 in 28 installments of Euro 586,451.79 each, 32 installments of Euro 586,963.08 each and 1 installment of Euro 586,963.00	**1,832,067,498**	1,905,308,054
Less: Current Maturity		**73,240,557**	73,240,556
(Guaranteed by the Government of India)		**1,758,826,941**	1,832,067,498
(iii) KFW Loan-II	Repayment on half yearly basis starting from 30.09.2012 till 30.09.2020 in 16 installments of Euro 2,858,000 each & 1 installment of Euro 4,272,000	**2,124,001,709**	2,498,931,869
Less: Current Maturity		**369,560,263**	370,356,113
(Guaranteed by the Government of India)		**1,754,441,446**	2,128,575,756
(iv) KFW Loan-III	Repayment on half yearly basis starting from 30.06.2020 till 30.12.2049 in 9 installments of Euro 332,000 each & 51 installments of Euro 333,000 each	**1,324,347,788**	1,233,594,437
Less: Current Maturity		**0**	0
(Guaranteed by the Government of India)		**1,324,347,788**	1,233,594,437

Particulars	Terms of Repayment	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(v) KFW Loan-IV Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.06.2014 till 30.12.2022 in 16 installments of Euro 11,111,000 each and 2 installments of Euro 11,112,000 each	**6,720,198,482** **1,528,800,592** **5,191,397,890**	3,758,395,207 1,719,481,158 2,038,914,049
(vi) International Bank for Reconstruction and Development (IBRD) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 15.12.2005 till 15.06.2020 in installments ranging from Euro 1,309,700 to Euro 2,651,500	**1,138,929,762** **180,731,152** **958,198,610**	1,309,381,250 170,451,488 1,138,929,762
b. **From Others**			
(i) Agence Francaise De Developpement (AFD) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 31.07.2016 till 31.01.2031 in 30 installments of Euro 2,333,333.33 each	**5,645,894,759** **0** **5,645,894,759**	4,804,415,996 0 4,804,415,996
(ii) Agence Francaise De Developpement (AFD)-II" Less: Current Maturity	Repayment on half yearly basis starting from 30.11.2019 till 30.05.2029 in 20 installments of Euro 5,000,000 each	**714,500,000** **0** **714,500,000**	0 0 0
(iii) Japan International Corporation Agency (JICA) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 20.6.2021 to 20.06.2041 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each	**18,873,535,711** **0** **18,873,535,711**	18,132,067,407 0 18,132,067,407
(iv) Japan International Corporation Agency (JICA-II) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 20.03.2024 to 20.03.2044 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each	**2,611,375,000** **0** **2,611,375,000**	0 0 0
(v) European Investment Bank (EIB) Less: Current Maturity (Guaranteed by the Government of India)	Tranche I - Repayment on half yearly basis starting from 26.09.2019 to 26.03.2035 in 32 installments of US$ 662,000 each	**1,326,306,560** **0** **1,326,306,560**	0 0 0
(iv) Government of India Against International Development Agency (IDA) - Second Renewable Energy Project (INR Loan) Add: Liability due to underlying exchange fluctuation Less: Current Maturity	Repayment on half yearly basis starting from 15.10.2010 to 15.04.2035 in 20 installments of US$ 625,000 each and 30 installments of US$ 1,250,000 each payable in INR	**2,146,418,750** **597,751,000** **2,744,169,750** **77,300,556** **2,666,869,194**	2,206,881,250 535,172,125 2,742,053,375 75,124,750 2,666,928,625
Total		**71,295,363,366**	63,310,760,307

Foot Notes:

(1) All foreign currency borrowings from various multilateral / bilateral agencies (hedged) viz. ADB, IBRD, NIB, KfW, AFD and JICA have been converted into INR loan by way of plain vanilla swap transaction/currency, interest rate swap and principal only swap entered into with various banks with whom IREDA has signed ISDA Master Agreement. These swap/derivative transactions have been entered into with the participating bank for a different maturity period for each transaction which is shorter from the maturity period of the loan. The hedging of the foreign currency loan has been carried out at various intervals and in multiple tranches of drawl against the line of credit. Due to SWAP/hedging of foreign currency loans, in addition to interest cost, these loans carry, hedging/derivative cost, commitment fee, government guarantee fee and other financial charges and due to multiplicity of the tranches of drawl against the line of credit, the applicable rate of interest on these lines of credit has not been disclosed above.

NOTE- '5'
OTHER LONG TERM LIABILITIES

Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Trade Payable	-	-
(b)	Others MNRE Interest Subsidy Payable	-	-
(c)	IREDA-National Clean Energy Fund (NCEF)	3,000,304,428	1,000,000,000.00
	Total	**3,000,304,428**	1,000,000,000

NOTE- '6'
LONG TERM PROVISIONS

Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Provision for Employees' Benefits	**103,765,674**	56,663,476
(b)	Provision for Standard Assets	**184,372,401**	406,027,314
	Total	**288,138,075**	462,690,790

NOTE- '7'
SHORT TERM BORROWINGS

Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(i)	Vijaya Bank	-	998,432,732
(ii)	Union Bank of India	-	155,260,194
(iii)	Bank of India	-	
	Total	-	1,153,692,926

NOTE- '8'
TRADE PAYABLE

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Trade Payable	**83,831,442**	167,793,115
Total	**83,831,442**	167,793,115

NOTE- '9'
OTHER CURRENT LIABILITIES

Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Current Maturity of Long Term Debts	**3,096,284,359**	3,175,108,475
(b)	Interest accrued but not due on borrowing	**1,611,989,350**	1,462,149,990
(c)	**Others Payable**		
	Provident Fund Payable	**2,383,579**	2,145,434
	MNRE Programme Funds	**94,736,94**	95,680,357
	MNRE Co Generation Specific Grant	**2,790,182**	2,790,182
	National Hydrogen Energy Board	**449,470**	432,018
	MNRE Interest Subsidy Payable	**-**	623,156
	National Wind Energy Mission	**-**	62,783
	MNRE GBI Fund	**50,648,079**	42,143,573
	Assosication of Renewable Energy of States	**39,600,000**	
	Roof Top and other Small Scale Solar Project	**1,145,597**	4,236
	MNRECapital Subsidy For Channel Patners	**85,527,825**	0
	MNRE UNDP Funds	**39,381,692**	41,287,269
	Other Liabilities	**140,496,042**	28,249,781
	Total	**5,165,433,116**	4,850,677,254

NOTE- '10'
SHORT TERM PROVISIONS

Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Provision for Employees' Benefits	**6,196,318**	12,271,971
(b)	**Others**		
	Provision Income-tax	**-**	0
	Proposed Dividend	**544,000,000**	350,000,000
	Corporate Dividend Tax	**110,745,600**	59,482,500
	Provision for Standard Assets (including Adhoc)	**375,616,325**	23,205,878
	Provision for Corporate Social Responsibility Fund	**103,143,152**	56,787,811
	Provision for Sustainable Development Fund	**3,942,260**	3,942,260
	Other Provisions	**42,587,274**	22,587,274
	Total	**1,186,230,929**	528,277,694

NOTE- '11'

FIXED ASSETS

Amount in Rs.

Particulars	GROSS BLOCK					Depreciation					NET BLOCK	
	Opening Balance as at 1.4.2014	Additions during the year	Disposals during the year	Adjustments during the year	As at 31.03.2015	Opening up to 1.4.2014	For the year	Disposal during the year	Adjustments during the year	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
(i) Tangible Assets												
Buildings-Residential Leasehold	4,143,149	-	-	-	4,143,149	2,640,110	248,079	-	-	2,888,189	1,254,960	1,503,039
Buildings-Office												
Leasehold-IHC	43,956,603	-	-	-	43,956,603	18,588,298	2,974,874	-	-	21,563,172	22,393,431	25,368,305
Leasehold-AKB	422,757,821	-	-	-	422,757,821	125,348,519	32,213,769	-	-	157,562,288	265,195,533	297,409,302
Office Space at Chennai	-	14,353,680	-	-	14,353,680	-	7,472	-	-	7,472	14,346,208	
Furniture and Fittings	28,226,005	71,315	(140,248)	-	28,157,072	17,011,627	3,528,568	(138,901)	-	20,401,294	7,755,778	11,239,504
Vehicles	4,213,798	1,936,206	(445,806)	-	5,704,198	2,836,176	802,671	(433,564)	-	3,205,283	2,498,915	1,377,621
Office Equipments	30,947,095	248,560	(409,380)	-	30,786,275	26,276,579	2,237,629	(356,603)	-	28,157,605	2,628,670	14,458,427
Computers	50,117,162	2,828,426	(5,235,122)	-	47,710,466	37,950,606	10,390,204	(4,949,018)	-	43,391,792	4,318,674	12,745,340
Library	1,825,194	28,866	-	-	1,854,060	1,825,194	28,866	-	-	1,854,060	-	-
Total A	**586,186,827**	**19,467,053**	**(6,230,556)**	**-**	**599,423,324**	**232,477,109**	**52,432,132**	**(5,878,086)**	**-**	**279,031,155**	**320,392,169**	**364,101,538**
Previous year	585,135,650	1,657,844	(606,667)	-	586,186,827	191,861,523	30,633,655	(409,889)	-	222,085,289	364,101,538	393,274,127
(ii) Intangible Assets**												
Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Software	14,258,584	163,718	-	-	14,422,302	7,176,459	2,371,588	-	-	9,548,047	4,874,255	7,082,125
Total B	**14,258,584**	**163,718**	**-**	**-**	**14,422,302**	**7,176,459**	**2,371,588**	**-**	**-**	**9,548,047**	**4,874,255**	**8,274,705**
Previous year	12,935,936	1,322,648	-	-	14,258,584	4,694,531	2,481,928	-	-	7,176,459	7,082,125	8,274,705
Total A+B	**600,445,411**	**19,630,771**	**(6,230,556)**	**-**	**613,845,626**	**239,653,568**	**54,803,720**	**(5,878,086)**	**-**	**288,579,202**	**325,266,424**	**401,548,833**
Previous year	598,071,586	2,980,492	(606,667)	-	600,445,411	196,556,054	33,115,583	(409,889)	-	229,261,748	371,183,663	401,548,832
(iii) Capital Work In Progress												
Leasehold Office	-				-	-	-		-	-	-	-
Total C	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Intangible Assets under development												
Software under Development	558,710	35,021	-		593,731						593,731	558,710
Total D	**558,710**	**35,021**	**-**	**-**	**593,731**	**-**	**-**	**-**	**-**	**-**	**593,731**	**558,710**
Previous year	1,478,165	245,100	(1,164,555)	-	558,710	-	-	-	-	-	558,710	1,478,165
(v) Capital Work in Progress Capital Work in Progress 50 MW Solar Project	-	70,000,000	-	-	70,000,000	-	-	-	-	-	70,000,000	-
Total E	**-**	**70,000,000**	**-**	**-**	**70,000,000**	**-**	**-**	**-**	**-**	**-**	**70,000,000**	**-**
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
Total A+B+C+D+E	**601,004,121**	**89,665,792**	**(6,230,556)**	**-**	**684,439,357**	**239,653,568**	**54,803,720**	**(5,878,086)**	**-**	**288,579,202**	**395,860,155**	**372,934,953**
Previous year	599,549,751	3,225,592	(1,771,222)	-	601,004,121	196,556,054	33,115,583	(409,889)	-	229,261,748	371,742,373	403,026,997

NOTE- '12'
NON CURRENT INVESTMENT

Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(i)	Trade Investment	-	-
(ii)	**Other Investments** Investment in Equity Instruments (unquoted)(at cost) 1,68,000 (Previous year 1,68,000) fully paid up Equity shares of Rs.10/- each, including 48,000 equity shares allotted as bonus shares, in MP Wind Farms Ltd, a equity shares allotted as bonus shares, in MP Wind Farms Ltd, a Joint Sector Company of IREDA (having 24% equity), the M P Urja Vikas Nigam Ltd (having 25% equity) and balance shares by others	1,200,000	1,200,000
	Less: Provision for diminution in the value of Investment	-	-
		1,200,000	1,200,000
	Total	**1,200,000**	1,200,000

NOTE- '13'

LONG TERM LOANS & ADVANCES

Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Security Deposits	-	31,501,126
(b)	Loan & Advances to Related Parties	**341,856**	1,226,800
(c)	Term Loans		
	- Onlending	**77,201,604,564**	70,862,180,484
	- Refinancing	**657,025,000**	1,000,000,000
	Less: Allowance for bad and doubtful Loans	**1,047,381,861**	1,140,553,372
		76,811,247,703	70,721,627,112
(d)	Interest Accrued but not due on Loans	**12,734,258**	10,526,854
(e)	Loans to Employees other than related parties	**26,547,705**	24,811,696
(f)	Advance Tax & Other Tax Recoverable	**3,220,075,370**	3,385,003,415
	Less Provision for Income Tax	**2,683,654,731**	2,685,627,707
		536,420,639	699,375,708
(g)	Staff Advances (Not bearing interest)	**78,400**	30,433
Total Loans & Advances of IREDA		**77,387,370,561**	71,489,099,729
Sub-classification of above :			
Secured (Considered good)			
	- Term Loans	**73,032,396,383**	68,176,860,093
	- Interest Accrued and due on Loans	**12,734,258**	10,526,854
	- Loans to Employees including related parties	**26,889,561**	26,038,496
	- Term Loans Secured by Bank Guarantee	**67,760,000**	269,791,523
Secured (Considered doubtful)			
	- Term Loans (Substandard, Doubtfull & Loss)	**4,758,473,181**	3,415,528,868
Unsecured (Considered good)			
	- Security Deposits	-	31,501,126
	- Advance Tax & Other Tax Recoverable	**536,420,639**	699,375,708
	- Staff Advances (Not bearing interest)	**78,400**	30,433
		78,434,752,422	72,629,653,101
Less: Allowance for bad and doubtful/Substandard Loans		**1,047,381,861**	1,140,553,372
GRAND TOTAL		**77,387,370,561**	71,489,099,729
	- Due from Directors of the Company included in Loans to related parties	**341,856**	1,226,800
	- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	**1,026,567**	1,505,544

NOTE- '14'
OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
OTHER BANK BALANCES		
(Refer Note No. 16)		
Foreign Currency Deposits		
- Dollar Deposit		
More than 12 months original maturity (earmarked against bank loan from BOB)	**954,879,562**	1,080,323,622
Total	**954,879,562**	1,080,323,622

NOTE- '15'
TRADE RECEIVABLE

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(A) Outstanding for a period exceeding six months from the date they are due for payment"		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good	-	-
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - A	**-**	-
(B) Others		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good	**6,361,855**	1,686,923
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - B	**6,361,855**	1,686,923
Total (A+B)	**6,361,855**	1,686,923

NOTE- '16'
CASH AND BANK BALANCES

Particulars			As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
A)	**CASH AND CASH EQUIVALENTS**			
(a)	Balances with Banks			
	A)	In Current Account - IREDA	603,719,643	298,865,070
	B)	In Saving Account	-	-
	C)	In Deposit Account		
		i) INR-Short term Deposit - IREDA	5,613,156,778	2,109,598,122
		(ii) Dollar Deposit Less than 90 days original maturity	457,299	-
		(iii) Euro Deposit Less than 90 days original maturity	1,992,005,558	1,849,749,787
		(iv) Yen Deposit Less than 90 days original maturity	424,602	646,656,307
(b)	Cheques Under Collection/DD In hand		10,723,162	3,857,544
(c)	Bank of India Overdraft			54,287
(d)	Postage Imprest		80,230	30,230
	Sub Total		8,220,567,272	4,908,811,347
B)	**OTHER BANK BALANCES**			
(a)	Balances with Banks			
	A)	In Current Account - MNRE	1,940,272	1,941,014
	B)	In Saving Account - UNDP - MNRE UNDP Account - National Hydrogen Energy Board - IREDA (MNRE GBI Fund) - Rooftop & Other Small Solar Power Plant - MNRE Capital Subsidy for Channel Partners - IREDA National Clean Energy Fund	 5,000 39,381,692 449,470 90,248,079 1,145,597 1,488,516 2,004,804,428	 5,000 41,287,269 432,018 42,143,573 4,236 - -
C)	**IN DEPOSIT ACCOUNT** - MNRE-GBI		84,039,309	-
	i) Foreign Currency Deposits			
	- Dollar Deposit Less than 12 months original maturity More than 12 months original maturity		 125,444,060 954,879,562	 115,339,670 1,080,323,622
	- Euro Deposit Less than 12 months original maturity		-	-
	- Yen Deposit Less than 12 months original maturity More than 12 months original maturity			
	ii)	DRT No lien/Other Earmarked Account	-	-
			3,303,825,985	1,281,476,402
	Less: Amount disclosed under non-current assets (Refer Note No. 14)		(954,879,562)	(1,080,323,622)
	Sub Total		2,348,946,423	201,152,780
	Total		10,569,513,695	5,109,964,127

NOTE- '17'
SHORT TERM LOANS & ADVANCES

	Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
A.	Total Loans & Advances		
(a)	Security Deposits	1,887,899	34,000
(b)	Loan & Advances to Related Parties		
	Loans to related parties	535,092	295,092
	Staff Advances (Not bearing interest) to related parties	104,000	69,136
(c)	Term Loans		
	- Onlending	10,885,048,569	11,177,829,202
	- Refinancing	338,475,000	-
	Less: Allowance for bad and doubtful Loans	-	-
		11,223,523,569	11,177,829,202
(d)	Interest Accrued and due on Loans	851,206,351	600,140,696
(e)	Interest Accrued but not due on Loans	183,844,064	180,407,615
(f)	Loans to Employees	4,789,669	4,697,039
(g)	Other Staff Advances (Not bearing interest) other than related parties	3,618,050	3,222,886
(h)	Advance Tax & Other Tax Recoverable	1,661,900,000	162,127,632
	Less: Provision for Income tax	1,248,972,976	159,500,000
		412,927,024	2,627,632
(i)	Others	9,944,681	5,285,251
	Sub Total - I	12,692,380,399	11,974,608,549
B.	**Total Loans to constituents of MNRE**		
(a)	Loans to constituents of MNRE	25,476,919	25,476,919
(b)	Interest Accrued and due on MNRE Loans	66,469,295	66,468,554
	Sub Total - II	91,946,214	91,945,473
	Total (I+II)	12,784,326,613	12,066,554,022
	Sub-classification of above :		
	IREDA		
	Secured (Considered good)		
	- Term Loans	11,211,486,412	10,069,186,092
	- Interest Accrued and due on Loans	851,206,351	600,140,696
	- Interest Accrued but not due on Loans	183,844,064	180,407,615
	- Loans to Employees included related parties	5,324,761	4,992,131
	- Term Loans Secured by Bank Guarantee	12,037,157	1,108,643,110
	Unsecured (Considered good)		
	- Security Deposits	1,887,899	34,000
	- Staff Advances (Not bearing interest) included related parties	3,722,050	3,292,022
	- Advance Tax & Other Tax Recoverable	412,927,024	2,627,632
	- Others	9,944,681	5,285,251
		12,692,380,400	11,974,608,549
	MNRE		
	Doubtful		
	- Term Loans to Constituents of MNRE	91,946,214	91,945,473
	GRAND TOTAL	12,784,326,613	12,066,554,022
	- Due from Directors of the Company included in Staff Advances & Loans to related parties	535,092	364,228
	- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	240,000	335,940

NOTE- '18'
OTHER CURRENT ASSETS

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
-Interest accrued but not due on deposits with banks	**79,604,628**	9,558,523
-RE Invest 2015	**49,938,885**	-
-Others	**6,571,320**	127,471,825
Total	**136,114,833**	137,030,348

NOTE- '19'
REVENUE FROM OPERATIONS

Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
A. INTEREST		
(i) Interest on Lending Operations	**9,137,909,235**	8,157,829,235
Less : Rebate on Prompt Payment	**14,558,685**	16,691,826
	9,123,350,550	8,141,137,409
(ii) Differential Interest	**187,591,588**	15,869,785
Less: Service Tax	**20,635,745**	1,961,505
	166,955,843	13,908,280
(iii) Interest on Deposits with Banks		
-Short Term Deposit-INR	**463,038,246**	301,613,979
-US$ Deposit	**5,285,335**	7,273,045
-EURO Deposit	**9,494,672**	5,474,951
-Yen Deposit	**620,132**	428,804
	478,438,385	314,790,779
B. OTHER FINANCIAL SERVICES		
(a) Business Service Fees		
(i) Front end Fee	**226,134,704**	151,874,888
Less: Service Tax	**24,875,622**	18,771,736
	201,259,082	133,103,152
(ii) Application Fee on Loans	**27,602,356**	19,572,409
Less: Service Tax	**3,036,357**	2,419,150
	24,565,999	17,153,259
(iv) Application Fee - Generation Based Incentive	**135,017,394**	187,606,972
Less: Service Tax	**14,852,394**	23,188,222
	120,165,000	164,418,750
(vi) Application Fee - Security Trusteeship	-	570,932
Less: Service Tax	-	70,567
	-	500,365
(vii) Miscellaneous Application Fees	**401,443**	-
Less: Service Tax	**44,160**	-
	357,283	-

	Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
(b)	**Business Service Charges**		
	Service Charges-MNRE	-	40,885
	Less: Service Tax	-	5,053
		-	35,832
	Service Charges - UNDP Programme Fund	1,285,619	1,680,696
	Less Service Tax	141,422	207,734
		1,144,197	1,472,962
	Service Charges - Generation Based Incentive	32,593,524	19,824,613
	Less Service Tax	3,585,403	2,450,322
		29,008,121	17,374,291
	Service Charges - Biogas Feed Fertilizer Plant	400,001	435,046
	Less Service Tax	44,001	53,772
		356,000	381,274
	Service Charges - Roof Top and Other Small Solar Power Project	28,815,435	22,734,342
	Less Service Tax	3,169,800	2,809,965
		25,645,635	19,924,377
	Service Charges - MNRE Capital Subsidy for CPs, SNAs and PA	7,671,836	-
	Less Service Tax	843,929	-
		6,827,907	-
(c)	**Applicable Net Gain on Foreign Currency Translations and Transactions**	905,407,888	-
(d)	**Amount received in respect of Bad Debts written off**	87,788,009	27,458,497
	Gurantee Commission	7,245,756	55,929,652
	Total	11,178,515,655	8,907,588,879

NOTE- '20'
OTHER INCOME

Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
Interest on Staff Loan	**2,575,475**	2,480,549
Dividend (Gross on Long Term Investment)	-	-
Interest on Income Tax Refund	-	5,874,593
Provision Written Back	-	3,750,000
Profit on Sale of Fixed Assets	**83,979**	-
Miscellaneous income		
- Transferred from Capital Grant	**500,253**	590,130
- Others	**1,879,777**	33,716,377
Total	5,039,484	46,411,649

NOTE- '21'
EMPLOYEE BENEFIT EXPENSES

	Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
(a)	Salaries, Wages and Other Amenities	**197,851,901**	151,480,924
(b)	Contribution to Provident and Other Funds		
	Contribution to Provident Fund	**10,325,680**	9,430,245
	Provident Fund Administrative Charges	**155,715**	142,209
	Contribution to Benevolent Fund	**67,120**	65,270
	Contribution to Superannuation fund	**7,262,275**	6,814,038
	Contribution to Gratuity Fund	**14,000,436**	5,086,041
(c)	Staff Welfare Expenses	**25,051,611**	37,090,343
(d)	Human Resource Development	**2,677,013**	1,670,924
	Total	**257,391,751**	211,779,994

NOTE- '22'
FINANCE COST

Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
A. Interest Expense		
Interest on Borrowings		
- on Bonds	**1,947,639,295**	1,321,771,015
- on Loans	**3,218,791,960**	2,854,437,913
	5,166,431,255	4,176,208,928
B. Other Borrowing Costs		
(i) Commitment fee		
-on Loan-II from KfW	-	-
-on Loan-III from KfW	**39,987**	222,185
-on Loan-IV from KfW	**24,107,837**	28,633,325
-On Loan from Japan International Corporation Agency (JICA)	**180,144**	2,073,003
(ii) Guarantee Fee		
-on Loan from International Bank for Reconstruction and Development (IBRD)	**20,713,824**	21,186,152
-on Loan-I from KfW	**30,167,700**	26,545,665
-on Loan-II from KfW	**31,776,947**	30,917,317
-on Loan-III from KfW	**18,643,096**	15,797,485
-on Loan-IV from KfW	**48,023,572**	18,059,180
-on Loan from Asian Development Bank (ADB)	**9,487,366**	9,386,970
-on Loan from Agence Francaise De Developpement (AFD)	**69,165,816**	58,608,610
-on Loan from Japan International Corporation Agency (JICA)	**198,116,108**	177,126,536
-on Loan from EIB	**196,557,600**	-
-on Loan from JICA-II	**186,048,000**	-
C. Others		
(i) Bond Trusteeship fee	**435,344**	463,083
(ii) Bank Charges	**118,360**	76,415
(iii) Bond Issue Expenses	**50,000**	59,292,187
(iv) Loss due to underlying exchange fluctuation (IDA-II)	**426,879,504**	252,905,252
(v) Applicable Net Loss on Foreign Currency Translations and Transactions	**-**	1,662,290
(vi) Interest on Service Tax	**102,682**	85,040
(vii) Front end fees on NIB	**31,266,000**	
(viii) Tax free Bond Series-XIII expense	**39,476**	-
(ix) Others	**5,049,673**	351,687
Total	**6,463,400,291**	4,879,601,310

NOTE- '23'
OTHER EXPENSES

Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
Electricity and Water Charges	7,717,437	6,082,489
Office rent	2,754,256	2,521,717
Office Maintenance	5,834,869	4,267,144
Repairs and Maintenance-Others	7,913,421	8,066,269
Insurance	588,076	464,534
Rates and Taxes	16,698,151	10,234,345
Business Promotion	9,582,982	7,575,828
Travelling and Conveyance	11,946,808	13,300,884
Information and Dissemination	7,744,748	8,824,199
Payment to Auditor	620,000	478,000
Legal and Professional	22,326,757	7,824,225
Newspapers and Periodicals	108,824	110,737
Postage Telegram and Telephone	2,303,284	2,072,048
Printing and Stationery	4,087,495	3,508,691
Recruitment Expenses	1,525,225	1,828,625
Credit Rating Expenses	8,523,041	6,347,679
Filing Fees	46,100	4,000
Corporate Social Responsibility	52,635,379	33,081,498
Director Sitting Fees	330,000	180,000
Loss on Sale of Assets	138,355	18,391
Sponsorship	10,000,000	-
Miscellaneous Expenses	5,021,091	2,186,055
Total	**178,446,299**	118,977,358

NOTE- '24'
NOTES ON ACCOUNTS

1. (a) The company is registered with the Reserve Bank of India (RBI) as a Non- Banking Financial Company (NBFC) vide order dated 10.02.1998. As per notification No. DNBS(PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 of RBI. Government companies as defined under Section 2(45) of the companies act, 2013 have been exempted from applicability of the provisions of Reserve Bank of India Act, 1934 relating to maintenance of liquid assets and creating of Reserve funds and the Directions relating to acceptance of public deposits and prudential norms. The said notification is also applicable to IREDA, being Govt. Company conforming to Section 2(45) of the companies act, 2013. Further, as per para No. 1(3) (iv) of RBI's Master Circular No. DNBS(PD) CC No. 333/03.02.001/2013-14 dated July 1, 2013, IREDA being a Government Company as defined under section 2(45) of the companies act, 2013 continues to be exempted from the applicability of non-banking financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Moreover in view of the non-applicability of the provisions of Section 45(I) C of the RBI Act 1934 regarding creation of Reserve Fund, the Reserve Fund is not created.

   In terms of the exemption vide notification No. DNBS(PD).CC.No.12/02.01/99-2000 dated 13.01.2000 as explained above, the Board of Directors of IREDA approved company's prudential norms relating to income recognition, assets classification and provisioning including restructuring/reschedulement of borrower's account which are being followed consistently. Some important features of these prudential norms are given in significant accounting policy No. 2(v). These norms have been approved by Board of Directors in terms of Articles of Association of Company

   (b) However, it has been observed that said Articles do not specifically cover the asset classification/provisioning for restructured/ rescheduled accounts for which clarification/modification from MNRE will be sought.

2. 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 II of The Companies Act, 2013. However, if the balance sheet of the borrower(s) is older than 5 years from the financial year for which the shortfall is worked out, the same is ignored.

3. IREDA had sanctioned and disbursed an amount of Rs. 82,18,00,000/- to M/s Everest Power Limited for setting up of 100 MW Hydro Project under consortium arrangement with other banks and institutions. During the year, the company could not pay its quarterly dues for the said loan in time due to non-payment of revenue by Punjab State Power Corporation Limited (PSPCL) on the tariff fixed by Punjab State Electricity Regulatory Commission (PSERC). The account was thus considered as NPA at the time of Limited Review for the half year ended 31st March, 2015. The matter was pending before the Hon'ble Supreme Court as at the close of the Financial Year 2014-15. Subsequent to the closing of the year based on the favourable order by Hon'ble Supreme Court of India for the disputed tariff issue, the company paid all outstanding dues upto the quarter ended 31.03.2015 upon release of payment from PSPCL, accordingly the outstanding loan amount of Rs. 74,85,21,641 pertaining to M/s Everest Power Limited has now been classified as Standard Asset.

4. The provision for Standard Asset include an amount of Rs. 11,58,53,314 (Previous year Rs. 11,73,40,993) created during the year as floating provision as per the decision of Board of Directors.

5. Details of Contingent Liabilities and Commitment

   As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India (ICAI), the movement in Provisions as on 31st March, 2015 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 including Adhoc	42,92,33,192 (27,45,67,732)	13,07,55,534 (15,46,65,459)	0 (0)	55,99,88,726 (42,92,33,191)
2	Income tax	2,84,51,27,707 (2,07,89,27,707)	1,08,56,00,000 (76,62,00,000)	0 (0)	3,93,07,27,707 (2,84,51,27,707)
3	Proposed dividend	35,00,00,000 (27,50,00,000)	54,55,02,699 (35,00,00,000)	35,00,00,000 (27,50,00,000)	54,55,02,699 (35,00,00,000)
4	Dividend tax	5,94,82,500 (4,67,36,250)	11,10,51,514 (5,94,82,500)	5,94,82,500 (4,67,36,250)	11,10,51,514 (5,94,82,500)
5	Leave encashment	2,53,90,179 (1,76,77,684)	1,20,33,794 (1.16,43,758)	44,43,662 (39,31,263)	3,29,80,311 (2,53,90,179)
6	Gratuity	90,55,077 (71,01,676)	1,40,00,436 (57,31,261)	34,70,665 (37,77,860)	1,95,84,848 (90,55,077)
7	Post retirement medical benefit	1,70,62,360 (1,16,95,926)	1,76,24,834 (56,89,845)	11,09,117 (3,23,411)	3,35,78,077 (1,70,62,360)
8	Sick leave	1,68,81,303 (1,50,75,895)	62,92,416 (28,48,216)	1,50,518 (10,42,808)	2,30,23,201 (1,68,81,303)
9	Baggage Allowance	5,46,528 (4,53,800)	2,49,027 (92,728)	0 (0)	7,95,555 (5,46,528)
10	Corporate Social Responsibility	5,67,87,811 (6,43,76,904)	5,26,35,379 (3,30,81,498)	62,80,038 (4,06,70,591)	10,31,43,152 (5,67,87,811)
11	Sustainable Development	39,42,260 (39,42,260)	0 (0)	0 (0)	39,42,260 (39,42,260)
12	Other Provisions	2,25,87,274 (3,58,45,155)	2,00,00,000 (2,00,00,000)	0 (3,32,57,881)	4,25,87,274 (2,25,87,274)
	Total	**3,83,60,96,191** **(2,83,14,00,989)**	**1,99,57,45,633** **(1,40,94,35,265)**	**42,49,36,500** **(40,47,40,064)**	**5,40,69,05,324** **(3,836,096,190)**

Previous year figures shown within bracket

* included in various expenses under Note 23 i.e other expenses on account of sustainable development expenses, balance provision is debited to Statement of Profit & Loss.

b) **Details of Contingent Liabilities &Capital Commitments** **(Amount in Rupees)**

Particulars	As at 31.3.2015	As at 31.03.2014
Contingent Liabilities Income tax demand for Assessment Years 2003-04, 2004-05 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. The cases from AY 1998-99 to 2009-10 have now been referred back by ITAT to the Assessing Officer. No hearing for the same has been conducted by the Assessing Officer. Contingent liability is in respect of cases for the assessment year 2010-11, 2011-12, 2012-13 which are pending with CIT.	43,94,07,189	31,82,00,000
Claims against the Company not acknowledged as debt in respect of petition filed against company seeking damages by M/s Mahakrishna Financial Services Pvt. Ltd.	1,50,00,000	1,50,00,000
During the year company has provided counter indemnity in favour of M/s Indusind Bank against issue of Bank Guarantee in favour of BSE ltd. as security for receiving subscription of Public issue of Tax free bonds.	7,00,00,000	7,00,00,000
Long Term Guarantee in favour of Tadas Wind Energy Limited for guaranteeing the advance payment on request of borrower M/S. Wind World India Ltd	-	138,28,50,000
Total of Contingent Liabilities	52,44,07,189	178,60,50,000
COMMITMENTS		
Estimated value of contract to be executed on Capital Account and not provided	343,00,00,000*	0
Letter of comfort issued and outstanding	57,01,09,184	1,86,73,49,321

6. During the year Board of Directors of IREDA approved investment of approximately Rs 350,00,00,000 (previous year Nil) for setting up of 50 MW solar PV project in the state of Kerala. In this regard, IREDA has signed MOU for implementation of the said project with Solar Energy Corporation of India.

7. **AUTHORISED SHARE CAPITAL**

Subsequent to the balance sheet date the company in its Extra Ordinary General Meeting held on 06.04.2015 increased its

Authorized Equity Share Capital from its existing Rs. 1000 Crore to Rs. 6000 Crore after receiving approval of the President of India vide MNRE letter dated 17th November, 2014.

8. Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs 41,43,149. (Previous year – Rs. 41,43,149), office premises-IHC costing Rs. 4,39,56,603. (Previous year – Rs. 4,39,56,603) and office premises-AKB costing Rs 42,27,57,822 (Previous year – Rs. 42,27,57,822) 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 in Schedule II to The Companies Act, 2013.

9. The property tax in respect of office premises for the period upto 31st March, 2015 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 for 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.

10. 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.

11. 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.

12. During the year The Companies Act 2013 has introduced provisions with regard to charging depreciation on assets on the basis of the useful life prescribed therein. Accordingly, the company has charged a sum of Rs. 68,59,630 (net of deferred taxes) (Previous year Nil) in accordance with provision of Schedule II of The Companies Act, 2013 by way of adjustment in General Reserve of the company.

13. In terms of Section 135 of The Companies Act, 2013, IREDA is required to constitute a corporate social responsibility (CSR) Committee of the Board of Directors and the Company has to spend 2% of the average net profits of the Company's three immediately preceding financial year calculated as per section 198 of The Companies Act 2013. Accordingly, CSR Committee of the Board of Directors consisting of 3 Directors one of whom is independent Director has been constituted during the year. Further, IREDA has made a provision of Rs. 5,26,35,379 towards CSR during the financial year 2014-15. During the year, two projects were agreed to be financed by IREDA under CSR towards (i) Swachh Bharat Abhiyaan-construction of toilets in schools for total project cost of Rs 5,00,00,000 (approximately) (ii) 30 KW Solar Power Project and 500 LPD Capacity Solar Water Heating System to be set up at Oldage Home at Vrandavan for a total cost of Rs. 30 Lacs. These projects will be completed by implement agencies i.e. IRCON Ltd. and SECI Ltd. respectively. The amount will be incurred as & when demanded hy these agencies in future. Both these projects shall be completed in 2015-16 and the entire committed amount under CSR for the year 2014-15 shall be paid to the implementing agency based on the progress of the work/as per the terms of agreement with the agency.

14. As per the board approved Foreign Exchange and Derivative Risk Management Policy of IREDA, an open exposure on foreign currency loans upto 20% of its net worth is permissible. The open exposure as on 31.03.2015 is Rs. 264,27,85,107 (Previous Year Rs. 275,62,53,234) which is within the limit as per the policy. The said open exposure does not include Rs. 198,44,16,956 equivalent to Euro 29,394,240.82 (Previous year Rs. 245,37,29,149 equivalent to JPY 1098,608,887 and Euro 21,887,795.45) which has been kept in JPY/ Euro deposit outside India.

15. EARNING PER SHARE

In terms of Accounting Standard (AS) 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI), tbe Earnings Per Share (Basic & Diluted) is worked out as under:-

Particulars	As at 31.3.2015	As at 31.03.2014
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator Profit after Tax as per Statement of Profit & Loss	2,71,90,61,718	240,51,34,825
Denominator		
▪ Number of equity shares	78,46,000	74,46,000
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earnings per share	76,58,192**	73,48,600*
▪ Basic & Diluted Earnings per share	355.05	377.29

* weighted average (6996000 x 365/365 + 450000 x 286/365) = 73,48,600

** weighted average (7446000 x 365/365 + 150000 x 248/365+ 250000 x 161/365) = 76,58,192

16. EMPLOYEE BENEFITS

(i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(a) Change in the present value of the obligation

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Present value of obligation as at the beginning of the year	4,81,59,580 (4,28,45,785)	2,53,90,179 (1,76,77,684)	1,68,81,303 (1,50,75,895)	5,46,528 (4,53,800)	1,70,62,360 (1,16,95,926)
Interest cost	44,01,786 (34,91,931)	23,20,662 (14,40,731)	15,42,951 (12,28,685)	49,953 (36,985)	15,59,500 (9,53,218)
Current service cost	40,14,663 (31,82,315)	39,53,990 (24,92,981)	24,84,051 (15,49,244)	54,006 (37,316)	16,65,822 (8,35,784)
Past Service Cost	-	-	-	-	-
Benefits paid	-21,70,373 (-)(35,42,859)	-44,43,662 (-)(39,31,263)	-1,50,518 (-)(10,42,808)	0 (0)	-11,09,117 (-)(3,23,411)
Actuarial loss/(gain) on obligations	73,44,027 (21,82,408)	57,59,142 (77,10,046)	22,65,414 (70,287)	1,45,068 (18,427)	1,43,99,512 (39,00,843)
Present value of obligation at year end	6,17,49,683 (4,81,59,580)	3,29,80,311 (2,53,90,179)	2,30,23,201 (1,68,81,303)	7,95,555 (5,46,528)	3,35,78,077 (1,70,62,360)

(b) **Change in fair value of plan asset**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	3,91,04,503 (3,57,44,109)	-	-	-	-
Expected return on plan assets	35,19,405 (31,27,610)	-	-	-	-
Employer's contribution	17,17,774 (37,23,578)	-	-	-	-
Benefits paid	-21,70,373 (-)(34,88,577)	-	-	-	-
Actuarial loss/(gain) on obligations	-2,500 (-)(2,217)	-	-	-	-
Fair value of plan asset at the end of the year	4,21,64,835 (3,91,04,503)	-	-	-	-

(c) **Amount recognized in Balance Sheet**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Estimated present value of obligations as at the end of the year	6,17,49,683 (4,81,59,580)	3,29,80,311 (2,53,90,179)	2,30,23,201 (1,68,81,303)	7,95,555 (5,46,528)	3,35,78,077 (1,70,62,360)
Fair value of plan assets as at the end of the year	4,21,64,835 (3,91,04,503)				
Net liability recognized in balance sheet	1,95,84,848 (90,55,077)	3,29,80,311 (2,53,90,179)	2,30,23,201 (1,68,81,303)	7,95,555 (5,46,528)	3,35,78,077 (1,70,62,360)

(d) **Expense recognized in the Statement of Profit & Loss**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	40,14,663 (31,82,315)	39,53,990 (24,92,981)	24,84,051 (15,49,244)	54,006 (37,316)	16,65,822 (8,35,784)
Past service cost	-	-	-	-	-
Interest cost	44,01,786 (34,91,931)	23,20,662 (14,40,731)	15,42,951 (12,28,685)	49,953 (36,985)	15,59,500 (9,53,218)
Expected return on plan asset	-35,19,405 (-)(31,27,610)	-	-	-	-
Net actuarial (Gain)/Loss recognized in the year	73,46,527 (21,84,625)	57,59,142 (77,10,046)	22,65,414 (70,287)	1,45,068 (18,427)	1,43,99,512 (39,00,843)
Total expenses recognized in Statement of Profit & Loss	1,22,43,571 (57,31,261)	1,20,33,794 (1,16,43,758)	62,92,416 (28,48,216)	2,49,027 (92,728)	1,76,24,834 (56,89,845)

(e) **Principal actuarial assumption as expressed as weighted average**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Discount rate	7.75% (9.14%)	7.75% (9.14%)	7.75% (9.14%)	7.75% (9.14%)	7.75% (9.14%)
Expected rate of return on plan assets	9% (8.75%)	- -	- -	- -	- -
Expected rate of salary increase	8% (7.64%)	8% (7.64%)	8% (7.64%)	8% (7.64%)	8% (7.64%)
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

(f) **Defined Contribution Plan**

During the year, the company has recognized an expense of Rs 103,25,680 (Previous year: Rs 94,30,245.) in respect of contribution to Provident Fund, Rs 67,120 (Previous year: Rs. 65,270) in respect of contribution to Benevolent Fund and Rs 72,62,275. (Previous year: Rs. 68,14,038) 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.

17. RELATED PARTY DISCLOSURE

(i) Details of transactions entered into with the related parties during the year as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(Amount in Rupees)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	86,87,312 (1,86,16,691)

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

Name of the Key Management Personnel (KMP)	Designation	Period
Shri K. S. Popli	CMD	From 01.04.2014 to 31.03.2015
Shri S. K. Bhargava	D(F)	From 01.04.2014 to 31.3.2015
Shri B.V Rao	D(T)	From 24.12.2014 to 31.03.2015
Shri Surender Suyal	CS	From 01.04.2014 to 31.3.2015
M/s MP Windfarms Ltd	a joint venture company in collaboration with IREDA, Government of Madhya Pradesh and M/s Consolidated Energy Consultant Pvt Ltd.	No dividend received from the company during the current year as well as previous year.

18. REMUNERATION OF DIRECTORS

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

(Amount in Rupees)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)	Company Secretary
Salary & allowances	21,12,867 (1,84,125)	1,893,564 (2,651,011)	5,48,177 (52,45,766)	14,34,914 (14,46,405)
Medical allowance	79,570 (6,370)	71,030 (68,960)	20,137 (77,450)	51,070 (49,580)
Provident Fund	2,28,662 (16,604)	206,208 (177,360)	63,476 (1,93,454)	1,53,499 (1,40,806)
Superannuation Contribution	1,62,903 (12,859)	1,46,069 (133,022)	43,859 (1,36,123)	1,06,533 (97,011)
Value of perquisites as per Income Tax Act, 1961	4,28,427 (20,350)	4,55,564 (3,74,231)	1,49,924 (3,87,253)	3,33,859 (2,80,540)
Total	**30,12,429 (2,40,308)**	**27,72,435 (3,404,584)**	**8,25,573 (60,40,046)**	**20,79,875 (20,14,342)**

Previous year figures shown within bracket

b) 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.

c) Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

d) Sitting Fees paid to Independent Directors Rs 3,30,000 (Previous year Rs. 1,80,000).

19. REMUNERATION TO AUDITOR

(Amount in Rupees)

Particulars	Statutory Auditor
As Auditor	3,00,000 (2,35,000)
Limited Review Audit	2,00,000 (1,20,000)
Tax Audit	1,20,000 (94,000)
Certification & Other Service	80,000 (50,000)
Fee as Auditor to Tax Free Bonds	NIL (10,00,000)
Total	**7,00,000** **(14,99,000)**

20. DEFERRED TAXES

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India (ICAI), the company has taken credit in the Statement of Profit & Loss 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.

b) Since the Company has resolved that it will not make any withdrawal from the Special Reserve created and being 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. 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 recognized any deferred tax liability on this account.

c) The details of deferred tax assets (net) as on 31st March, 2015 is given below:-

A	Deferred Tax Assets (+)		(Amount in Rs.)
	Arising on account of timing differences:-	As at 31/3/2015	As at 31/3/2014
	▪ Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit ,	3,80,55,646	4,40,73,310
	▪ Provision for Bad & Doubtful Debts & Standard Assets	55,62,78,813	53,35,70,453
	Total – A	59,43,34,459	57,76,43,763
B	Deferred Tax Liabilities (-)		
	▪ Depreciation ▪ Stamp duty paid but not debited to Statement of Profit & Loss	2,50,24,709 0.00	3,56,94,809 (-) 29,56,992
	Total – B	2,50,24,709	3,27,37,817
	Deferred Tax Asset (+)/Liability (-) (A-B)	56,93,09,750	54,49,05,946
	Deferred Tax Asset	56,93,09,750	54,49,05,946

21. DISCLOSURE OF PRIOR-PERIOD ITEMS

(Amount in Rs.)

Particulars	2014-15	2013-14
Salary and Wages	-.	1,51,508 Dr.
Business promotion	91,149 Dr.	31,460 Dr.
IHC Maintenance Expenses	-	7,94,170 Dr.
Business Promotion	-	50,000 Dr.
Service tax	65,437 Dr.	34,63,710 Dr.
GBI Application Fees	-	9,949 Cr.
Depreciation	-	33,300 Dr.
Wages-others	84,861 Cr.	-
Internet Connectivity	22,945 Dr.	-
Tour Advance Adjustment	1,04,419 Dr.	-
Term Loan Dues	7,02,440 Dr.	-
Amount Received from MNRE	2,65,402 Cr.	-
Security Charges	2,21,660 Dr.	-
Settlement of Imprest Advance	36,456 Dr.	-
Staff Welfare Expenses	72,416 Dr.	-
Staff Welfare Expenses (foundation day arrangements)	50,000 Dr.	-
Intt Accd. & Due - Cogeneration	2,58,850 Cr.	-
Intt Accd. But not Due on Bonds	3.63,698 Cr.	-
Performance incentive payable	1,22,721 Dr.	
Total (Net Dr./Cr.)	**5,16,832 Dr.**	**45,14,199 Dr.**

22. The annual accounts have been compiled based revised accounting policies which were necessitated due to changes in The Companies Act, 2013, changes in the foreign exchange derivatives transactions and elaborate disclosure of prudential norms relating to income recognition, assets classification and provisioning etc. However, the said changes in the accounting policy do not have any financial implication on the statement of Profit & Loss Account and Balance sheet.

23. ADDITIONAL INFORMATION

a) Expenditure in Foreign Currency:

- On Traveling Rs. 5,69,336 (Previous year: Rs. 8,51,597)
- Interest expenses:- Rs. 43,34,99,764 (Previous year Rs. 39,43,63,917) which exclude hedging cost in Rs. 226,82,98,485 (Previous Year: Rs. 1,92,96,75,413)

b) Earnings in Foreign Exchange:

- Interest Rs. 1,54,00,139 (Previous year: Rs. 1,31,76,800)

c) M/s KfW paid Rs. 41,485,381.09 (previous year: Rs. NIL) directly to consultants (Abroad) hired under TA programme under Direct Disbursement Procedures against Technical Assistance Programme (TAP) of EURO 1.5 Million sanctioned to IREDA in respect of KFW II & KFW IV lines of credit for expert services /assignments, capacity building and training programme etc.

24. 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.

25. Generation Based Incentives (GBI) and Capital Subsidy Scheme, MNRE

IREDA is a Fund Administrator on behalf of MNRE for distribution of Generation Based Incentive and Capital Subsidy for Wind and Solar Sectors. Under these schemes, specific fund amount is provided by MNRE to IREDA for the purpose of disbursement of the same to the GBI claimants as per the scheme of MNRE. Therefore, essentially, the activity is receipt and utilization of funds. For any further release of GBI funds, IREDA is required to submit the Utilization Certificate along with audited statement of expenditure duly certified by a Chartered Accountants. The said requirement is fully complied with by IREDA and nothing further has been required by MNRE so far. The statutory auditors have audited the balances in fund account and not audited the accounts of Scheme. Specific audit of GBI Scheme will be got audited separately.

26. SUBSIDY

(a) Interest Subsidy

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to borrowers implementing MNRE programmes of 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 passed on to the borrowers on quarterly basis subject to complying with the terms and conditions of the sanction by these borrowers.

The undisbursed interest subsidy as on 1-4-2014 was Rs 9,63,518 (Previous year: Rs. 16,32,938) and the company received during the year Rs Nil (Previous year: Rs. Nil). Out of this, a sum of Rs 9,45,906 (Previous year: Rs. 25,96,456) 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 Nil. (Previous year: Rs. Nil) has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-3-2015 stands at Rs (-) 19,09,424 (Previous year: Rs. (-) 9,63,508).

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2015 are as under:-

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

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 01.04.2014	Interest Subsidy received during 2014-15	Amount refunded during 2014-15	Interest Subsidy passed on during 2014-15	Closing Balance as on 31-03-2015
1	Bio-mass Co-generation	2,26,98,740 (2,53,02,662)	0 (0)	0 (0)	9,45,906 (26,03,922)	2,17,52,834 (2,26,98,740)
2	Small Hydro	1,82,667 (1,82,667)	0 (0)	0 (0)	0 (0)	1,82,667 (1,82,667)
	Sub Total....A	**2,28,81,407 (2,54,85,329)**	**0 (0)**	**0 (0)**	**9,45,906 (26,03,922)**	**2,19,35,501 (2,28,81,407)**

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

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 01.04.2014	Subsidy received during 2014-15	Amount refunded during 2014-15	Interest received on FDR	Subsidy passed/ adjusted during 2014-15	Closing Balance as on 31-03-2015
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	-51,35,405 (-)(51,35,405)	0 (0)	0 (0)	0 (0)	0 (0)	-51,35,405 (-51,35,405)
3	SPV WP 2001-02	-1,36,02,787 (-)(1,36,02,787)	0 (0)	0 (0)	0 (0)	0 (0)	-1,36,02,787 (-)(1,36,02,787)
4	SPV WP 1999-00	-6,84,937 (-)(6,84,937)	0 (0)	0 (0)	0 (0)	0 (0)	-6,84,937 (-)(6,84,937)
5	SPV WP Manufacturing	-2,96,898 (-)(2,96,898)	0 (0)	0 (0)	0 (0)	0 (0)	-2,96,898 (-)(2,96,898)
6	SPV WP 2002-03	-41,38,701 (-)(41,38,701)	0 (0)	0 (0)	0 (0)	0 (0)	-41,38,701 (-)(41,38,701)
7	Accelerated SWH System	9,851 (2,385)	0 (0)	0 (0)	0 (0)	0 (-) (7,466)	9,851 (9,851)
	Sub Total.....B	-2,38,44,925 (-)(2,38,52,391)	0 (0)	0 (0)	0 (0)	0 (-) (7,466)	-2,38,44,925 (-)(2,38,44,925)
	Grand Total (A + B)	**-9,63,518 (16,32,938)**	**0 (0)**	**0 (0)**	**0 (0)**	**9,45,906 (25,96,456)**	**-19,09,424 (-)(9,63,508)**

Previous year figures shown within bracket

(b) Capital subsidy

During the year an amount of Rs Nil. (Previous year: Rs. 24,40,50,000) was received from MNRE towards Capital Subsidy. Out of the total capital subsidy amount available, Rs Nil (Previous year: Rs. 24,40,50,000) was passed on to the borrowers on compliance of the terms and conditions of the capital subsidy scheme.

(c) During the year, an amount of Rs. 68,27,907/- net of service tax was received (Previous year Nil) on account of MNRE Scheme of "MNRE Capital Subsidy for Channel Partners State Nodal Agency".

27. NCEF FUNDS

During the year, Ministry of New and Renewable Energy had provided an amount of Rs.200,00,00,000 (previous year Rs. 100,00,00,000)from National Clean Energy Fund (NCEF) as grant to provide re-finance at concessional rates of interest to scheduled commercial banks/financial institutions in respect of their lending to renewable energy projects. The said amount of Rs. 200,00,00,000 is lying undisbursed in separate bank account pending modification in the Scheme by MNRE to provide concessional funds to needy projects.

28. Debenture Redemption Reserve

In terms of Rule 18 (7) (b) (ii) of The Companies Act 2013, the company is required to create a Debenture Redemption Reserve (DRR) upto 25% of the bonds issued through public issue. The Company has made a provision for DRR, so as to achieve the required amount over the respective tenure of the Tax Free Bonds (Series-XIII) issued. Accordingly a sum of Rs.13,82,30,000/- (Previous Year. Rs.13,82,30,000) has been provided during the year.

29. IMPAIRMENT OF ASSETS

Fixed Assets possessed by the company are treated as "Corporate Assets" and not "Cash Generating Units" as on March 31, 2015 as defined by Accounting Standard 28 (Impairment of Assets) issued by the Institute of Chartered Accountants of India (ICAI).

Further, in view of the nature of the assets held and the rates of depreciation applied there to, in the opinion of the management, there is no further impairment which needs to be provided for.

30. SEGMENT ACCOUNTING

The company operates in India, hence it is considered to operate only in domestic segment. Major revenue for the company comes from a single segment of financing activities as such considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).

31. All MNRE funds have been transferred in IREDA books of accounts and shown under the current assets- Cash and Bank Balances under Saving Bank account and corresponding liability shown under Other Current liabilities.

32. 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.

33. THE DISCLOSURES UNDER RBI GUIDELINES ARE AS UNDER (IREDA ONLY)

a.	Capital to Risk Assets Ratio (CRAR)	23.14% (23.79%)
b.	Exposure to Real Estate Sector (Direct and Indirect)	17,91,30,420 (0)

c. Maturity Pattern of Assets & Liabilities

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years
Loan Assets	12,25,83,04,007 (10,93,55,13,144)	'21,24,75,10,230 (16,41,27,47,387)	19,13,60,06,333 (17,40,77,98,502)
Foreign currency assets	2,11,83,31,519 (2,61,17,45,764)	29,06,56,460 (26,37,48,506)	35,31,84,388 (32,03,36,010)
Total Assets	14,37,66,35,526 (13,54,72,58,908)	21,53,81,66,690 (16,67,64,95,893)	19,48,91,90,721 (17,72,81,34,512)
Rupee liabilities	47,57,39,060 (32,78,62,240)	87,42,96,460 (83,51,88,506)	5,43,68,24,388 (1,89,17,76,010)
Foreign currency liabilities	2,68,02,97,363 (2,84,72,46,235)	6,18,63,95,062 (4,68,29,84,657)	5,65,14,67,411 (3,06,72,44,869)
Total liabilities	3,15,60,36,423 (3,17,51,08,475)	7,06,06,91,522 (5,51,81,73,163)	11,08,82,91,799 (4,95,90,20,879)

Items	More than 5 years upto 7 years	More than 7 years	Total
LoanAssets	17,32,93,56,762 (16,32,56,72,641)	19,09,83,74,378 (21,59,76,71,484)	89,06,95,51,710 (82,67,94,03,158)
Foreign currency assets	31,10,38,714 (38,93,95,696)	0 (10,68,43,409)	3,07,32,11,081 (3,69,20,69,385)
Total Assets	**17,64,03,95,476** **(20,22,40,68,337)**	**19,09,83,74,378** **(21,70,45,14,892)**	**92,14,27,62,791** **(86,37,14,72,543)**
Rupee liabilities	1,96,54,36,342 (5,85,27,66,734)	18,09,63,71,000 (18,14,79,36,000)	26,84,86,67,250 (27,05,55,29,490)
Foreign currency liabilities	3,41,26,35,026 (2,56,59,32,419)	29,67,21,85,612 (26,20,59,31,113)	47,60,29,80,474 (39,36,93,39,293)
Total liabilities	5,37,80,71,368 (8,41,86,99,153)	47,76,85,56,612 (44,35,38,67,113)	74,45,16,47,724 (66,42,48,68,783)

As per our Report of even date

For Jain Chopra & Co
Chartered Accountants
ICAI Regn. No. 002198N

Ashok Chopra
Partner
Membership No. 017199

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary

Place : New Delhi
Date : 26.08.2015

इरेडा IREDA
IS/ISO 9001:2008 Certified
(A Mini Ratna Category-I PSU)

Cash Flow Statement For the Year Ended 31st March, 2014

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
A Cash Flow from Operating Activities:				
Net Profit Before Tax and Extraordinary / Prior Period Items:	3786271350		3407580453	
Adjustment for:				
1 Depreciation	54803722		33115583	
2 Provision for Non Performing Assets	-93171511		-839736304	
3 Provision for Standard Assets	130755534		154665459	
4 Prior Period Expenses/Income	-516832		-4514199	
5 Foreign Exchange Fluctuations/Underlying exchange fluctuation	-478528384		252905252	
6 Interest Funded adjusted from provision held	0		0	
7 Amortization of Capital Grant	-500253		-590130	
8 Income Tax Provision written back	0		0	
9 Loss on sale of Fixed Assets/Adjustment	138355		18391	
10 Profit on Sale of Fixed Assets	-83979		0	
11 Dividend on investment	0		0	
12 Adjustment of depreciation with prior period	0		33300	
Operating profit before Working Capital Changes	3399168003		3003477805	
Increase / Decrease in				
1 Loans and Advances - IREDA	-6275556930		-16214116526	
2 Loans and Advances - MNRE	-741		314690	
3 Other Non Current Assets	125444060		113572240	
4 Other Bank Balances	-2147793644		-10320442	
5 Other Current Assets	915515		-33821751	
6 Trade Receivable	-4674932		-1133803	
7 Other Long Term Liabilities	2000304428		-372243	
8 Other Current Liabilities	323579978		475808899	
9 Trade Payable	-83961673		42208551	
10 Provisions	107381886		-3916508	
	-5954362053		-15631776892	
Cash Generated from Operations	-2555194051		-12628299087	
Income Tax	-1334844323		-1042932153	
Net Cash Generated from Operations		-3890038374		-13671231239
B Cash Flow From Investing Activities				
1 Purchase of Fixed Assets	-19630771		-2061034	
2 Sale of Fixed Assets	293170		178386	
3 Dividend on Investment	0		0	
Net Cash flow from Investing Activities		-19337601		-1882648
C Cash Flow from Financial Activities				
1 Equity Contribution	400000000		450000000	
2 National Clean Energy Fund	0		1000000000	
3 Securities Premuim	0		36000	
4 Redemption of Bonds	0		-350000000	
5 Dividend paid	-350000000		-275000000	
6 Dividend Tax paid	-59482500		-46736250	
7 Increase /Decrease in Short term Debts	-1153692926		1153692926	
8 Increase /Decrease in Long term Debts	8384307326		15651193211	
Net Cash flow from Financing Activities		7221131900		17583185887
Net Increase in Cash and Cash Equivalents		3311755925		3910072000
Cash and Cash Equivalents at the beginning of the year		4908811347		1043260954
Cash and Cash Equivalents at the end of the year		8220567272		4953332952
Net Increase in Cash and Cash Equivalents		3311755925		3910071998
		0		1
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR				
Postage Imprest		80230		30,230
In Current Accounts with Banks		603719643		298,865,070
In Saving Accounts with Banks				-
In Saving Accounts with Banks (NCEF)				-
In Overdraft Accounts with Banks		0		54,287
In Deposit Accounts with Banks		7606044237		4,606,004,216
Cheques under Collection/DD in hand		10723162		3,857,544
		8220567272		4908811347

Notes to the Cash Flow statement.

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

For Jain Chopra & Co
Chartered Accountants
ICAI Regn. No. 002198N

Ashok Chopra
Partner
Membership No. 017199

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Place : New Delhi
Date : 26.08.2015

Surender Suyal
Company Secretary

FORM AOC-1

Statement Pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.No.	Particulars	Remark
1.	Name of Associates/Joint Venture	M/s M.P. Windfarms Limited
2.	Latest Audited Balance Sheet Date	31.03.2015
3.	Shares of Associates/Joint Ventures held by the company on the year end	1,68,000
	a. Amount of investment in Associates/Joint Venture	12,00,000
	b. Extend of Holding	24%
4.	Description of how there is significant influence	24% Shareholding
5.	Reason why the associate/joint venture is not consolidated	-
6.	Networth attributable to shareholding as per latest audited Balance Sheet	40,59,459 (total)
7.	Profit/loss for the year	
	a. Considered in consolidation*	6,75,438
	b. Not considered in Consolidation*	21,38,881

* In IREDA's books of accounts

INDEPENDENT AUDITORS' REPORT

To

The Members of
Indian Renewable Energy Development Agency Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Financial statements of Indian Renewable Energy Development Agency Limited, (the company), and its associate company in which the company holds 24% equity share capital, which comprise the Consolidated Balance Sheet as at March 31, 2015,the Consolidated Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information. The Consolidated Cash Flow Statement has not been prepared by the management

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance of the Company including its associate company in accordance with the, accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether. the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate company as at 31st March, 2015 their consolidated profit for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements

i No. 24(1)(b) regarding provisions relating to Asset classification / provisioning of restructured/ rescheduled accounts not being in conformity with the Articles of Association of the company.

ii No. 24 (3) related to up gradation of loan account of M/s Everest Power Limited on recovery of irregularity after close of the year.

iii No. 25 (5)(b) which describes the uncertainty related to the outcome of the petition filed against the company by M/s Mahakrishna Financial Services Pvt. Ltd.

iv No. 24 (13) regarding the obligation under section 135 of The companies Act, 2013 on Corporate Social Responsibility (CSR) has not been discharged

v NO. 24 (25) which describes specific audit of accounts of Generation based Incentive funds has not been done.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of the associate company whose financial statements reflect total assets of 2,59,66,162/- as at March 31, 2015 and total revenue of Rs. 2,07,86,420/- for the year ended on that date, the company's share of 24% whereof, as considered in the consolidated financial statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate company and our report in terms of sub- sections (3) and (11) of Section 143 of the Act, in so far as it relates to the associate company, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our reports on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order') issued by the Central Government of India in terms of sub- section (11) of section 143 of the Act, based on the comments in the auditors' report of company and associate company, we give in the Annexure-I a statement on the matters specified in the paragraph 3&4 of the order, to the extent applicable and in terms of sub-section (5) of section 143 of the Act we give in the Annexure-II information in respect of the directions issued by the Comptroller and Auditor-General of India.

2. As required by Section 143 (30 of the Act, we report that:

   a) we have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

   c) the consolidated Balance Sheet and the consolidated Statement of profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purposes of preparation of the consolidated financial statements;

d) in our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule of the Companies (Accounts) Rules, 2014;

e) On the basis of written representations obtained from the directors none of the directors are disqualified from being appointed as a director in terms of Section 164(2) of the Act as on 31st March 2015

f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules. 2014, in our opinion and to the best of our information and according to the explanations given to us:

i the group Company has disclosed d the impact of pending litigations on the financial position in its consolidated financial statements- Refer Note 24(5)(b) to the consolidated financial statements;

ii there is no amounts, required, to be transferred by the Company to the investor Education and Protection Fund

For Jain Chopra & Company
Chartered Accountants
Firm Reg. No. 02198N

Ashok Chopra
Partner
M. No. 017199

Place: New Delhi
Date: 26.08.2015

ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the Company on the financial statements for the year ended 31st March 2015, we report that:

(i) (a) The company is maintaining proper records showing full particulars; including quantitative details and situation of fixed assets;

(b) We are informed that the management had physically verified the fixed assets during the year and the discrepancies noticed on such verification which are not material have yet to be determined and dealt with in the books of account

(ii) (a) The company does not hold any inventories as such the provisions are not applicable

(b) The company does not hold any inventories as such the provisions are not applicable

(c) The company does not hold any inventories as such the provisions are not applicable

(iii) In our opinion and according to information explanations provided, the company has not granted any loans' secured or unsecured to companies' firms or other parties covered in the register maintained under section 189 of the Companies Act.

(iv) In our opinion and according to the information explanation provided, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services However in following activities internal control needs to be strengthen

a. application of interest /reversal of interest in borrower account

b. delegation of authority at various levels

c. information technology system for maintenance of records

(v) The company has not accepted any deposits to which the directives issued by the reserve Bank of India and the provisions of sections73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder where applicable

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, in the case of the Company.

(vii) (a) As per the records the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except.

(b) The Company is in appeal in the following case.

Name of statute	Subject	Ass Yr.	Amount in Rs.	Forum
Income Tax Act, 1961	Income Tax	2010-11	13.44 Crore	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2011-12	14.96 Crore	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2012-13	15.54 Crore	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Service Tax	2005-06	0.39 Crore	Appellate Tribunal Delhi

(c) There is no amounts, required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The Company does not have any accumulated as at the end of the financial year.

(ix) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the financial year.

(x) In our opinion and according to the information and explanations provided, the company has given guarantee for credit facility taken by one of its constituents from other establishment and has granted letters of comfort for acquisition of assets by the borrowers who have been sanctioned credit facilities, the terms and conditions whereof are not prejudicial to the interest of the company.

(xi) The term loans obtained has been applied for the purpose for which the loans were obtained.

(xii) According to the information explanations provided, no fraud committed on or by the company has been noticed or reported during the course of our audit.

For Jain Chopra & Company
Chartered Accountants
Firm Reg. No. 02198N

Ashok Chopra
Partner
M. No. 017199

Place: New Delhi
Date : 26.08.2015

ANNEXURE-II TO THE INDEPENDENT AUDITORS' REPORT

Information in respect of the directions issued by the Comptroller and Auditor-General of India.

1 If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined including the mode and present stage of disinvestment process.

Answer:- Not applicable

2 Please report whether there are any cases of waiver/write off of debts/ loans/interest etc, of yes the reasons there for and the amount involved.

Answer- On the basis of information and examination of relevant records, during the year two Accounts were settled by way of one time settlement (OTS) in terms of approved policy. The said accounts were classified as Loss Asset and technically written off in the books of the company in the year 2008-09 wherein an amount of Rs. 335.15 Lacs was technically written off from the books of the company leaving a balance of Rs.10000/- in each account. Through OTS an amount, Rs, 167.88 lacs has been recovered against these accounts during the financial 2014-15 and shown as recovery against written off asset (Refer Note-19)

Further during the year four accounts for an aggregate amount of Rs. 40.97 Crore have been classified as Loss Asset and an amount of Rs. 40.57 Crore has been technically written off from the books of IREDA and leaving a balance of Rs. 10,000/- in each account.

3 Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.

Answer:- Not applicable

4 Report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

Answer:- The legal expenses being spent are reasonable and the company has a standard scheduled of fee. All the legal expenses are debited to the borrower's account only. During the last 02 years only 03 DRT cases have been filed. The company also files criminal cases u/s 138 of Negotiable Act against the dishonor of cheque . The company has no litigation in foreign countries and no arbitration cases

Age Wise status of DRT cases

As on 31.03.2015	01.04.2014 to 31.03.2015 (UP to 1 year)	01.04.2013 to 31.03.2014 (1-2 year)	01.04.2012 to 31.03.2013 (2-3 year)	Above 3 year	Total
	02	01	04	26	33

Cases pending	09
Cases decreed	20
Sine Die	04 matters-all matters are decreed

Age-wise status of criminal cases u/s 138 of Negotiable Act

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Summoning stage	46
For issuance of notice/appearance of accused	468

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED FOR THE YEAR ENDED 31ST MARCH 2015

The preparation of consolidated financial statements of INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26.08.2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED for the year ended 31 March, 2015. We did not conduct supplementary audit of the financial statements of M/s. M P Windfarms Ltd. for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

(Dr. Ashutosh Sharma)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board -IV

Place : New Delhi
Date : 21.09.2015

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Consolidated Balance Sheet as at 31.03.2015

Particulars	Note No.	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	**7,846,480,000**	7,446,480,000
(b) Reserves and Surplus	3	**13,942,015,128**	11,884,436,831
(2) Share Application Money pending allotment			
(3) Non-current liabilities			
(a) Long-term borrowing	4	**71,295,363,365**	63,310,760,307
(b) Other long-term liabilities	5	**3,001,024,427**	1,000,720,000
(c) Long-term provisions	6	**288,664,755**	463,253,470
(4) Current liabilities			
(a) Short-term borrowing	7	**-**	1,153,693,496
(b) Trade payables	8	**83,853,806**	167,879,793
(c) Other current liabilities	9	**5,165,881,857**	4,851,408,612
(d) Short-term provisions	10	**1,186,685,563**	529,210,683
TOTAL		**102,809,968,902**	90,807,843,192
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	11		
(i) Tangible assets		**321,348,806**	365,196,774
(ii) Intangible assets		**4,874,255**	7,082,125
(iii) Capital work-in-progress		**70,000,000**	-
(iv) Capital Work in Progress 50 MW Solar Project			
(iv) Intangible assets under development		**593,731**	558,710
		396,816,792	372,837,609
(b) Non-current investments	12	**-**	-
(c) Deferred tax assets (Net)	24	**569,309,750**	544,905,946
(d) Long-term loans and advances	13	**77,387,440,046**	71,489,169,214
(e) Other non-current assets	14	**954,879,562**	1,080,323,622
(2) Current assets			
(a) Trade Receivable	15	**6,990,209**	2,245,871
(b) Cash and bank balances	16	**10,573,665,739**	5,113,775,497
(c) Short-term loans and advances	17	**12,784,326,616**	12,066,599,840
(d) Other current assets	18	**136,540,187**	137,985,593
TOTAL		**102,809,968,902**	90,807,843,192
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 24		

As per our Report of even date
Jain Chopra & Company
Chartered Accountants
ICAI Regn No 002198N

Ashok Chopra
Patner (M No-017199)

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Place : New Delhi
Date : 26.08.2015

Surender Suyal
Company Secretary

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Consolidated Statement of Profit and Loss for the year ended 31.03.2015

	Particulars	Note No.	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
I.	Revenue from operations	19	11,183,186,723	8,912,008,206
II.	Other Income	20	5,357,157	46,794,967
III.	Total Revenue (I+II)		11,188,543,880	8,958,803,173
IV.	**Expenses:**			
	Employee Benefit Expenses	21	259,458,217	213,887,228
	Finance Cost	22	6,463,410,978	4,879,610,130
	Depreciation and Amortisation Expenses		54,946,540	33,577,867
	Other Expenses	23	180,199,226	120,613,648
	Bad Debts Written Off		405,657,703	988,016,676
	Less Provision for Bad and Doubtful Debts created in earlier years written back		(405,657,703)	(1,031,044,888)
	Provision for Bad and Doubtful Debts		312,486,192	191,308,584
	General Provision for Standard Assets (including Adhoc)		130,755,534	154,665,459
			7,401,256,687	5,550,634,704
V.	Profit before Exceptional & extrordinery items and tax (III-IV)		3,787,287,193	3,408,168,469
VI.	**Add+/Less(-) Prior Period Adjustments (Net)**		(516,832)	(4,514,199)
VII.	**Add+/Less(-) Exceptional items**		395	-
VII.	**Add+/Less(-) Extraordinary items**		-	(19,131)
VIII.	**Profit before tax (V-VI)**		3,786,770,756	3,403,635,139
IX.	**Tax Expenses**			
	(1) Current Tax		1,087,840,800	766,505,040
	(2) Income Tax- Earlier Years		-	-
	(3) Deferred Tax		(20,807,200)	231,731,426
X.	**Profit for the period (VII-VIII)**		2,719,737,156	2,405,398,673
XI.	**Earning per Equity Share:**	24(16)		
	(1) Basic & Diluted		352.84	327.29
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 24		

As per our Report of even date

Jain Chopra & Company
Chartered Accountants
ICAI Regn No 002198N

Ashok Chopra Patner (M No-017199)	**S K Bhargava** Director (Finance) DIN No. 01430006	**K S Popli** Chairman and Managing Director DIN No. 01971635

Place : New Delhi
Date : 26.08.2015

Surender Suyal
Company Secretary

NOTE '1'

SIGNIFICANTACCOUNTING 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 as per section 129, the Accounting Standards referred to in Section 2 clause II of The Companies Act, 2013 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 principal has remained overdue for a period of more than two quarters at the end of financial year. 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 Statement of Profit and Loss in the year of issue of such loan/bond.

(iii) Prepaid expenses and prior period expenses/income uptoRs.20,000/- per item are charged to Statement of Profit & Loss as and when incurred/adjusted/received.

(iv) Insurance claims are accounted for as and when admitted by the insurance company.

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

- **Assets classification**

a) Standard Asset:- An asset is classified as Standard Asset if it is not an Non-Performing Asset (NPA).

b) Non performing Asset: A non-performing asset (NPA) is a loan where:

➢ An assets, in respect of which, interest and/ or principal has remained overdue for a period of more than two quarters.

➢ The company classifies NPA at the end of the financial year.

c) The Non-performing Asset is further classified as below:-

I. **Sub-standard Assets**
A sub-standard asset is one, which has remained NPA for a period of upto 18 months.

II. **Doubtful Assets**
A doubtful asset is one, which has remained in the substandard category for a period exceeding 18 months.

III. **Loss assets**
A Loss asset is one which is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value and where loss has been identified by the company or internal or external auditors or any other relevant Government authority but the amount has not been written off wholly or the asset remains doubtful asset for a period exceeding 5 years.

Provisioning against loans
The provisioning in respect of loans & advances is made as under:

(i) **Standard Assets:** provision in respect of Standard Assets is made @ 0.25% of the outstanding standard assets. In addition, the Board of Directors may decide to create floating provision on Standard Asset. The floating provision can not be reversed by credit to statement of P&L Account. It can only be utilised for making specific provisions in respect of impaired accounts.

(ii) **Sub-standard Assets:** A provision of 10% of loan outstanding is made.

(iii) **Doubtful Assets:** 100% of the extent to which the loan is not covered by the realisable value of the security to which IREDA has a valid recourse. With regard to secured portion of loan, provision as follows is made:-

Period for which the asset has been considered as doubtful	**% of provision**
Upto one year	20%
1 to 3 year	30%
More than 3 years	Between 50% to 100% of loan outstanding depending upon risk perception.

(iv) **Loss Assets:** 100% of the loan outstanding is provided for.

(v) In joint venture company, the revenue from sales and /or services are recognized when requirements as to performance is satisfied, which represents transfer of significant risks and rewards to the customers as per terms of relevant contracts and no significant uncertainty remains regarding the consideration. Sales & Income are shown exclusive of taxes, if any, applicable on sales/services. Applicable taxes are accounted for separately.

3) **Foreign Currency Transactions**

(i) Transactions in foreign currency (except the foreign currency loans where derivative transactions have been made with banks), 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 Statement of Profit and Loss and accounted as per Accounting Standard (AS)-11 on "The Effects of Changes in Foreign Exchange Rates (revised 2003)" issued by the Institute of Chartered Accountants of India (ICAI).

(ii) The transaction in foreign currency loans, where Derivative transaction take place, are recorded at the contracted exchange rate on deal date till the Period of maturity of derivative deals. The difference between the exchange rate at the date of transaction and derivatives rate is recognized as income or expense in the Statement of Profit and Loss.

(iii) Derivative transactions includes principal swap, Currency & Interest Rate Swap (CIRS), forwards, interest rate swaps, cross currency swaps, currency and cross currency options etc. to hedge foreign currency assets and liabilities.

4) **Fixed Assets**

Fixed assets are stated at historical cost less accumulated depreciation.

5) **Inventories**

In joint venture- inventories are valued at cost

6) **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.

7) **Depreciation/Amortization**

(i) Depreciation on fixed assets (including leasehold properties) other than on library books and intangible assets is provided as per the useful life mentioned and in the manner prescribed in Schedule II of The Companies Act, 2013

(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.

(iv) Depreciation is provided in the financial year in respect of assets of Rs. 5000 or less 100%.

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) **Loans**

Loans secured against Hypothecation, English Mortgage, Equitable Mortgage and Joint Equitable Mortgage and guaranteed by Banks/Financial Institution/Central Government/State Government as the case may be, are classified as fully secured.

10) **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.

11) **Employee Benefits**

(A) Short Term Employee Benefits

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

(B) Retirement Benefits

1. The liability for retirement of employees in respect of provident fund, benevolent fund, superannuation fund and Gratuity, which is ascertained annually on actuarial valuation at the year end, are accrued and funded separately.

2. The liabilities for leave encashment, sick leave and post retirement medical benefits and baggage allowance to employees are accounted for on accrual basis based on actuarial valuation at the year end.

12) **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 any liability is recognized only when it is virtually certain that the reimbursement will be received.

Notes on Financial Statements for the year ended 31st March, 2015

NOTE- '2'
SHARE CAPITAL

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Authorised 100,00,000 (Previous year 100,00,000) Equity Shares of Rs. 1,000 each	**10,002,400,000**	10,002,400,000
Issued, Subscribed & Fully Paid up		
78,46,000 (Previous Year 74,46,000) Equity Shares of Rs. 1,000 each fully paid up & 48,000 Equity Shares of Rs. 10 each allotted as bonus shares in MP Wind Farms Ltd.	**7,846,480,000**	7,446,480,000
Total	**7,846,480,000**	7,446,480,000

RECONCILIATION OF EQUITY SHARES

Particulars	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
	2014-15		2013-14	
Shares outstanding as on 1st April	**7,494,000**	**7,446,480,000**	6,996,000	**6,996,000,000**
Shares issued during the year	**400,000**	**400,000,000**	450,000	**450,000,000**
Shares in MP Wind Farms (24%) @ Rs.10	per share		48,000	480,000
shares bought back during the year	-	-	-	-
Shares outstanding as on 31st March	**7,894,000**	**7,846,480,000**	7,494,000	**7,446,480,000**

Foot Notes:

(i) 100% Equity Shares are held by Government of India.

(ii) Equity Shareholders have full voting rights with no restrictions.

(iii) All the Equity Shares are fully paid up in cash.

NOTE- '3'
RESERVES & SURPLUS

	Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
a.	**Capital Reserves**			
i.	**Capital Grant from world bank for purchase of Fixed Assets**			
	Opening Balance		**1,347,177**	1,937,307
	(-) Transferred to Miscellaneous Income		**500,253**	590,130
	Closing Balance		**846,924**	1,347,177
ii.	**Grant-in-aid from Government of Netherlands**		**167,858,986**	167,858,986
iii.	**Grant-in-aid from World Bank**		**839,484,095**	839,484,095
iv.	**Other Capital Grant**		**60,144,000**	60,144,000
v.	**Securities Premium**		**36,000**	36,000
			1,068,370,005	1,068,870,258
b.	**Special Reserve**			
	(under Section 36(1)(viii) of the Income Tax Act, 1961)		**3,876,044,145**	3,361,929,145
	Opening Balance			
	(+) Addition during the year		**740,473,816**	514,115,000
	Closing Balance		**4,616,517,961**	3,876,044,145
c.	**Debenture Redemption Reserve**			
	Opening Balance		**138,230,000**	-
	(+) Addition during the year		**138,230,000**	138,230,000
	Closing Balance		**276,460,000**	138,230,000
d.	**General Reserve**			
	Opening Balance		**6,794,158,770**	5,385,631,990
	(+) Addition during the year		**1,190,000,000**	1,340,000,000
	(+) Transfer from NBFC Reserve		-	67,933,276
	(-) Additional depreciation charged	10,391,805	6,795,201	0
	(-) Deferred Tax on additional depreciation charged (@ 34.61%)	3,596,604		
	24% share in MP Wind farms	6,795,201		
			-	593,504
	Closing Balance		**7,977,363,569**	6,794,158,770
e.	**Profit & Loss Account**			
	Opening Balance		**6,169,181**	2,598,008
	(+) Net Profit for the current year		**2,719,737,156**	2,405,398,673
	(-) Proposed Dividend		**544,000,000**	350,000,000
	(-) Corporate Dividend Tax		**110,745,600**	59,482,500
	(-) Transfer to Special Reserve		**740,473,816**	514,115,000
	(-) Transfer Debenture Redeumption Reserve		**138,230,000**	138,230,000
	(-) Transfer to General Reserve		**1,190,000,000**	1,340,000,000
	Closing Balance		**2,456,921**	6,169,181
	24% share in MP Wind farms		**846,672**	964,477
	Total		**13,942,015,128**	11,884,436,831

NOTE- '4'
LONG TERM BORROWINGS

Particulars	Terms of Repayment	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
A. **Bonds**			
I) **Taxfree Bonds - Non Convertible Redemable Debentures** (Secured by paripassu charge on Loans and Advances (book debts) of the company)			
(i) 8.80% Tax free Bonds (Series XIII Tranche-I-IIIB- 2013-14)	Redeemable at par on 13-03-2034	**1,441,642,000**	1,441,642,000
(ii) 8.55% Tax free Bonds (Series XIII Tranche-I-IIIA- 2013-14)	Redeemable at par on 13-03-2034	**388,123,000**	388,123,000
(iii) 8.56% Tax free Bonds (Series XIII Tranche-I-IC- 2013-14)	Redeemable at par on 27-03-2029	**360,000,000**	360,000,000
(iv) 8.80% Tax free Bonds (Series XIII Tranche-I-IIB- 2013-14)	Redeemable at par on 13-03-2029	**2,345,508,000**	2,345,508,000
(v) 8.55% Tax free Bonds (Series XIII Tranche-I-IIA- 2013-14)	Redeemable at par on 13-03-2029	**1,230,769,000**	1,230,769,000
(vi) 8.16% Tax free Bonds (Series XIII Tranche-I-IA- 2013-14)	Redeemable at par on 13-03-2024	**757,590,000**	757,590,000
(vii) 8.41% Tax free Bonds (Series XIII Tranche-I-IB- 2013-14)	Redeemable at par on 13-03-2024	**1,052,914,000**	1,052,914,000
		-	-
II) **Taxable Bonds - Non Convertible Redemable Debentures**			
(Secured by negative lien on Loans and Advances (Book Debts) of the company)			
(i) 8.49% Taxable Bonds (Series VB- 2013-14)	Redeemable at par on 10-05-2028	**2,000,000,000**	2,000,000,000
(ii) 9.02% Taxable Bonds (Series III- 2010-11 - Tranche-II)	Redeemable at par on 24.09.2025	**2,500,000,000**	2,500,000,000
(iii) 8.44% Taxable Bonds (Series VA- 2013-14)	Redeemable at par on 10-05-2023	**3,000,000,000**	3,000,000,000
(iv) 9.49% Taxable Bonds (Series IV- 2012-13)	Redeemable at par on 04.06.2022	**3,000,000,000**	3,000,000,000
(v) 8.87% Taxable Bonds (Series III- 2010-11 - Tranche-I)	Redeemable at par on 24.09.2020	**1,500,000,000**	1,500,000,000
(vi) 8.85% Taxable Bonds (Series II- 2009-10)	Redeemable at par on 13.01.2020	**1,500,000,000**	1,500,000,000
(vii) 9.60% Taxable Bonds (Series I- 2008-09)	Redeemable at par on 24.2.2019	**1,000,000,000**	1,000,000,000
Total of Bonds		22,076,546,000	22,076,546,000

Particulars	Terms of Repayment	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
B. **Term Loans - Secured**			
a. **From Banks**			
(i) Bank of Baroda (INR Loan) Less: Current Maturity (Secured by US$ deposit with BOB London)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021. Installments ranging between Rs. 1,91,47,506 to Rs. 9,61,26,342	**865,411,250** **125,568,028** **739,843,222**	978,983,490 113,572,240 865,411,250
(iv) Union Bank of India Term Loan-II Less: Current Maturity (Secured by pari-passu charge on the Loans and Advances (Book Debts))	Interest @ base rate i.e 10.00% (Floating), Repayment on quarterly basis starting from 09.09.2014 in 27 Installments of Rs. 7,14,30,000/- each and 1 installment of Rs 7,13,90,000/-	**1,785,710,000** **285,720,000** **1,499,990,000**	2,000,000,000 214,290,000 1,785,710,000
(v) Asian Development Bank (ADB) Less: Current Maturity (Secured by pari-passu charge on the Loans and Advances (Book Debts) and Further Guaranteed by the Government of India)	Repayment on half yearly basis starting from 15.01.2003 till 15.07.2021 in installments ranging between US$ 398,900 to US$ 2,428,269	**1,084,162,632** **125,568,028** **958,594,604**	1,197,582,087 113,572,240 1,084,009,847
b. **From Others**			
(i) Small Industrial Development Bank of India (Secured by pari-passu charge on the Loans and Advances (Book Debts))	Interest @ 10.25% (Fixed for 2 years), repayable on 28.12.2019	**2,000,000,000**	2,000,000,000
(ii) Loan from NCEF Less: Current Maturity	Interest @ 2%, repayable in 40 equal quaterly instalments starting from 30.6.2015 of Rs 15,25,000/- each.	**61,000,000** **4,575,000** **56,425,000**	61,000,000 - 61,000,000
C. **Term Loans - Unsecured**			
a. **From Banks**			
(i) Nordic Investment Bank (NIB) Less: Current Maturity	Repayment on half yearly basis starting from 17.12.2012 till 17.06.2019 in 8 installments of US$ 3,571,428.58 each and 6 installments of US$ 3,571,428.56 each	**1,463,490,824** **325,220,183** **1,138,270,641**	1,787,609,610 325,019,930 1,462,589,680
(ii) KFW Loan-I Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.12.2009 till 30.12.2039 in 28 installments of Euro 586,451.79 each, 32 installments of Euro 586,963.08 each and 1 installment of Euro 586,963.00	**1,832,067,498** **73,240,557** **1,758,826,941**	1,905,308,054 73,240,556 1,832,067,498
(iii) KFW Loan-II Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.09.2012 till 30.09.2020 in 16 installments of Euro 2,858,000 each & 1 installment of Euro 4,272,000	**2,124,001,709** **369,560,263** **1,754,441,446**	2,498,931,869 370,356,113 2,128,575,756
(iv) KFW Loan-III Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.06.2020 till 30.12.2049 in 9 installments of Euro 332,000 each & 51 installments of Euro 333,000 each	**1,324,347,788** **0** **1,324,347,788**	1,233,594,437 0 1,233,594,437

Particulars	Terms of Repayment	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(v) KFW Loan-IV Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.06.2014 till 30.12.2022 in 16 installments of Euro 11,111,000 each and 2 installments of Euro 11,112,000 each	**6,720,198,482** **1,528,800,592** **5,191,397,890**	3,758,395,207 1,719,481,158 2,038,914,049
(vi) International Bank for Reconstruction and Development (IBRD) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 15.12.2005 till 15.06.2020 in installments ranging from Euro 1,309,700 to Euro 2,651,500	**1,138,929,762** **180,731,152** **958,198,610**	1,309,381,250 170,451,488 1,138,929,762
b. **From Others**			
(i) Agence Francaise De Developpement (AFD) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 31.07.2016 till 31.01.2031 in 30 installments of Euro 2,333,333.33 each	**5,645,894,759** **0** **5,645,894,759**	4,804,415,996 0 4,804,415,996
(ii) "(i) Agence Francaise De Developpement (AFD)-II" Less: Current Maturity	Repayment on half yearly basis starting from 30.11.2019 till 30.05.2029 in 20 installments of Euro 5,000,000 each	**714,500,000** **0** **714,500,000**	0 0 0
(iii) Japan International Corporation Agency (JICA) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 20.6.2021 to 20.06.2041 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each	**18,873,535,711** **0** **18,873,535,711**	18,132,067,407 0 18,132,067,407
(iv) Japan International Corporation Agency (JICA-II) Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 20.03.2024 to 20.03.2044 in 1 installment of JPY 731,720,000 and 40 Installments of JPY 731,707,000 each	**2,611,375,000** **0** **2,611,375,000**	0 0 0
(v) European Investment Bank (EIB) Less: Current Maturity (Guaranteed by the Government of India)	Tranche I - Repayment on half yearly basis starting from 26.09.2019 to 26.03.2035 in 32 installments of US$ 662,000 each	**1,326,306,560** **0** **1,326,306,560**	0 0 0
(vi) Government of India Against International Development Agency (IDA) - Second Renewable Energy Project (INR Loan)	Repayment on half yearly basis starting from 15.10.2010 to 15.04.2035 in 20 installments of US$ 625,000 each and 30 installments of US$ 1,250,000 each payable in INR	**2,146,418,750**	2,206,881,250
Add: Liability due to underlying exchange fluctuation		**597,751,000**	535,172,125
		2,744,169,750	2,742,053,375
Less: Current Maturity		**77,300,556**	75,124,750
		2,666,869,194	2,666,928,625
Total		**71,295,363,366**	**63,310,760,307**

Foot Notes:

(1) All foreign currency borrowings from various multilateral / bilateral agencies (hedged) viz. ADB, IBRD, NIB, KfW, AFD and JICA have been converted into INR loan by way of plain vanilla swap transaction/currency, interest rate swap and principal only swap entered into with various banks with whom IREDA has signed ISDA Master Agreement. These swap/derivative transactions have been entered into with the participating bank for a different maturity period for each transaction which is shorter from the maturity period of the loan. The hedging of the foreign currency loan has been carried out at various intervals and in multiple tranches of drawl against the line of credit. Due to SWAP/hedging of foreign currency loans, in addition to interest cost, these loans carry, hedging/derivative cost, commitment fee, government guarantee fee and other financial charges and due to multiplicity of the trenches of drawl against the line of credit, the applicable rate of interest on these lines of credit has not been disclosed above.

NOTE- '5'
OTHER LONG TERM LIABILITIES

	Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Trade Payable	-	-
(b)	Others MNRE Interest Subsidy Payable	-	-
(c)	IREDA-National Clean Energy Fund (NCEF)	**3,000,304,428**	1,000,000,000.00
	24% share in MP Wind farms	**720,000**	720,000
	Total	**3,001,024,428**	1,000,720,000

NOTE- '6'
LONG TERM PROVISIONS

	Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Provision for Employees' Benefits	**103,765,674**	56,663,476
(b)	Provision for Standard Assets	**184,372,401**	406,027,314
	24% share in MP Wind farms	**526,680**	562,680
	Total	**288,664,755**	463,253,470

NOTE- '7'
SHORT TERM BORROWINGS

	Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(i)	Vijaya Bank	-	998,432,732
(ii)	Union Bank of India	-	155,260,194
(III)	Bank of India	-	
	24% share in MP Wind farms	-	570
	Total	-	1,153,693,496

NOTE- '8'
TRADE PAYABLE

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Trade Payable	83,831,442	167,793,115
24% share in MP Wind farms	22,364	86,678
Total	**83,853,806**	167,879,793

NOTE- '9'
OTHER CURRENT LIABILITIES

	Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Current Maturity of Long Term Debts	3,096,284,359	3,175,108,475
(b)	Interest accrued but not due on borrowing	1,611,989,350	1,462,149,990
(c)	Others Payable		
	Provident Fund Payable	2,383,579	2,145,434
	MNRE Programme Funds	94,736,941	95,680,357
	MNRE Co Generation Specific Grant	2,790,182	2,790,182
	National Hydrogen Energy Board	449,470	432,018
	MNRE Interest Subsidy Payable	-	623,156
	National Wind Energy Mission	-	62,783
	MNRE GBI Fund	50,648,079	42,143,573
	Assosication of Renewable Energy of States	39,600,000	0
	Roof Top and other Small Scale Solar Project	1,145,597	4,236
	MNRE Capital Subsidy For Channel Patners	85,527,825	0
	MNRE UNDP Funds	39,381,692	41,287,269
	Other Liabilities	140,496,042	28,249,781
	24% share in MP Wind farms	448,741	731,361
	Total	**5,165,881,857**	4,851,408,612

NOTE- '10'
SHORT TERM PROVISIONS

	Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Provision for Employees' Benefits	6,196,318	12,271,971
(b)	**Others**		
	Proposed Dividend	544,000,000	350,000,000
	Corporate Dividend Tax	110,745,600	59,482,500
	Provision for Standard Assets (including Adhoc)	375,616,325	23,205,878
	Provision for Corporate Social Responsibility Fund	103,143,152	56,787,811
	Provision for Sustainable Development Fund	3,942,260	3,942,260
	Other Provisions	42,587,274	22,587,274
	24% share in MP Wind farms	454,634	932,989
	Total	**1,186,685,563**	529,210,683

NOTE- '11'

FIXED ASSETS

Amount in Rs.

Particulars	GROSS BLOCK					Depreciation					NET BLOCK	
	Opening Balance as at 1.4.2014	Additions during the year	Disposals during the year	Adjustments during the year	As at 31.03.2015	Opening up to 1.4.2014	For the year	Disposal during the year	Adjustments during the year	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
(i) Tangible Assets												
Buildings-Residential Leasehold	4,143,149	-	-	-	4,143,149	2,640,110	248,079	-	-	2,888,189	1,254,960	1,503,039
Buildings-Office												
Leasehold-IHC	43,956,603	-	-	-	43,956,603	18,588,298	2,974,874	-	-	21,563,172	22,393,431	25,368,305
Leasehold-AKB	422,757,821	-	-	-	422,757,821	125,348,519	32,213,769	-	-	157,562,288	265,195,533	297,409,302
Office Space at Chennai	-	14,353,680	-	-	14,353,680	-	7,472	-	-	7,472	14,346,208	-
24% Share in MP Wind Farms	65,922	-	-	-	65,922	-	-	-	-	-	65,922	65,922
Furniture and Fittings	28,226,005	71,315	(140,248)	-	28,157,072	17,011,627	3,528,568	(138,901)	-	20,401,294	7,755,778	11,239,504
24% Share in MP Wind Farms	70,577	-	-		70,577	59,724	1,555	-	-	61,279	9,297	
Vehicles	4,213,798	1,936,206	(445,806)	-	5,704,198	2,836,176	802,671	(433,564)	-	3,205,283	2,498,915	1,377,621
24% Share in MP Wind Farms	430,686	-	(444)		430,242	250,044	55,023	(444)	-	304,623	125,619	
Office Equipments	30,947,095	248,560	(409,380)	-	30,786,275	26,276,579	2,237,629	(356,603)	-	28,157,605	2,628,670	14,458,427
24% Share in MP Wind Farms	56,033	-	-		56,033	46,221	7,775	-	-	53,996	2,038	
Computers	50,117,162	2,828,426	(5,235,122)	-	47,710,466	37,950,606	10,390,204	(4,949,018)	-	43,391,792	4,318,674	12,745,340
24% Share in MP Wind Farms	39,456	4,221	(2,256)		41,421	38,944	1,024	(2,256)	-	37,712	3,709	
Library	1,825,194	28,866	-	-	1,854,060	1,825,194	28,866	-	-	1,854,060	-	-
24% Share in MP Wind Farms	-	-	-	-		-		-	-		-	-
Electrical Equipments												
24% Share in MP Wind Farms	77,087	-	-	-	77,087	27,377	9,242	-	-	36,619	40,468	
Tools												
24% Share in MP Wind Farms	10,578	-	-	-	10,578	7,353	3,016	-	-	10,369	209	
Wind Electricity Generator (WEG)												
24% Share in MP Wind Farms	7,740,849	-	-	-	7,740,849	6,966,288	65,185	-	-	7,031,473	709,375	
Total A	**594,678,015**	**19,471,274**	**(6,233,256)**	**-**	**607,916,032**	**239,873,060**	**52,574,952**	**(5,880,786)**	**-**	**286,567,226**	**321,348,806**	**364,167,460**
Previous year	585,135,650	1,657,844	(606,667)	-	586,186,827	191,861,523	30,633,655	(409,889)	-	222,085,289	364,101,538	393,274,127
24% Share in MP Wind Farms	8,466,629	156,000	(131,441)	-	8,491,188	7,032,889	462,284	(99,222)	-	7,395,951	1,095,236	1,433,740
Previous year Total	593,602,279	1,813,844	(738,108)	-	594,678,015	198,894,412	31,095,939	(509,111)	-	229,481,240	365,196,774	394,707,867
(ii) Intangible Assets**	-	-	-	-		-	-	-	-		-	-
Internally Generated Purchased Software	14,258,584	163,718	-	-	14,422,302	7,176,459	2,371,588	-	-	9,548,047	4,874,255	7,082,125
Total B	**14,258,584**	**163,718**	**-**	**-**	**14,422,302**	**7,176,459**	**2,371,588**	**-**	**-**	**9,548,047**	**4,874,255**	**8,274,705**
Previous year	12,935,936	1,322,648	-	-	14,258,584	4,694,531	2,481,928	-	-	7,176,459	7,082,125	8,274,705
Total A+B	**608,936,599**	**19,634,992**	**(6,233,256)**	**-**	**622,338,334**	**247,049,519**	**54,946,540**	**(5,880,786)**	**-**	**296,115,273**	**326,223,061**	**401,548,832**
Previous year	606,538,215	3,136,492	(738,108)	-	608,936,599	203,588,943	33,577,867	(509,111)	-	236,657,699	372,278,899	402,982,572
(iii) Capital Work In Progress Capital Work in Progress 50 MW Solar Project	-	70,000,000	-	-	70,000,000	-	-	-	-	-	70,000,000	-
Total C	**-**	**70,000,000**	**-**	**-**	**70,000,000**	**-**	**-**	**-**	**-**	**-**	**70,000,000**	**-**
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Intangible Assets under development Software under Development	558,710	35,021	-		593,731						593,731	558,710
Total D	**558,710**	**35,021**	**-**	**-**	**593,731**	**-**	**-**	**-**	**-**	**-**	**593,731**	**558,710**
Previous year	1,478,165	245,100	(1,164,555)	-	558,710	-	-	-	-	-	558,710	1,478,165
Total A+B+C+D	**609,495,309**	**89,670,013**	**(6,233,256)**	**-**	**692,932,065**	**247,049,519**	**54,946,540**	**(5,880,786)**	**-**	**296,115,273**	**396,816,792**	
Previous year	608,016,380	3,381,592	(1,902,663)	-	609,495,309	203,588,943	33,577,867	(509,111)	-	236,657,699	372,837,609	404,460,737

NOTE- '12'
NON CURRENT INVESTMENT

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(i) Trade Investment	-	-
(ii) **Other Investments**		
Investment in Equity Instruments (unquoted)(at cost)	-	-
Total	-	-

NOTE- '13'
LONG TERM LOANS & ADVANCES

Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a)	Security Deposits	-	31,501,126
(b)	Loan & Advances to Related Parties	**341,856**	1,226,800
(c)	Term Loans to Constituents of IREDA		
	- Onlending	**77,201,604,564**	70,862,180,484
	- Refinancing	**657,025,000**	1,000,000,000
	Less: Allowance for bad and doubtful Loans	**1,047,381,861**	1,140,553,372
		76,811,247,703	70,721,627,112
(d)	Interest Accrued but not due on Loans	**12,734,258**	10,526,854
(e)	Loans to Employees other than related parties	**26,547,705**	24,811,696
(f)	Advance Tax & Other Tax Recoverable	**3,220,075,370**	3,385,003,415
	Less : Provision for Income Tax	**2,683,654,731**	2,685,627,707
		536,420,639	699,375,708
(g)	Staff Advances (Not bearing interest)	**78,400**	30,433
	24% share in MP Wind farms	**69,485**	69,485
Total Loans & Advances of IREDA		**77,387,440,046**	71,489,169,214
Sub-classification of above:			
Secured (Considered good)			
	- Term Loans to Constituents of IREDA	**73,032,396,383**	68,176,860,093
	- Interest Accrued and due on Loans	**12,734,258**	10,526,854
	- Loans to Employees including related parties	**26,889,561**	26,038,496
	- Term Loans to Constituents of IREDA (Secured by Bank Guarantee)	**67,760,000**	269,791,523
Unsecured (Considered good)			
24% share in MP Wind farms		**69,485**	69,485
	- Security Deposits	**-**	31,501,126
	- Advance Tax & Other Tax Recoverable	**536,420,639**	699,375,708
	- Staff Advances (Not bearing interest)	**78,400**	30,433
Doubtful			
	- Term Loans to Constituents of IREDA (Substandard, Doubtfull & Loss)	**4,758,473,181**	3,415,528,868
		78,434,821,907	72,629,722,586
	Less: Allowance for bad and doubtful/Substandard Loans	1,047,381,861	1,140,553,372
GRAND TOTAL		**77,387,440,046**	71,489,169,214
	- Due from Directors of the Company included in Loans to related parties	341,856	1,226,800
	- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	1,026,567	1,505,544

NOTE- '14'
OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
OTHER BANK BALANCES (Refer Note No. 16)		
Foreign Currency Deposits		
- Dollar Deposit More than 12 months original maturity (earmarked against bank loan from BOB)	**954,879,562**	1,080,323,622
Total	**954,879,562**	1,080,323,622

NOTE- '15'
TRADE RECEIVABLE

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
"(A) Outstanding for a period exceeding six months from the date they are due for payment"		
(i) Secured, Considered good	-	
(ii) Unsecured, Considered good	-	-
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - A	-	-
(B) Others		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good	6,361,855	1,686,923
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - B	**6,361,855**	1,686,923
24% share in MP Wind farms	628,354	558,948
Total (A+B)	**6,990,209**	2,245,871

NOTE- '16'
CASH AND BANK BALANCES

Particulars		As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
A)	**CASH AND CASH EQUIVALENTS**		
(a)	**Balances with Banks**		
A)	In Current Account - IREDA	**603,719,643**	298,865,070
B)	**In Saving Account**	**-**	-
C)	**In Deposit Account**		
	i) INR-Short term Deposit		
	- IREDA	**5,613,156,778**	2,109,598,122
	(ii) Dollar Deposit Less than 90 days original maturity	**457,299**	-
	(iii) Euro Deposit Less than 90 days original maturity	**1,992,005,558**	1,849,749,787
	(iii) Yen Deposit Less than 90 days original maturity	**424,602**	646,656,307
(b)	Cheques Under Collection/DD In hand	**10,723,162**	3,857,544
(c)	Bank of India Overdraft	-	54,287
(d)	Postage Imprest	**80,230**	30,230
	Sub Total	**8,220,567,272**	4,908,811,347
B)	**OTHER BANK BALANCES**		
(a)	Balances with Banks		
A)	In Current Account - MNRE	**1,940,272**	1,941,014
B)	In Saving Account - UNDP - MNRE UNDP Account - National Hydrogen Energy Board - IREDA (MNRE GBI Fund) - Rooftop & Other Small Solar Power Plant - MNRE Capital Subsidy for Channel Partners '- IREDA National Clean Energy Fund	 **5,000** **39,381,692** **449,470** **90,248,079** **1,145,597** **1,488,516** **2,004,804,428**	 5,000 41,287,269 432,018 42,143,573 4,236 - -
C)	**In Deposit Account** - MNRE-GBI	**84,039,309**	-
	i) Foreign Currency Deposits		
	- Dollar Deposit Less than 12 months original maturity More than 12 months original maturity	 **125,444,060** **954,879,562**	 115,339,670 1,080,323,622
	- Euro Deposit Less than 12 months original maturity	**-**	-
	- Yen Deposit Less than 12 months original maturity More than 12 months original maturity		
ii)	DRT No lien/Other Earmarked Account	**-**	-
		3,303,825,985	1,281,476,402
	Less: Amount disclosed under non-current assets (Refer Note No. 14)	**(954,879,562)**	(1,080,323,622)
	Sub Total	**2,348,946,423**	201,152,780
	24% share in MP Wind farms	**4,152,044**	3,811,370
	Total	**10,573,665,739**	5,113,775,497

NOTE- '17'
SHORT TERM LOANS & ADVANCES

	Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
A.	**Total Loans & Advances of IREDA**		
(a)	Security Deposits	**1,887,899**	34,000
(b)	Loan & Advances to Related Parties		
	Loans to related parties	**535,092**	295,092
	Staff Advances (Not bearing interest) to related parties	**104,000**	69,136
(c)	Term Loans to Constituents of IREDA		
	- Onlending	**10,885,048,569**	11,177,829,202
	- Refinancing	**338,475,000**	-
	Less: Allowance for bad and doubtful Loans	**-**	-
		11,223,523,570	11,177,829,202
(d)	Interest Accrued and due on Loans	**851,206,351**	600,140,696
(e)	Interest Accrued but not due on Loans	**183,844,064**	180,407,615
(f)	Loans to Employees	**4,789,669**	4,697,039
(g)	Other Staff Advances (Not bearing interest) other than related parties	**3,618,050**	3,222,886
(h)	Advance Tax & Other Tax Recoverable	**1,661,900,000**	162,127,632
	Less: Provision for Income tax	**1,248,972,976**	159,500,000
		412,927,024	2,627,632
(i)	Others	**9,944,681**	5,285,251
	Sub Total - I	**12,692,380,400**	11,974,608,549
B.	**Total Loans to constituents of MNRE**		
(a)	Loans to constituents of MNRE	**25,476,919**	25,476,919.
(b)	Interest Accrued and due on MNRE Loans	**66,469,295**	66,468,554
	Sub Total - II	**91,946,214**	91,945,473
	24% share in MP Wind farms **Sub Total - III**	**-**	45,818
	Total (I+II+III)	**12,784,326,614**	12,066,599,840
	Sub-classification of above :		
	IREDA		
	Secured (Considered good)		
	- Term Loans to Constituents of IREDA	**11,211,486,413**	10,069,186,091
	- Interest Accrued and due on Loans	**851,206,351**	600,140,696
	- Interest Accrued but not due on Loans	**183,844,064**	180,407,615
	- Loans to Employees included related parties	**5,324,761**	4,992,131
	- Term Loans to Constituents of IREDA (Secured by Bank Guarantee)	**12,037,157**	1,108,643,110
	Unsecured (Considered good)		
	24% share in MP Wind farms	**-**	45,818
	- Security Deposits	**1,887,899**	34,000
	- Staff Advances (Not bearing interest) included related parties	**3,722,050**	3,292,022
	- Advance Tax & Other Tax Recoverable	**412,927,024**	2,627,632
	- Others	**9,944,681**	5,285,251
	Doubtful		
	- Term Loans to Constituents of IREDA (Substandard, Doubtfull & Loss)	**-**	-
		12,692,380,400	11,974,654,367
	Less: Provision for bad and doubtful debts (IREDA only)	**-**	
		12,692,380,400	11,974,654,367
	MNRE		
	Doubtful		
	- Term Loans to Constituents of MNRE	**91,946,214**	91,945,473
	GRAND TOTAL	**12,784,326,614**	12,066,599,840
	- Due from Directors of the Company included in Staff Advances & Loans to related parties	**535,092**	364,228
	- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	**240,000**	335,940

NOTE- '18'
OTHER CURRENT ASSETS

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
- Interest accrued but not due on deposits with banks	**79,604,628**	9,558,523
- RE Invest 2015	**49,938,885**	-
- Others	**6,571,320**	127,471,825
24% share in MP Wind farms	**425,358**	955,245
Total	**136,540,191**	137,985,593

NOTE- '19'
REVENUE FROM OPERATIONS

Particulars		For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
A.	**INTEREST**		
(i)	Interest on Lending Operations	**9,137,909,235**	8,157,829,235
	Less : Rebate on Prompt Payment	**14,558,685**	16,691,826
		9,123,350,550	8,141,137,409
(ii)	Differential Interest	**190,501,875**	15,869,785
	Less: Service Tax	**23,546,032**	1,961,505
		166,955,843	13,908,280
(iii)	Interest on Deposits with Banks		
	-Short Term Deposit-INR	**463,038,246**	301,613,979
	-US$ Deposit	**5,285,335**	7,273,045
	-EURO Deposit	**9,494,672**	5,474,951
	-Yen Deposit	**620,132**	428,804
		478,438,385	314,790,779
B.	**OTHER FINANCIAL SERVICES**		
(a)	**Business Service Fees**		
	(i) Front end Fee	**229,642,951**	151,874,888
	Less: Service Tax	**28,383,869**	18,771,736
		201,259,082	133,103,152
	(ii) Application Fee on Loans	**28,030,579**	19,572,409
	Less: Service Tax	**3,464,580**	2,419,150
		24,565,999	17,153,259
	(iv) Application Fee - Generation Based Incentive	**137,112,049**	187,606,972
	Less: Service Tax	**16,947,049**	23,188,222
		120,165,000	164,418,750
	(vi) Application Fee - Security Trusteeship	**-**	570,932
	Less: Service Tax	**-**	70,567
		-	500,365
	(vii) Miscellaneous Application Fees	**407,671**	-
	Less: Service Tax	**50,388**	-
		357,283	-

	Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
(b)	**Business Service Charges**		
	Service Charges-MNRE	-	40,885
	Less: Service Tax	-	5,053
		-	35,832
	Service Charges - UNDP Programme Fund	**1,305,565**	1,680,696
	Less Service Tax	**161,368**	207,734
		1,144,197	1,472,962
	Service Charges - Generation Based Incentive	**33,099,180**	19,824,613
	Less Service Tax	**4,091,059**	2,450,322
		29,008,121	17,374,291
	Service Charges - Biogas Feed Fertilizer Plant	**406,207**	435,046
	Less Service Tax	**50,207**	53,772
		356,000	381,274
	Service Charges - Roof Top and Other Small Solar Power Project	**29,262,477**	22,734,342
	Less Service Tax	**3,616,842**	2,809,965
		25,645,635	19,924,377
	Service Charges - MNRE Capital Subsidy for CPs, SNAs and PA	**7,792,625**	-
	Less Service Tax	**964,718**	-
		6,827,907	-
	Applicable Net Gain on Foreign Currency Translations and Transactions	**905,407,888**	-
(d)	Amount received in respect of Bad Debts written off	**87,788,009**	27,458,497
	Gurantee Commission	**7,245,756**	55,929,652
	24% share in MP Wind farms	**4,671,068**	4,419,327
	Total	**11,183,186,723**	8,912,008,206

NOTE- '20'
OTHER INCOME

Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
Interest on Staff Loan	2,575,475	2,480,549
Dividend (Gross on Long Term Investment)	-	-
Interest on Income Tax Refund	-	5,874,593
Provision Written Back	-	3,750,000
Profit on Sale of Fixed Assets	83,979	-
Miscellaneous income		
- Transferred from Capital Grant	500,253	590,130
- Others	1,879,777	33,716,377
24% share in MP Wind farms	317,673	383,318
Total	**5,357,157**	46,794,967

NOTE- '21'
EMPLOYEE BENEFIT EXPENSES

	Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
(a)	Salaries, Wages and Other Amenities	**197,851,901**	151,480,924
(b)	Contribution to Provident and Other Funds		
	Contribution to Provident Fund	**10,325,680**	9,430,245
	Provident Fund Administrative Charges	**155,715**	142,209
	Contribution to Benevolent Fund	**67,120**	65,270
	Contribution to Superannuation fund	**7,262,275**	6,814,038
	Contribution to Gratuity Fund	**14,000,436**	5,086,041
(c)	Staff Welfare Expenses	**25,051,611**	37,090,343
(d)	Human Resource Development	**2,677,013**	1,670,924
	24% share in MP Wind farms	**2,066,466**	2,107,234
	Total	**259,458,217**	213,887,228

NOTE- '22'
FINANCE COST

Particulars		For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
A.	Interest Expense		
	Interest on Borrowings		
	- on Bonds	1,947,639,295	1,321,771,015
	- on Loans	3,218,791,960	2,854,437,913
		5,166,431,255	4,176,208,928
B.	Other Borrowing Costs		
	(i) Commitment fee		
	-on Loan-II from KfW	-	-
	-on Loan-III from KfW	39,987	222,185
	-on Loan-IV from KfW	24,107,837	28,633,325
	-On Loan from Japan International Corporation Agency (JICA)	180,144	2,073,003
	Guarantee Fee		
	-on Loan from International Bank for Reconstruction and Development (IBRD)	20,713,824	21,186,152
	-on Loan-I from KfW	30,167,700	26,545,665
	-on Loan-II from KfW	31,776,947	30,917,317
	-on Loan-III from KfW	18,643,096	15,797,485
	-on Loan-IV from KfW	48,023,572	18,059,180
	-on Loan from Asian Development Bank (ADB)	9,487,366	9,386,970
	-on Loan from Agence Francaise De Developpement (AFD)	69,165,816	58,608,610
	-on Loan from Japan International Corporation Agency (JICA)	198,116,108	177,126,536
	-on Loan from EIB	196,557,600	-
	-on Loan from JICA-II	186,048,000	-
C.	**Others**		
	(i) Bond Trusteeship fee	435,344	463,083
	(ii) Bank Charges	118,360	76,415
	(iv) Bond Issue Expenses	50,000	59,292,187
	(v) Loss due to underlying exchange fluctuation (IDA-II)	426,879,504	252,905,252
	(vi) Applicable Net Loss on Foreign Currency Translations and Transactions	-	1,662,290
	(viii) Interest on Service Tax	102,682	85,040
	(x)Front end fees on NIB	31,266,000	
	(xi) Tax free Bond Series-XIII expense	39,476	-
	(xii) Others	5,049,673	351,687
	24% share in MP Windfarms	10,687	8,820
	Total	6,463,410,978	4,879,610,130

NOTE- '23'
OTHER EXPENSES

Particulars	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
Electricity and Water Charges	**7,717,437**	6,082,489
Office rent	**2,754,256**	2,521,717
Office Maintenance	**5,834,869**	4,267,144
Repairs and Maintenance-Others	**7,913,421**	8,066,269
Insurance	**588,076**	464,534
Rates and Taxes	**16,698,151**	10,234,345
Business Promotion	**9,582,982**	7,575,828
Travelling and Conveyance	**11,946,808**	13,300,884
Information and Dissemination	**7,744,748**	8,824,199
Payment to Auditor	**620,000**	478,000
Legal and Professional	**22,326,757**	7,824,225
Newspapers and Periodicals	**108,824**	110,737
Postage Telegram and Telephone	**2,303,284**	2,072,048
Printing and Stationery	**4,087,495**	3,508,691
Recruitment Expenses	**1,525,225**	1,828,625
Credit Rating Expenses	**8,523,041**	6,347,679
Filing Fees	**46,100**	4,000
Corporate Social Responsibility	**52,635,379**	33,081,498
Director Sitting Fees	**330,000**	180,000
Loss on Sale of Assets	**138,355**	18,391
Sponsorship	**10,000,000**	-
Miscellaneous Expenses	**5,021,091**	2,186,055
24% Share in MP Windfarms in project expenses	**830,581**	717,873
24% Share in MP Windfarms in other expenses	**922,346**	918,417
Total	**180,199,226**	120,613,648

NOTE- '24'
NOTES ON ACCOUNTS

1. M/s M.P. Wind Farms Ltd. (MPWL) is a joint sector company in collaboration with IREDA, Govt. of Madhya Pradesh and Consolidated Energy Consultants Pvt. Ltd. a private Ltd. Co. with share holding of 24%, 25% and 50% respectively. The paid up capital of MPWL stood at Rs. 70,00,000 which includes IREDA's initial subscription of Rs. 12,00,000 and bonus shares of Rs. 4,80,000 against the authorized share capital of Rs. 1,00,00,000.

2. (a) The company is registered with the Reserve Bank of India (RBI) as a Non- Banking Financial Company (NBFC) vide order dated 10.02.1998. As per notification No. DNBS(PD).CC.No. 12/02.01/99-2000 dated 13.01.2000 of RBI. Government companies as defined under Section 2(45) of the companies act, 2013 have been exempted from applicability of the provisions of Reserve Bank of India Act, 1934 relating to maintenance of liquid assets and creating of Reserve funds and the Directions relating to acceptance of public deposits and prudential norms. The said notification is also applicable to IREDA, being Govt. Company conforming to Section 2(45) of the companies act, 2013. Further, as per para No. 1(3) (iv) of RBI's Master Circular No. DNBS(PD) CC No. 333/03.02.001/2013-14 dated July 1, 2013, IREDA being a Government Company as defined under section 2(45) of the companies act, 2013 continues to be exempted from the applicability of non-banking financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Moreover in view of the non-applicability of the provisions of Section 45(I) C of the RBI Act 1934 regarding creation of Reserve Fund, the Reserve Fund is not created.

   In terms of the exemption vide notification No. DNBS(PD).CC>No.12/02.01/99-2000 dated 13.01.2000 as explained above, the Board of Directors of IREDA approved company's prudential norms relating to income recognition, assets classification and provisioning including restructuring/reschedulement of borrower's account which are being followed consistently. Some important features of these prudential norms are given in significant accounting policy No. 2(v). These norms have been approved by Board of Directors in terms of Articles of Association of Company.

   (b) However, it has been observed that said Articles do not specifically cover the asset classification/provisioning for restructured/ rescheduled accounts for which clarification/modification from MNRE will be sought.

3. 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 II of The Companies Act, 2013. However, if the balance sheet of the borrower(s) is older than 5 years from the financial year for which the shortfall is worked out, the same is ignored.

4. IREDA had sanctioned and disbursed an amount of Rs. 82,18,00,000/- to M/s Everest Power Limited for setting up of 100 MW Hydro Project under consortium arrangement with other banks and institutions. During the year, the company could not pay its quarterly dues for the said loan in time due to non-payment of revenue by Punjab State Power Corporation Limited (PSPCL) on the tariff fixed by Punjab State Electricity Regulatory Commission (PSERC). The account was thus considered as NPA at the time of Limited Review for the half year ended 31st March, 2015. The matter was pending before the Hon'ble Supreme Court as at the close of the Financial Year 2014-15. Subsequent to the closing of the year based on the favourable order by Hon'ble Supreme Court of India for the disputed tariff issue, the company paid all outstanding dues upto the quarter ended 31.03.2015 upon release of payment from PSPCL, accordingly the outstanding loan amount of Rs. 74,85,21,641 pertaining to M/s Everest Power Limited has now been classified as Standard Asset.

5. The provision for Standard Asset include an amount of Rs. 11,58,53,314 (Previous year Rs. 11,73,40,993) created during the year as floating provision as per the decision of Board of Directors.

6. **Details of Contingent Liabilities and Commitment**

As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India (ICAI), the movement in Provisions as on 31st March, 2015 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 including Adhoc	42,92,33,192 (27,45,67,732)	13,07,55,534 (15,46,65,459)	0 (0)	55,99,88,726 (42,92,33,191)
2	Income tax	2,84,51,27,707 (2,07,89,27,707)	1,08,56,00,000 (76,62,00,000)	0 (0)	3,93,07,27,707 (2,84,51,27,707)
3	Proposed dividend	35,00,00,000 (27,50,00,000)	54,55,02,699 (35,00,00,000)	35,00,00,000 (27,50,00,000)	54,55,02,699 (35,00,00,000)
4	Dividend tax	5,94,82,500 (4,67,36,250)	11,10,51,514 (5,94,82,500)	5,94,82,500 (4,67,36,250)	11,10,51,514 (5,94,82,500)
5	Leave encashment	2,53,90,179 (1,76,77,684)	1,20,33,794 (1,16,43,758)	44,43,662 (39,31,263)	3,29,80,311 (2,53,90,179)
6	Gratuity	90,55,077 (71,01,676)	1,40,00,436 (57,31,261)	34,70,665 (37,77,860)	1,95,84,848 (90,55,077)
7	Post retirement medical benefit	1,70,62,360 (1,16,95,926)	1,76,24,834 (56,89,845)	11,09,117 (3,23,411)	3,35,78,077 (1,70,62,360)
8	Sick leave	1,68,81,303 (1,50,75,895)	62,92,416 (28,48,216)	1,50,518 (10,42,808)	2,30,23,201 (1,68,81,303)
9	Baggage Allowance	5,46,528 (4,53,800)	2,49,027 (92,728)	0 (0)	7,95,555 (5,46,528)
10	Corporate Social Responsibility	5,67,87,811 (6,43,76,904)	5,26,35,379 (3,30,81,498)	62,80,038 (4,06,70,591)	10,31,43,152 (5,67,87,811)
11	Sustainable Development	39,42,260 (39,42,260)	0 (0)	0 (0)	39,42,260 (39,42,260)
12	Other Provisions	2,25,87,274 (3,58,45,155)	2,00,00,000 (2,00,00,000)	0 (3,32,57,881)	4,25,87,274 (2,25,87,274)
	Total	**3,83,60,96,191** **(2,83,14,00,989)**	**1,99,57,45,633** **(1,40,94,35,265)**	**42,49,36,500** **(40,47,40,064)**	**5,40,69,05,324** **(3,836,096,190)**

Previous year figures shown within bracket

* included in various expenses under Note 23 i.e other expenses on account of sustainable development expenses, balance provision is debited to Statement of Profit & Loss.

b) **Details of Contingent Liabilities &Capital Commitments**

(Amount in Rupees)

Particulars	As at 31.3.2015	As at 31.03.2014
Contingent Liabilities Income tax demand for Assessment Years 2003-04, 2004-05 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. The cases from AY 1998-99 to 2009-10 have now been referred back by ITAT to the Assessing Officer. No hearing for the same has been conducted by the Assessing Officer. Contingent liability is in respect of cases for the assessment year 2010-11, 2011-12, 2012-13 which are pending with CIT.	43,94,07,189	31,82,00,000
Claims against the Company not acknowledged as debt in respect of petition filed against company seeking damages by M/s Mahakrishna Financial Services Pvt. Ltd.	1,50,00,000	1,50,00,000
During the year company has provided counter indemnity in favour of M/s Indusind Bank against issue of Bank Guarantee in favour of BSE ltd. as security for receiving subscription of Public issue of Tax free bonds.	7,00,00,000	7,00,00,000
Long Term Guarantee in favour of Tadas Wind Energy Limited for guaranteeing the advance payment on request of borrower M/S. Wind World India Ltd	-	138,28,50,000
Total of Contingent Liabilities	52,44,07,189	178,60,50,000
COMMITMENTS		
Estimated value of contract to be executed on Capital Account and not provided	343,00,00,000*	0
Letter of comfort issued and outstanding	57,01,09,184	186,73,49,321

Contingent Liabilities in case of JV - Service tax demand of Rs. 39,42,111/- for the year 2005-06 has been dropped by Commissioner Service tax (Appeals). The Service tax Department has moved before the Appellate Tribunal at Delhi. The Company has contested before the tribunal for dismissal of Revenue's appeal. The matter is still pending for further proceedings.

7. During the year Board of Directors of IREDA approved investment of approximately Rs 350,00,00,000 (previous year Nil) for setting up of 50 MW solar PV project in the state of Kerala. In this regard, IREDA has signed MOU for implementation of the said project with Solar Energy Corporation of India.

8. **AUTHORISED SHARE CAPITAL**

Subsequent to the balance sheet date the company in its Extra Ordinary General Meeting held on 06.04.2015 increased its Authorized Equity Share Capital from its existing Rs. 1000 Crore to Rs. 6000 Crore after receiving approval of the President of India vide MNRE letter dated 17th November, 2014.

9. Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs 41,43,149. (Previous year – Rs. 41,43,149), office premises-IHC costing Rs. 4,39,56,603. (Previous year – Rs. 4,39,56,603) and office premises-AKB costing Rs 42,27,57,822 (Previous year – Rs. 42,27,57,822) 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 in Schedule II to The Companies Act, 2013.

10. The property tax in respect of office premises for the period upto 31st March, 2015 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 for 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.

11. 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.

12. 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.

13. During the year The Companies Act 2013 has introduced provisions with regard to charging depreciation on assets on the basis of the useful life prescribed therein. Accordingly, the company has charged a sum of Rs. 68,59,630 (net of deferred taxes) (Previous year Nil) in accordance with provision of Schedule II of The Companies Act, 2013 by way of adjustment in General Reserve of the company.

14. In terms of Section 135 of The Companies Act, 2013, IREDA is required to constitute a corporate social responsibility (CSR) Committee of the Board of Directors and the Company has to spend 2% of the average net profits of the Company's three immediately preceding financial year calculated as per section 198 of The Companies Act 2013.Accordingly, CSR Committee of the Board of Directors consisting of 3 Directors one of whom is independent Director has been constituted during the year. Further, IREDA has made a provision of Rs. 5,26,35,379 (previous year Rs. 3,30,81,498) towards CSR. During the year, theCompany spent Rs. 62,80,038 (Previous Year Rs. 4,06,70,591) out of the accumulated provision as on 31.03.2014.During the year, two projects were undertaken by IREDA under CSR towards (i)Swachh Bharat Abhiyaan-construction of toilets in schools for total project cost of Rs 5,00,00,000 (approximately) (ii) 30 KW Solar Power Project and 500 LPD Capacity Solar Water Heating System to be set up at Oldage Home at Vrandavan for a total cost of Rs. 30 Lacs. Both these projects shall be completed in 2015-16 and the entire committed amount under CSR for the year 2014-15 shall be paid to the implementing agencies based on the progress of the work/as per the terms of agreement with the agencies.

15. As per the board approved Foreign Exchange and Derivative Risk Management Policy of IREDA, an open exposure on foreign currency loans upto 20% of its net worth is permissible. The open exposure as on 31.03.2015 is Rs. 264,27,85,107 (Previous Year Rs. 275,62,53,234) which is within the limit as per the policy. The said open exposure does not include Rs. 198,44,16,956 equivalent to Euro 29,394,240.82 (Previous year Rs. 245,37,29,149 equivalent to JPY 1098,608,887 and Euro 21,887,795.45) which has been kept in JPY/ Euro deposit outside India.

16. EARNING PER SHARE

In terms of Accounting Standard (AS) 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI), the Earnings Per Share (Basic & Diluted) is worked out as under:-

Particulars	As at 31.3.2015	As at 31.03.2014
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator Profit after Tax as per Statement of Profit & Loss	2,71,97,37,156	2,40,53,98,673
Denominator		
▪ Number of equity shares including 48,000 share of MP Wind Farms Ltd. of Rs. 10 each	78,94,000	74,94,000
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earnings per share	77,08,190**	73,96,600*
▪ Basic & Diluted Earnings per share	352.84	325.20

* weighted average (7044000 x 365/365 + 450000 x 286/365) = 77,08,190

** weighted average (7494000 x 365/365 + 150000 x 248/365+ 250000 x 161/365) = 73,96,600

17. EMPLOYEE BENEFITS

(i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(a) **Change in the present value of the obligation**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Present value of obligation as at the beginning of the year	4,81,59,580 (4,28,45,785)	2,53,90,179 (1,76,77,684)	1,68,81,303 (1,50,75,895)	5,46,528 (4,53,800)	1,70,62,360 (1,16,95,926)
Interest cost	44,01,786 (34,91,931)	23,20,662 (14,40,731)	15,42,951 (12,28,685)	49,953 (36,985)	15,59,500 (9,53,218)
Current service cost	40,14,663 (31,82,315)	39,53,990 (24,92,981)	24,84,051 (15,49,244)	54,006 (37,316)	16,65,822 (8,35,784)
Past Service Cost	-	-	-	-	-
Benefits paid	-21,70,373 (-)(35,42,859)	-44,43,662 (-)(39,31,263)	-1,50,518 (-)(10,42,808)	0 (0)	-11,09,117 (-)(3,23,411)
Actuarial loss/(gain) on obligations	73,44,027 (21,82,408)	57,59,142 (77,10,046)	22,65,414 (70,287)	1,45,068 (18,427)	1,43,99,512 (39,00,843)
Present value of obligation at year end	6,17,49,683 (4,81,59,580)	3,29,80,311 (2,53,90,179)	2,30,23,201 (1,68,81,303)	7,95,555 (5,46,528)	3,35,78,077 (1,70,62,360)

(b) **Change in fair value of plan asset**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	3,91,04,503 (3,57,44,109)	-	-	-	-
Expected return on plan assets	35,19,405 (31,27,610)	-	-	-	-
Employer's contribution	17,17,774 (37,23,578)	-	-	-	-
Benefits paid	-21,70,373 (-)(34,88,577)	-	-	-	-
Actuarial loss/(gain) on obligations	-2,500 (-)(2,217)	-	-	-	-
Fair value of plan asset at the end of the year	4,21,64,835 (3,91,04,503)	-	-	-	-

(c) **Amount recognized in Balance Sheet**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Estimated present value of obligations as at the end of the year	6,17,49,683 (4,81,59,580)	3,29,80,311 (2,53,90,179)	2,30,23,201 (1,68,81,303)	7,95,555 (5,46,528)	3,35,78,077 (1,70,62,360)
Fair value of plan assets as at the end of the year	4,21,64,835 (3,91,04,503)				
Net liability recognized in balance sheet	1,95,84,848 (90,55,077)	3,29,80,311 (2,53,90,179)	2,30,23,201 (1,68,81,303)	7,95,555 (5,46,528)	3,35,78,077 (1,70,62,360)

(d) Expense recognized in the Statement of Profit & Loss

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	40,14,663 (31,82,315)	39,53,990 (24,92,981)	24,84,051 (15,49,244)	54,006 (37,316)	16,65,822 (8,35,784)
Past service cost	-	-	-	-	-
Interest cost	44,01,786 (34,91,931)	23,20,662 (14,40,731)	15,42,951 (12,28,685)	49,953 (36,985)	15,59,500 (9,53,218)
Expected return on plan asset	-35,19,405 (-)(31,27,610)	-	-	- -	-
Net actuarial (Gain)/Loss recognized in the year	73,46,527 (21,84,625)	57,59,142 (77,10,046)	22,65,414 (70,287)	1,45,068 (18,427)	1,43,99,512 (39,00,843)
Total expenses recognized in Statement of Profit & Loss	1,22,43,571 (57,31,261)	1,20,33,794 (1,16,43,758)	62,92,416 (28,48,216)	2,49,027 (92,728)	1,76,24,834 (56,89,845)

(e) Principal actuarial assumption as expressed as weighted average

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Discount rate	7.75% (9.14%)	7.75% (9.14%)	7.75% (9.14%)	7.75% (9.14%)	7.75% (9.14%)
Expected rate of return on plan assets	9% (8.75%)	- -	- -	- -	- -
Expected rate of salary increase	8% (7.64%)	8% (7.64%)	8% (7.64%)	8% (7.64%)	8% (7.64%)
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

(f) Defined Contribution Plan

During the year, the company has recognized an expense of Rs 103,25,680 (Previous year: Rs 94,30,245.) in respect of contribution to Provident Fund, Rs 67,120 (Previous year: Rs. 65,270) in respect of contribution to Benevolent Fund and Rs 72,62,275. (Previous year: Rs. 68,14,038) 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.

18. RELATED PARTY DISCLOSURE

(i) Details of transactions entered into with the related parties during the year as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(Amount in Rupees)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	86,87,312 (1,86,16,691)

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

Name of the Key Management Personnel (KMP)	Designation	Period
Shri K. S. Popli	CMD	From 01.04.2014 to 31.03.2015
Shri S. K. Bhargava	D(F)	From 01.04.2014 to 31.3.2015
Shri B.V Rao	D(T)	From 24.12.2014 to 31.03.2015
Shri SurenderSuyal	CS	From 01.04.2014 to 31.3.2015
M/s MP Windfarms Ltd	a joint venture company in collaboration with IREDA, Government of Madhya Pradesh and M/s Consolidated Energy Consultant Pvt Ltd.	No dividend received from the company during the current year as well as previous year.

19. REMUNERATION OF DIRECTORS

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

(Amount in Rupees)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)	Company Secretary
Salary & allowances	21,12,867 (1,84,125)	1,893,564 (2,651,011)	5,48,177 (52,45,766)	14,34,914 (14,46,405)
Medical allowance	79,570 (6,370)	71,030 (68,960)	20,137 (77,450)	51,070 (49,580)
Provident Fund	2,28,662 (16,604)	206,208 (177,360)	63,476 (1,93,454)	1,53,499 (1,40,806)
Superannuation Contribution	1,62,903 (12,859)	1,46,069 (133,022)	43,859 (1,36,123)	1,06,533 (97,011)
Value of perquisites as per Income Tax Act, 1961	4,28,427 (20,350)	4,55,564 (3,74,231)	1,49,924 (3,87,253)	3,33,859 (2,80,540)
Total	**30,12,429 (2,40,308)**	**27,72,435 (3,404,584)**	**8,25,573 (60,40,046)**	**20,79,875 (20,14,342)**

Previous year figures shown within bracket

b) 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.

c) Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

d) Sitting Fees paid to Independent Directors Rs 3,30,000 (Previous year Rs. 1,80,000).

20. REMUNERATION TO AUDITOR

(Amount in Rupees)

Particulars	Statutory Auditor
As Auditor	3,00,000 (2,35,000)
Limited Review Audit	2,00,000 (1,20,000)
Tax Audit	1,20,000 (94,000)
Certification & Other Service	80,000 (50,000)
Fee as Auditor to Tax Free Bonds	NIL (10,00,000)
Total	7,00,000 (14,99,000)

21. DEFERRED TAXES

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India (ICAI), the company has taken credit in the Statement of Profit & Loss 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.

b) In MP Windfarms Ltd- as required by Accounting Standard-22 (AS 22) on Accounting for "Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI), deferred tax assets / liabilities have not been recognized, since in the opinion of the management there is no reasonable certainty that sufficient future income will be available against which these can be realized.

c) Since the Company has resolved that it will not make any withdrawal from the Special Reserve created and being 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. 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 recognized any deferred tax liability on this account.

d) The details of deferred tax assets (net) as on 31st March, 2015 is given below:-

A	Deferred Tax Assets (+)		(Amount in Rs.)
	Arising on account of timing differences:-	**As at 31/3/2015**	**As at 31/3/2014**
	▪ Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit ,	3,80,55,646	4,40,73,310
	▪ Provision for Bad & Doubtful Debts & Standard Assets	55,62,78,813	53,35,70,453
	Total – A	59,48,34,459	57,76,43,763
B	Deferred Tax Liabilities (-)		
	▪ Depreciation	2,50,24,709	3,56,94,809
	▪ Stamp duty paid but not debited to Statement of Profit & Loss	0.00	(-) 29,56,992
	Total – B	2,50,24,709	3,27,37,817
	Deferred Tax Asset (+)/Liability (-) (A-B)	56,93,09,750	54,49,05,946
	Deferred Tax Asset	56,93,09,750	54,49,05,946

22. DISCLOSURE OF PRIOR-PERIOD ITEMS

(Amount in Rs.)

Particulars	2014-15	2013-14
Salary and Wages	-.	1,51,508 Dr.
Business promotion	91,149 Dr.	31,460 Dr.
IHC Maintenance Expenses	-	7,94,170 Dr.
Business Promotion	-	50,000 Dr.
Service tax	65,437 Dr.	34,63,710 Dr.
GBI Application Fees	-	9,949 Cr.
Depreciation	-	33,300 Dr.
Wages-others	84,861 Cr.	-
Internet Connectivity	22,945 Dr.	-
Tour Advance Adjustment	1,04,419 Dr.	-
Term Loan Dues	7,02,440 Dr.	-
Amount Received from MNRE	2,65,402 Cr.	-
Security Charges	2,21,660 Dr.	-
Settlement of Imprest Advance	36,456 Dr.	-
Staff Welfare Expenses	72,416 Dr.	-
Staff Welfare Expenses (foundation day arrangements)	50,000 Dr.	-
InttAccd. & Due - Cogeneration	2,58,850 Cr.	-
InttAccd. But not Due on Bonds	3,63,698 Cr.	-
Performance incentive payable	1,22,721 Dr.	-
Total (Net Dr./Cr.)	**5,16,832 Dr.**	**45,14,199 Dr.**

23. The annual accounts have been compiled based revised accounting policies which were necessitated due to changes in The Companies Act, 2013, changes in the foreign exchange derivatives transactions and elaborate disclosure of prudential norms relating to income recognition, assets classification and provisioning etc. However, the said changes in the accounting policy do not have any financial implication on the statement of Profit & Loss Account and Balance sheet.

24. ADDITIONAL INFORMATION

a) **Expenditure in Foreign Currency:**

- On Traveling Rs. 5,69,336 (Previous year: Rs. 8,51,597)
- Interest expenses:- Rs. 43,34,99,764 (Previous year Rs. 39,43,63,917) which exclude hedging cost in Rs. 226,82,98,485 (Previous Year: Rs. 1,92,96,75,413)

b) **Earnings in Foreign Exchange:**

- Interest Rs. 1,54,00,139 (Previous year: Rs. 1,31,76,800)

c) M/s KfW paid Rs. 41,485,381.09 (previous year: Rs. NIL) directly to consultants (Abroad) hired under TA programme under Direct Disbursement Procedures against Technical Assistance Programme (TAP) of EURO 1.5 Million sanctioned to IREDA in respect of KFW II & KFW IV lines of credit for expert services /assignments, capacity building and training programme etc.

25. 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.

26. **Generation Based Incentives (GBI) and Capital Subsidy Scheme, MNRE**

IREDA is a Fund Administrator on behalf of MNRE for distribution of Generation Based Incentive and Capital Subsidy for Wind and Solar Sectors. Under these schemes, specific fund amount is provided by MNRE to IREDA for the purpose of disbursement of the same to the GBI claimants as per the scheme of MNRE. Therefore, essentially, the activity is receipt and utilization of funds. For any further release of GBI funds, IREDA is required to submit the Utilization Certificate along with audited statement of expenditure duly certified by a Chartered Accountants. The said requirement is fully complied with by IREDA and nothing further has been required by MNRE so far. The statutory auditors have audited the balances in fund account and not audited the accounts of Scheme. Specific audit of GBI Scheme will be got audited separately.

27. SUBSIDY

(a) **Interest Subsidy**

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to borrowers implementing MNRE programmes of 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 passed on to the borrowers on quarterly basis subject to complying with the terms and conditions of the sanction by these borrowers.

The undisbursed interest subsidy as on 1-4-2014 was Rs 9,63,518 (Previous year: Rs. 16,32,938) and the company received during the year Rs Nil (Previous year: Rs. Nil). Out of this, a sum of Rs 9,45,906 (Previous year: Rs. 25,96,456) 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 Nil. (Previous year: Rs. Nil) has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-3-2015 stands at Rs (-) 19,09,424 (Previous year: Rs. (-) 9,63,508).

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2015 are as under:-

(i) Interest subsidy on NPV basis:-

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 01.04.2014	Interest Subsidy received during 2014-15	Amount refunded during 2014-15	Interest Subsidy passed on during 2014-15	Closing Balance as on 31-03-2015
1	Bio-mass Co-generation	2,26,98,740 (2,53,02,662)	0 (0)	0 (0)	9,45,906 (26,03,922)	2,17,52,834 (2,26,98,740)
2	Small Hydro	1,82,667 (1,82,667)	0 (0)	0 (0)	0 (0)	1,82,667 (1,82,667)
	Sub Total....A	**2,28,81,407 (2,54,85,329)**	**0 (0)**	**0 (0)**	**9,45,906 (26,03,922)**	**2,19,35,501 (2,28,81,407)**

(ii) Interest subsidy on actual basis:-

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 01.04.2014	Subsidy received during 2014-15	Amount refunded during 2014-15	Interest received on FDR	Subsidy passed/ adjusted during 2014-15	Closing Balance as on 31-03-2015
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	-51,35,405 (-)(51,35,405)	0 (0)	0 (0)	0 (0)	0 (0)	-51,35,405 (-51,35,405)
3	SPV WP 2001-02	-1,36,02,787 (-)(1,36,02,787)	0 (0)	0 (0)	0 (0)	0 (0)	-1,36,02,787 (-)(1,36,02,787)
4	SPV WP 1999-00	-6,84,937 (-)(6,84,937)	0 (0)	0 (0)	0 (0)	0 (0)	-6,84,937 (-)(6,84,937)
5	SPV WP Manufacturing	-2,96,898 (-)(2,96,898)	0 (0)	0 (0)	0 (0)	0 (0)	-2,96,898 (-)(2,96,898)
6	SPV WP 2002-03	-41,38,701 (-)(41,38,701)	0 (0)	0 (0)	0 (0)	0 (0)	-41,38,701 (-)(41,38,701)
7	Accelerated SWH System	9,851 (2,385)	0 (0)	0 (0)	0 (0)	0 (-) (7,466)	9,851 (9,851)
	Sub Total.....B	-2,38,44,925 (-)(2,38,52,391)	0 (0)	0 (0)	0 (0)	0 (-) (7,466)	-2,38,44,925 (-)(2,38,44,925)
	Grand Total (A + B)	-9,63,518 (16,32,938)	0 (0)	0 (0)	0 (0)	9,45,906 (25,96,456)	-19,09,424 (-)(9,63,508)

Previous year figures shown within bracket

(b) Capital subsidy

During the year an amount of Rs Nil. (Previous year: Rs. 24,40,50,000) was received from MNRE towards Capital Subsidy. Out of the total capital subsidy amount available, Rs Nil (Previous year: Rs. 24,40,50,000) was passed on to the borrowers on compliance of the terms and conditions of the capital subsidy scheme.

(c) During the year, an amount of Rs. 68,27,907/- net of service tax was received (Previous year Nil) on account of capital subsidy disbursed.

28. NCEF FUNDS

During the year, Ministry of New and Renewable Energy had provided an amount of Rs.200,00,00,000 (previous year Rs. 100,00,00,000)from National Clean Energy Fund (NCEF) as grant to provide re-finance at concessional rates of interest to scheduled commercial banks/financial institutions in respect of their lending to renewable energy projects. The said amount of Rs. 200,00,00,000 is lying undisbursed in separate bank account pending modification in the Scheme by MNRE to provide concessional funds to needy projects.

29. Debenture Redemption Reserve

In terms of Rule 18 (7) (b) (ii) of The Companies Act 2013, the company is required to create a Debenture Redemption Reserve (DRR) upto 25% of the bonds issued through public issue. The Company has made a provision for DRR, so as to achieve the required amount over the respective tenure of the Tax Free Bonds (Series-XIII) issued. Accordingly a sum of Rs.13,82,30,000/- (Previous Year. Rs.13,82,30,000) has been provided during the year.

30. IMPAIRMENT OF ASSETS

Fixed Assets possessed by the company are treated as "Corporate Assets" and not "Cash Generating Units" as on March 31, 2015 as defined by Accounting Standard 28 (Impairment of Assets) issued by the Institute of Chartered Accountants of India (ICAI).

Further, in view of the nature of the assets held and the rates of depreciation applied there to, in the opinion of the management, there is no further impairment which needs to be provided for.

31. SEGMENT ACCOUNTING

The company operates in India, hence it is considered to operate only in domestic segment. Major revenue for the company comes from a single segment of financing activities as such considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).

32. All MNRE funds have been transferred in IREDA books of accounts and shown under the current assets- Cash and Bank Balances under Saving Bank account and corresponding liability shown under Other Current liabilities.

33. In case of MP Windfarm, the O&M Charges for WEGs of M/s. NEPC India Ltd & M/s. Windgen India P Ltd. has not been accounted for since the matter is pending under litigation.

34. In case of MP Windfarm, in 2012-13 M/s NEPC India Ltd, proposed before the Court for settlement of amount due up to 31.08.2002 in terms of the arbitration award dated 02.09.2002, but failed to fulfill its proposed settlement in full. Part settlement received is yet not recognized as revenue and is kept as credit deposit in the name of NEPC India Ltd. pending recovery proceedings at Dewas Court.

35. In case of MP Windfarm liability for gratuity payable upto the year end has been worked out to be Rs. 34,54,00,000/- (Previous Year Rs. 31,04, 00,000). Provision for the same has not been made as required by AS-15. The gratuity would be charged to Statement of Profit & Loss Account when payable..

36. 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.

37. THE DISCLOSURES UNDER RBI GUIDELINES ARE AS UNDER (IREDA ONLY)

a.	Capital to Risk Assets Ratio (CRAR)	23.14% (23.79%)
b.	Exposure to Real Estate Sector (Direct and Indirect)	17,91,30,420 (0)

c. Maturity Pattern of Assets & Liabilities

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years
Loan Assets	12,25,83,04,007 (10,93,55,13,144)	21,24,75,10,230 (16,41,27,47,387)	19,13,60,06,333 (17,40,77,98,502)
Foreign currency assets	2,11,83,31,519 (2,61,17,45,764)	29,06,56,460 (26,37,48,506)	35,31,84,388 (32,03,36,010)
Total Assets	**14,37,66,35,526** **(13,54,72,58,908)**	**21,53,81,66,690** **(16,67,64,95,893)**	**19,48,91,90,721** **(17,72,81,34,512)**
Rupee liabilities	47,57,39,060 (32,78,62,240)	87,42,96,460 (83,51,88,506)	5,43,68,24,388 (1,89,17,76,010)
Foreign currency liabilities	2,68,02,97,363 (2,84,72,46,235)	6,18,63,95,062 (4,68,29,84,657)	5,65,14,67,411 (3,06,72,44,869)
Total liabilities	3,15,60,36,423 (3,17,51,08,475)	7,06,06,91,522 (5,51,81,78,163)	11,08,82,91,799 (4,95,90,20,879)

Items	More than 5 years upto 7 years	More than 7 years	Total
LoanAssets	17,32,93,56,762 (16,32,56,72,641)	19,09,83,74,378 (21,59,76,71,484)	89,06,95,51,710 (82,67,94,03,158)
Foreign currency assets	31,10,38,714 (38,93,95,696)	0 (10,68,43,409)	3,07,32,11,081 (3,69,20,69,385)
Total Assets	**17,64,03,95,476** **(20,22,40,68,337)**	**19,09,83,74,378** **(21,70,45,14,892)**	**92,14,27,62,791** **(86,37,14,72,543)**
Rupee liabilities	1,96,54,36,342 (5,85,27,66,734)	18,09,63,71,000 (18,14,79,36,000)	26,84,86,67,250 (27,05,55,29,490)
Foreign currency liabilities	3,41,26,35,026 (2,56,59,32,419)	29,67,21,85,612 (26,20,59,31,113)	47,60,29,80,474 (39,36,93,39,293)
Total liabilities	5,37,80,71,368 (8,41,86,99,153)	47,76,85,56,612 (44,35,38,67,113)	74,45,16,47,724 (66,42,48,68,783)

As per our Report of even date

For Jain Chopra & Co
Chartered Accountants
ICAI Regn. No. 002198N

Ashok Chopra
Partner
Membership No. 017199

S K Bhargava
Director (Finance)
DIN No. 01430006

K S Popli
Chairman and
Managing Director
DIN No. 01976135

Surender Suyal
Company Secretary

Place : New Delhi
Date : 26.08.2015

AUDITORS' REPORT

To
The Members of
Indian Renewable Energy Development Agency Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Indian Renewable Energy Development Agency Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

1. In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 the Company as at March 31, 2014;

   b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

   c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

2. We draw attention to : Note-4 relating to Long

Term Borrowings- non-disclosure of applicable rate of interest on borrowings in foreign currency as required by guidance note on the Revised Schedule VI to the Companies Act, 1956 issued by ICAI.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended)("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 purpose 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 those books.

   c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;

   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.

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

Place: New Delhi
Date: 14.08.2014

Ramesh Koul
Partner
M. No. 077804

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Indian Renewable Energy Development Agency Limited, on the financial statements for the year ended on 31st March 2014.)

(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) Based on the audit procedures applied by us and 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 31st March,2014 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 31st March, 2014.

Name of statute	Nature of Dues	Amount (₹)	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	5,17,00,000	Assessment Year 2004-05	Income Tax Appellate Tribunal

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 on 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) Based on 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) Based on the audit procedures performed and the information and explanations given to us by the management, 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 a) taxable bonds in the nature of debentures aggregating to Rs. 500,00,00,000/- which are secured by negative lien on book debts of the Company ,in favour of Trustees of bonds and

b) tax free bonds in the nature of secured, redeemable, non-convertible debentures aggregating to Rs. 757,65,46,000/-which are secured by paripassu charge on book debts of the Company in favour of Trustees of bonds.

(xx) According to the information and explanations given to us, the Company has issued

a) Taxable bonds of Rs. 500,00,00,000/-on private placement basis and

b) Tax free bonds of Rs. 721,65,46,000/- by way of public issue and Rs. 36,00,00,000/- on private placement basis aggregating to Rs. 757,65,46,000/-

The proceeds of the said bonds issued during the year aggregating to Rs. 1257,65,46,000/- have been utilized for the objects of the issue and the same has been verified by us.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Place: New Delhi
Date: 14.08.2014

Ramesh Koul
Partner
M. No. 077804

GIANENDER & ASSOCIATES
Chartered accountants
Plot No. 6, Site No. 21,
Geeta Mandir Marg
New Rajinder Nagar, Delhi-110060

Fax No. 011-42412008
E-mail: gka_ma@yahoo.com

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, 2014 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 resolved on 6th May, 2014 that the Company will not accept public deposit during the financial year 2014-15 without prior approval of the Reserve Bank of India;

3. The company has not accepted any public deposits during the year ended on 31st March, 2014;

4. The company has complied with the prudential norms relating to income recognition, asset classifications and provisioning for the bad and doubtful debts as approved by the Board of Directors of IREDA in terms of Article of Association. The Company has also complied with the Accounting Standards as per the Companies (Accounting Standards) Rules, 2006.

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

Ramesh Koul
Partner
M. No. 077804

Place: New Delhi
Dated: 24.09.2014

IS/ISO 9001:2008 Certified

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Balance Sheet as at 31.03.2014

Particulars	Note No.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	7,446,000,000	6,996,000,000
(b) Reserves and Surplus	3	12,882,615,004	9,887,516,807
(2) Share Application Money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowing	4	63,310,760,307	49,166,319,039
(b) Other long-term liabilities	5	-	372,243
(c) Long-term provisions	6	462,690,790	292,082,159
(4) Current liabilities			
(a) Short-term borrowing	7	1,153,692,926	-
(b) Trade payables	8	167,793,115	125,584,564
(c) Other current liabilities	9	4,809,385,749	2,923,919,654
(d) Short-term provisions	10	3,373,405,401	2,539,318,831
TOTAL		93,606,343,292	71,931,113,297
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	11		
(i) Tangible assets		364,101,538	393,274,127
(ii) Intangible assets		7,082,125	8,274,705
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		558,710	1,478,165
		371,742,373	403,026,997
(b) Non-current investments	12	1,200,000	1,200,000
(c) Deferred tax assets (Net)	28	544,905,946	776,637,372
(d) Long-term loans and advances	13	74,912,358,425	56,538,299,764
(e) Other non-current assets	14	1,080,323,622	1,193,895,862
(2) Current assets			
(a) Trade Receivable	15	1,686,923	553,120
(b) Cash and bank balances	16	5,068,672,622	1,148,280,182
(c) Short-term loans and advances	17	11,488,423,033	11,766,011,403
(d) Other current assets	18	137,030,348	103,208,597
TOTAL		93,606,343,292	71,931,113,297
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 47		

As per our Report of even date
For Giancnder & Associates
Chartered Accountants
ICAI Regn. No. 004661N

Ramesh Koul
Partner
Membership No. 077804

S K Bhargava
Director (Finance)

K S Popli
Chairman and Managing Director

Place : New Delhi
Date : 14.08.2014

Surender Suyal
Company Secretary

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Statement of Profit and Loss for the year ended on 31.03.2014

Particulars	Note No.	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
I. Revenue from operations	19	9,938,633,767	7,190,731,171
II. Other Income	20	46,411,649	104,879,217
III. Total Revenue (I+II)		9,985,045,416	7,295,610,388
IV. Expenses:			
Employee Benefit Expenses	21	211,779,994	182,829,714
Finance Cost	22	4,879,601,310	3,805,989,015
Depreciation and Amortisation Expenses		33,115,583	38,532,938
Other Expenses	23	118,977,358	109,250,385
Bad Debts Written Off		988,016,676	107,982,517
Provision for Bad and Doubtful Debts		191,308,584	469,821,571
General Provision for Standard Assets		154,665,459	42,547,350
		6,577,464,964	4,756,953,490
V. Profit before Exceptional & extrordinery items and tax (III-IV)		3,407,580,452	2,538,656,898
VI. Add+/Less(-) Prior Period Adjustments (Net)		(4,514,199)	(32,896,081)
VII. Add+/Less(-) Exceptional items		-	-
VIII. Profit before tax (V-VI)		3,403,066,253	2,505,760,817
IX. Tax Expenses			
(1) Current Tax		766,200,000	830,000,000
(2) Income Tax- Earlier Years		-	(157,504,358)
(3) Deferred Tax		231,731,426	(193,185,371)
X. Profit for the period (VII-VIII)		2,405,134,827	2,026,450,546
XI. Earning per Equity Share:	27		
(1) Basic		327.29	300.90
(2) Diluted		-	-
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 47		

As per our Report of even date

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

Ramesh Koul Partner Membership No. 077804	**S K Bhargava** Director (Finance)	**K S Popli** Chairman and Managing Director

Place : New Delhi
Date : 14.08.2014

Surender Suyal
Company Secretary

NOTE '1'

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 principal has remained overdue for a period of 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 Statement of Profit and Loss 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 loans where Currency and Interest Rate Swap (CIRS) transactions have been made with banks, 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 Statement of Profit and Loss and accounted as per Accounting Standard (AS)-11 on "The Effects of Changes in Foreign Exchange Rates (revised 2003)" issued by the Institute of Chartered Accountants of India (ICAI).

ii. The transactions in foreign currency loans, 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 Statement of Profit and Loss.

(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 insurance company.

(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 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 prescribed by RBI for 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 Statement of Profit and Loss 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 Statement of Profit and Loss.

(b) Contribution to benevolent fund is made in accordance with IREDA Employees Benevolent Fund Scheme and is recognized as an expense and charged to Statement of Profit and Loss.

(c) Contribution to Superannuation Fund made in accordance with Employees Defined Contribution Superannuation Scheme is recognized as an expense and charged to Statement of Profit and Loss.

(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, 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 any liability is recognized only when it is virtually certain that the reimbursement will be received.

Notes on Financial Statements for the year ended 31st March, 2014

NOTE- '2'
SHARE CAPITAL

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Authorised 10,000,000 (Previous year 10,000,000) Equity Shares of Rs. 1,000 each	**10,000,000,000**	10,000,000,000
Issued, Subscribed & Fully Paid up		
7,446,000 (Previous Year 6,996,000) Equity Shares of Rs. 1,000 each fully paid up	**7,446,000,000**	6,996,000,000
Total	**7,446,000,000**	6,996,000,000

RECONCILIATION OF EQUITY SHARES

Particulars	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
	2013-14		2012-13	
Shares outstanding as on 1st April	**6,996,000**	**6,996,000,000**	6,396,000	**6,396,000,000**
Shares issued during the year	**450,000**	**450,000,000**	600,000	**600,000,000**
shares bought back during the year	-	-	-	-
Shares outstanding as on 31st March	**7,446,000**	**7,446,000,000**	6,996,000	**6,996,000,000**

Foot Notes:

(i) 100% Equity Shares are held by Government of India.

(ii) Equity Shareholders have full voting rights with no restrictions.

(iii) All the Equity Shares are fully paid up in cash.

NOTE- '3'
RESERVES & SURPLUS

Particulars		As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
a.	**Capital Reserves**		
i.	**Capital Grant from world bank for purchase of Fixed Assets**		
	Opening Balance	**1,937,307**	3,023,237
	(-) Transferred to Miscellaneous Income	**590,130**	1,085,930
	Closing Balance	**1,347,177**	1,937,307
ii.	**Grant-in-aid from Government of Netherlands**	**167,858,986**	167,858,986
iii.	**Grant-in-aid from World Bank**	**839,484,095**	839,484,095
iv.	**Other Capital Grant**	**60,144,000**	60,144,000
v.	**IREDA-National Clean Energy Fund (NCEF)**	**1,000,000,000**	-
vi.	**Securities Premium**	**36,000**	-
		2,068,870,258	1,069,424,388
b.	**Special Reserve**		
	(under Section 36(1)(viii) of the Income Tax Act, 1961)		
	Opening Balance	**3,361,929,145**	2,799,180,145
	(+) Addition during the year	**514,115,000**	562,749,000
	Closing Balance	**3,876,044,145**	3,361,929,145
c.	**NBFC Reserve**	**-**	67,933,276
	(under Section 45-1C of the RBI Act, 1956)		
d.	**Debenture Redemption Reserve**	**138,230,000**	-
e.	**General Reserve**		
	Opening Balance	**5,385,631,990**	4,235,631,990
	(+) Addition during the year	**1,340,000,000**	1,150,000,000
	(+) Transfer from NBFC Reserve	**67,933,276**	-
	Closing Balance	**6,793,565,266**	5,385,631,990
f.	**Profit & Loss Account**		
	Opening Balance	**2,598,008**	10,632,712
	(+) Net Profit for the current year	**2,405,134,827**	2,026,450,546
	(-) Proposed Dividend	**350,000,000**	275,000,000
	(-) Corporate Dividend Tax	**59,482,500**	46,736,250
	(-) Transfer to Special Reserve	**514,115,000**	562,749,000
	(-) Transfer Debenture Redeumption Reserve	**138,230,000**	-
	(-) Transfer to General Reserve	**1,340,000,000**	1,150,000,000
	Closing Balance	**5,905,335**	2,598,008
	Total	**12,882,615,004**	9,887,516,807

NOTE- '4'
LONG TERM BORROWINGS

Particulars	Terms of Repayment	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
A. Bonds			
I) Tax Free Bonds - Non Convertable Redemable Debentures (Secured by paripassu charge on book debts of the company except series XI.)			
(i) 8.80% Tax free Bonds (Series XIII Tranche-I-IIIB- 2013-14)	Redeemable at par on 13-03-2034	**1,441,642,000**	-
(ii) 8.55% Tax free Bonds (Series XIII Tranche-I-IIIA- 2013-14)	Redeemable at par on 13-03-2034	**388,123,000**	-
(iii) 8.56% Tax free Bonds (Series XIII Tranche-I-IC- 2013-14)	Redeemable at par on 27-03-2029	**360,000,000**	-
(iv) 8.80% Tax free Bonds (Series XIII Tranche-I-IIB- 2013-14)	Redeemable at par on 13-03-2029	**2,345,508,000**	-
(v) 8.55% Tax free Bonds (Series XIII Tranche-I-IIA- 2013-14)	Redeemable at par on 13-03-2029	**1,230,769,000**	-
(vi) 8.16% Tax free Bonds (Series XIII Tranche-I-IA- 2013-14)	Redeemable at par on 13-03-2024	**757,590,000**	-
(vii) 8.41% Tax free Bonds (Series XIII Tranche-I-IB- 2013-14)	Redeemable at par on 13-03-2024	**1,052,914,000**	-
(viii) 5.50% Tax free Secured Redeemable Energy Bonds (Series XI- 2003-04)	Redeemed in 2013-14	-	350,000,000
Less: Current Maturity		-	350,000,000
		-	-
II) Taxable Bonds - Non Convertable Redemable Debentures (Secured by negative lien on Book Debts of the company.)			
(i) 8.49% Taxable Bonds (Series VB- 2013-14)	Redeemable at par on 10-05-2028	**2,000,000,000**	-
(ii) 9.02% Taxable Bonds (Series III- 2010-11 - Tranche-I)	Redeemable at par on 24.09.2025	**2,500,000,000**	2,500,000,000
(iii) 8.44% Taxable Bonds (Series VA- 2013-14)	Redeemable at par on 10-05-2023	**3,000,000,000**	-
(iv) 9.49% Taxable Bonds (Series IV- 2012-13)	Redeemable at par on 04.06.2022	**3,000,000,000**	3,000,000,000
(v) 8.87% Taxable Bonds (Series III- 2010-11 - Tranche-II)	Redeemable at par on 24.09.2020	**1,500,000,000**	1,500,000,000
(vi) 8.85% Taxable Bonds (Series II- 2009-10)	Redeemable at par on 13.01.2020	**1,500,000,000**	1,500,000,000
(vii) 9.60% Taxable Bonds (Series I- 2008-09)	Redeemable at par on 24.2.2019	**1,000,000,000**	1,000,000,000
Total of Bonds		**22,076,546,000**	9,500,000,000

Particulars	Terms of Repayment	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
B. Term Loans - Secured			
a. From Banks			
(i) Bank of Baroda (INR Loan) Less: Current Maturity (Secured by US$ deposit with BOB London)	Interest @ BLR (Floating), Repayment on half yearly basis in remaining 13 Installments ranging between Rs. 554,00,322/- to Rs. 96,126,342/-	**978,983,490** **113,572,240** **865,411,250**	1,082,069,708 103,086,218 978,983,490
(ii) OBC Term Loan-III Less: Current Maturity (Secured by pari-passu charge on the Book Debts)	Repaid in 2013-14	- - -	140,527,946 140,527,946 -
(iii) Dena Bank Term Loan-I Less: Current Maturity (Secured by pari-passu charge on the Book Debts)	Repaid in 2013-14	- - -	71,000,000 71,000,000 -
(iv) Union Bank of India Term Loan-II Less: Current Maturity (Secured by pari-passu charge on the Book Debts)	Interest @ BLR+0.25% i.e 10.50% (Floating), Repayment on quarterly basis starting from 09.09.2014 in 27 Installments of Rs. 71,430,000/- each and 1 installment of Rs 71,390,000/-	**2,000,000,000** **214,290,000** **1,785,710,000**	2,000,000,000 - 2,000,000,000
(v) Asian Development Bank (ADB) Less: Current Maturity (Secured by pari-passu charge on the Book Debts and Guaranteed by the Government of India)	Repayment on half yearly basis in remaining 15 Installments ranging between US$ 1,227,300 to US$ 2,428,269	**1,197,582,087** **113,572,240** **1,084,009,847**	1,300,318,051 103,086,218 1,197,231,833
b. From Others			
(i) Small Industrial Development Bank of India (Secured by pari-passu charge on the Book Debts)	Interest @ 10.25% (Floating), repayable on 28.12.2019	**2,000,000,000**	2,000,000,000
(ii) Loan from NCEF Less: Current Maturity	Interest @ 2%, repayable in 40 equal quaterly instalments starting from 30.6.2015 of Rs 15,25,000/- each.	**61,000,000** - **61,000,000**	- - -
C. Term Loans - Unsecured			
a. From Banks			
(i) Nordic Investment Bank (NIB) Less: Current Maturity	Repayment on half yearly basis in remaining 10 Installments of US$ 3,571,428.58 each & 1 installment of US$ 3,571,428.46	**1,787,609,610** **325,019,930** **1,462,589,680**	2,111,164,720 324,794,572 1,786,370,148
(ii) KFW Loan-I Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis in remaining 19 Installments of Euro 586,451.79 each ; 32 installments of EURO 586,963.08 each and 1 installment of EURO 586,963.06	**1,905,308,054** **73,240,556** **1,832,067,498**	1,978,548,610 73,240,556 1,905,308,054
(iii) KFW Loan-II Less: Current Maturity (Guaranteed by the Government of India)	Repayment on half yearly basis in remaining 12 Installments of Euro 2,858,000 each & 1 installment of Euro 4,272,000	**2,498,931,869** **370,356,113** **2,128,575,756**	2,873,862,030 370,946,513 2,502,915,517

Particulars	Terms of Repayment	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(iv) KFW Loan-III (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 30.06.2020 in 9 Installments of Euro 332,000 each & 51 installments of Euro 333,000 each	**1,233,594,437**	1,233,594,436
(v) KFW Loan-IV	Repayment on half yearly basis starting from 30.06.2014 in 16 Installments of Euro 11,111,000 each & 2 installments of Euro 11,112,000 each	**3,758,395,207**	1,509,480,817
Less: Current Maturity		**1,719,481,158**	-
(Guaranteed by the Government of India)		**2,038,914,049**	1,509,480,817
(vi) International Bank for Reconstruction and Development (IBRD)	Repayment on half yearly basis in remaining 13 Installments ranging between US$ 1,856,900 to US$ 2,651,500	**1,309,381,250**	1,470,163,883
Less: Current Maturity		**170,451,488**	160,782,632
(Guaranteed by the Government of India)		**1,138,929,762**	1,309,381,251
b. From Others			
(i) Agence Francaise De Developpement (AFD) (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 31.07.2016 in 30 installments of Euro 2,333,333.33 each	**4,804,415,996**	4,804,415,996
(ii) Japan International Corporation Agency (JICA) (Guaranteed by the Government of India)	Repayment on half yearly basis starting from 20.6.2021 in 1st installment of Yen 731,720,000 and 40 Installments of Yen 731,707,000 each.	**18,132,067,407**	15,957,125,685
(iii) Government of India Against International Development Agency (IDA) - Second Renewable Energy Project (INR Loan)	Repayment on half yearly basis in remaining 13 Installments of US$ 625,000 each and 30 installments of US$ 1,250,000 each payable in INR	**2,206,881,250**	2,267,231,564
Add: Liability due to underlying exchange fluctuation		**535,172,125**	282,266,873
(Refer foot note '3')		**2,742,053,375**	2,549,498,437
Less: Current Maturity		**75,124,750**	67,986,625
		2,666,928,625	2,481,511,812
Total		**63,310,760,307**	49,166,319,039

Foot Notes:

(1) All foreign currency borrowings from various multilateral / bilateral agencies (hedged) viz. ADB, IBRD, NIB, KfW, AFD and JICA have been converted into INR loan by way of plain vanilla swap transaction/currency and interest rate swap entered into with various banks with whom IREDA has signed ISDA Master Agreement. These swap/derivative transactions have been entered into with the participating bank for a different maturity period for each transaction which is shorter from the maturity period of the loan. The hedging of the foreign currency loan has been carried out at various intervals and in multiple tranches of drawl against the line of credit. Due to SWAP/hedging of foreign currency loans, in addition to interest cost, these loans carry, hedging/derivative cost, commitment fee, government guarantee fee and other financial charges and due to multiplicity of the trenches of drawl against the line of credit, the applicable rate of interest on these lines of credit has not been disclosed above.

(2) In respect of the line of credits against which IREDA has drawn the amount but which remain un-hedged as on 31.03.2014, the amount has been converted into INR as per Significant Accounting Policy No. 3

(3) IDA – II loan was sanctioned by International Development Association (IDA) to Ministry of New and Renewable Energy (MNRE), Government of India in foreign currency which was passed on to IREDA in Indian Rupees by MNRE through budgetary support on the same (IDA) terms and conditions based on Subsidiary Loan Agreement (SLA) signed between MNRE and IREDA. The repayment of the said loan by IREDA to MNRE has to be made in INR equivalent to US$ on date of payments. Accordingly, in compliance of Accounting Standards issued by Institute of Chartered Accountants of India, loan liability has been recomputed to account for underlying impact of foreign exchange fluctuation on the outstanding loan as on 31st March, 2014 by debiting Statement of Profit and Loss (refer Note 22) by an amount of Rs. 25,29,05,252/- (previous year Rs 18,52,66,873 inclusive of Rs 3,38,76,284 debited to Prior period and transfer from ERAF Trust of Rs 9,70,00,000/-.)

NOTE- '5'
OTHER LONG TERM LIABILITIES

Particulars		As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(a)	Trade Payable	-	-
(b)	Others		
	MNRE Interest Subsidy Payable	-	372,243
	Total	-	372,243

NOTE- '6'
LONG TERM PROVISIONS

Particulars		As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(a)	Provision for Employees' Benefits	**56,663,476**	41,675,134
(b)	Provision for Standard Assets	**406,027,314**	250,407,025
	Total	**462,690,790**	292,082,159

Foot Note

Provision for standard assets includes floating provision of Rs.233,350,793 as per prudential norms of IREDA.

NOTE- '7'
SHORT TERM BORROWINGS

Particulars		As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(i)	Vijaya Bank	**998,432,732**	-
(ii)	Union Bank of India	**155,260,194**	-
	Total	**1,153,692,926**	-

Note: During the year Overdraft facility with Bank of India for Rs 148,00,00,000 & Vijaya Bank for Rs 100,00,00,000 were renewed and Rs 100,00,00,000/- overdraft facility was obtained from Union Bank of India

NOTE- '8'
TRADE PAYABLE

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Trade Payable	**167,793,115**	125,584,564
Total	**167,793,115**	125,584,564

NOTE- '9'
OTHER CURRENT LIABILITIES

	Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(a)	Current Maturity of Long Term Debts	**3,175,108,475**	1,765,451,280
(b)	Interest accrued but not due on borrowing	**1,462,149,990**	1,004,355,977
(c)	Others Payable		
	Provident Fund Payable	**2,145,434**	1,923,046
	MNRE Programme Funds	**95,680,357**	98,598,969
	MNRE Co Generation Specific Grant	**2,790,182**	2,790,182
	National Hydrogen Energy Board	**432,018**	415,242
	MNRE Interest Subsidy Payable	**623,156**	4,888,813
	National Wind Energy Mission	**62,783**	-
	Other Liabilities	**70,393,354**	45,496,145
	Total	**4,809,385,749**	2,923,919,654

NOTE- '10'
SHORT TERM PROVISIONS

	Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(a)	Provision for Employees' Benefits	**12,271,971**	10,329,847
(b)	**Others**		
	Provision Income-tax	**2,845,127,707**	2,078,927,707
	Proposed Dividend	**350,000,000**	275,000,000
	Corporate Dividend Tax	**59,482,500**	46,736,250
	Provision for Standard Assets	**23,205,878**	24,160,708
	Provision for Corporate Social Responsibility Fund	**56,787,811**	64,376,904
	Provision for Sustainable Development Fund	**3,942,260**	3,942,260
	Other Provisions	**22,587,274**	35,845,155
	Total	**3,373,405,401**	2,539,318,831

NOTE- '11'
FIXED ASSETS

Amount in Rs.

Particulars	GROSS BLOCK					Depreciation					NET BLOCK	
	Opening Balance as at 1.4.2013	Additions during the year	Disposals during the year	Adjustments during the year	As at 31.03.2014	Opening up to 1.4.2013	For the year	Disposal during the year	Adjustments during the year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
(i) Tangible Assets												
Buildings-Residential Leasehold	4,143,149	-	-	-	4,143,149	2,561,003	79,107	-	-	2,640,110	1,503,039	1,582,146
Buildings-Office Leasehold-IHC	43,956,603	-	-	-	43,956,603	17,253,125	1,335,173	-	-	18,588,298	25,368,305	26,703,478
Leasehold-AKB	422,757,821	-	-	-	422,757,821	109,695,398	15,653,121	-	-	125,348,519	297,409,302	313,062,423
Furniture and Fittings	27,684,222	541,783	-	-	28,226,005	14,557,021	2,429,480	-	-	16,986,501	11,239,504	13,127,201
Vehicles	4,213,798	-	-	-	4,213,798	2,354,910	481,267	-	-	2,836,177	1,377,621	1,858,888
Office Equipments	31,118,690	86,926	(258,521)	-	30,947,095	14,261,546	2,348,826	(121,704)	-	16,488,668	14,458,427	16,857,144
Computers	49,446,173	1,019,135	(348,146)	-	50,117,162	29,363,326	8,296,681	(288,185)	-	37,371,822	12,745,340	20,082,847
Library	1,815,194	10,000	-	-	1,825,194	1,815,194	10,000	-	-	1,825,194	-	-
Total A	**585,135,650**	**1,657,844**	**(606,667)**	-	**586,186,827**	**191,861,523**	**30,633,655**	**(409,889)**	-	**222,085,289**	**364,101,538**	**393,274,127**
Previous year	585,739,251	4,955,897	(5,559,498)	-	585,135,650	159,933,489	36,871,416	(4,943,382)	-	191,861,523	393,274,127	425,805,762
(ii) Intangible Assets**												
Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Software	12,935,936	1,322,648	-	-	14,258,584	4,694,531	2,481,928	-	-	7,176,459	7,082,125	8,274,705
Total B	**12,935,936**	**1,322,648**	-	-	**14,258,584**	**4,694,531**	**2,481,928**	-	-	**7,176,459**	**7,082,125**	**8,274,705**
Previous year	8,353,067	4,582,869	-	-	12,935,936	2,999,709	1,661,522	-	-	4,661,231	8,274,705	5,353,358
Total A+B	**598,071,586**	**2,980,492**	**(606,667)**	-	**600,445,411**	**196,556,054**	**33,115,583**	**(409,889)**	-	**229,261,748**	**371,183,663**	**401,548,832**
Previous year	594,092,318	9,538,766	(5,559,498)	-	598,071,586	162,933,198	38,532,938	(4,943,382)	-	196,522,754	401,548,832	431,159,120
(iii) Capital Work In Progress												
Leasehold Office	-				-	-	-	-	-	-	-	
Total C	-	-	-	-	-	-	-	-	-	-	-	-
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Intangible Assets under development												
Software under Development	1,478,165	245,100	(1,164,555.00)		558,710						558,710	1,478,165
Total D	**1,478,165**	**245,100**	**(1,164,555)**	-	**558,710**	-	-	-	-	-	**558,710**	**1,478,165**
Previous year	919,455	558,710	-	-	1,478,165	-	-	-	-	-	1,478,165	919,455
Total A+B+C+D	**599,549,751**	**3,225,592**	**(1,771,222)**	-	**601,004,121**	**196,556,054**	**33,115,583**	**(409,889)**	-	**229,261,748**	**371,742,373**	**403,026,997**
Previous year	595,011,773	10,097,476	(5,559,498)	-	599,549,751	162,933,198	38,532,938	(4,943,382)	-	196,522,754	403,026,997	432,078,575

Included W.D.V. of assets purchased out of grants from World Bank Rs. 1347177/- (Computer Rs 157200/-, Furniture & Fittings Rs 9016/-, Office Equipment Rs 64192/- and Software Rs 1116770/-)

(previous Year - Included W.D.V. of assets purchased out of grants from World Bank Rs. 1937308/- (Computer Rs 266847/-, Furniture & Fittings Rs 11007/-, Office Equipment Rs 75506/- and Software Rs 1583946/-)

** Opening balance of Accumulated depreciation of Intangible assets includes Rs. 33,300/- as depreciation less calculated for the FY 2012-13 as wrong date of put to use was taken while calculating depreciation

NOTE- '12'
NON CURRENT INVESTMENT

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(i) Trade Investment	-	-
(ii) Other Investments		
Investment in Equity Instruments (unquoted)(at cost) 1,68,000 (Previous year 1,68,000) fully paid up Equity shares of Rs.10/- each, including 48,000 equity shares allotted as bonus shares, in MP Wind Farms Ltd, a Joint Sector Company of IREDA (having 24% equity), the M P Urja Vikas Nigam Ltd (having 25% equity) and balance shares by others	**1,200,000**	1,200,000
Less: Provision for diminution in the value of Investment	-	-
	1,200,000	1,200,000
Total	**1,200,000**	1,200,000

NOTE- '13'
LONG TERM LOANS & ADVANCES

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(a) Security Deposits @	**31,501,126**	1,511,528
(b) Loan & Advances to Related Parties	**1,226,800**	1,435,368
(c) Term Loans to Constituents of IREDA		
- Onlending	**70,862,180,484**	54,632,344,812
- Refinancing	**1,000,000,000**	-
Less: Allowance for bad and doubtful Loans	**402,922,383**	224,799,283
	71,459,258,101	54,407,545,529
(d) Interest Accrued but not due on Loans	**10,526,854**	8,846,482
(e) Loans to Employees other than related parties	**24,811,696**	25,306,241
(f) Advance Tax & Other Tax Recoverable	**3,385,003,415**	2,093,520,823
(g) Staff Advances (Not bearing interest)	**30,433**	133,793
Total Loans & Advances of IREDA*	**74,912,358,425**	56,538,299,764
Sub-classification of above :		
Secured (Considered good)		
- Term Loans to Constituents of IREDA	**71,156,823,208**	53,922,649,337
- Interest Accrued and due on Loans	**10,526,854**	8,846,482
- Loans to Employees including related parties	**26,038,496**	26,741,609
Unsecured (Considered good)		
- Term Loans to Constituents of IREDA*	**269,791,523**	178,052,590
- Security Deposits	**31,501,126**	1,511,528
- Advance Tax & Other Tax Recoverable	**3,385,003,415**	2,093,520,823
- Staff Advances (Not bearing interest)	**30,433**	133,793
Doubtful		
- Term Loans to Constituents of IREDA	**435,565,753**	531,642,885
	75,315,280,809	56,763,099,047
Less: Allowance for bad and doubtful Loans	**402,922,383**	224,799,283
GRAND TOTAL	**74,912,358,425**	56,538,299,764
- Due from Directors of the Company included in Loans to related parties	**1,226,800**	1,435,368
- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	**1,505,544**	1,692,270

@ Includes Rs 300,00,000 (previous year nil) as securty deposit with BSE Ltd for Taxfree bonds Sr XIII-Public Issue

* Includes funded interest Rs. 213,567,575 (Previous Year Rs. 178,052,590)

NOTE- '14'
OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Other Bank Balances		
(Refer Note No. 16)		
Foreign Currency Deposits		
- Dollar Deposit		
More than 12 months original maturity	**1,080,323,622**	1,193,895,862
Total	**1,080,323,622**	1,193,895,862

NOTE- '15'
TRADE RECEIVABLE

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(A) Outstanding for a period exceeding six months from the date they are due for payment		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good	-	266,959
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - A	-	**266,959**
(B) Others		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good	**1,686,923**	286,161
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Sub Total - B	**1,686,923**	286,161
Total (A+B)	**1,686,923**	553,120

NOTE- '16'
CASH AND BANK BALANCES

	Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
A)	CASH AND CASH EQUIVALENTS		
(a)	**Balances with Banks**		
A)	**In Current Account**		
	- IREDA	**298,865,070**	740,424,294
	- MNRE	**1,941,014**	1,941,014
B)	**In Saving Account**		
	- IREDA	**42,143,573**	5,766,023
	- UNDP	**5,000**	5,000
	- National Hydrogen Energy Board	**432,018**	415,242
C)	**In Deposit Account**		
	i) INR-Short term Deposit		
	- IREDA	**2,109,598,122**	200,000,002
	- MNRE-GBI Wind	**-**	25,000,000
	(ii) Dollar Deposit		
	Less than 90 days original maturity	**-**	4,500,332
	(iii) Euro Deposit		
	Less than 90 days original maturity	**1,849,749,787**	65,178,817
	(iv) Yen Deposit		
	(a) Less than 90 days original maturity	**646,656,307**	-
	(b) Cheques Under Collection/DD In hand	**3,857,544**	-
	(c) Postage Impress	**30,230**	30,230
(D)	**Bank of India (Overdraft Account)**	**54,287**	-
	Sub Total	**4,953,332,952**	1,043,260,954
B)	OTHER BANK BALANCES		
i)	Foreign Currency Deposits		
	- Dollar Deposit		
	Less than 12 months original maturity	**115,339,670**	103,086,218
	More than 12 months original maturity	**1,080,323,622**	1,193,895,862
	- Euro Deposit		
	Less than 12 months original maturity	**-**	-
ii)	DRT No lien/Other Earmarked Account	**-**	1,933,010
		1,195,663,292	1,298,915,090
Less: Amount disclosed under non-current assets (Refer Note No. 14)		**(1,080,323,622)**	(1,193,895,862)
	Sub Total	**115,339,670**	105,019,228
	Total	**5,068,672,622**	1,148,280,182

NOTE- '17'
SHORT TERM LOANS & ADVANCES

Particulars		As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
A.	**Total Loans & Advances of IREDA**		
(a)	Security Deposits	**34,000**	34,000
(b)	Loan & Advances to Related Parties		
	Loans to related parties	**295,092**	295,093
	Staff Advances (Not bearing interest) to related parties	**69,136**	10926
(c)	Term Loans to Constituents of IREDA*	**11,177,829,202**	12,116,688,736
	Less: Allowance for bad and doubtful Loans	**737,630,989**	1,755,490,393
		10,440,198,213	10,361,198,343
(d)	Interest Accrued and due on Loans	**600,140,696**	744,185,581
(e)	Interest Accrued but not due on Loans	**180,407,615**	144,020,604
(f)	Loans to Employees	**4,697,039**	4,970,943
(g)	Other Staff Advances (Not bearing interest) other than related parties	**3,222,886**	3,388,242
(h)	Advance Tax & Other Tax Recoverable	**162,127,632**	410,678,072
(i)	Others	**5,285,251**	4,969,436
	Sub Total - I	**11,396,477,560**	11,673,751,240
B.	**Total Loans to constituents of MNRE**		
(a)	Loans to constituents of MNRE	**25,476,919**	25,852,105
(b)	Interest Accrued and due on MNRE Loans	**66,468,554**	66,408,058
	Sub Total - II	**91,945,473**	92,260,163
	Total (I+II)	**11,488,423,033**	11,766,011,403
	Sub-classification of above :		
IREDA			
Secured (Considered good)			
	- Term Loans to Constituents of IREDA	**9,191,756,189**	9,691,024,342
	- Interest Accrued and due on Loans	**600,140,696**	744,185,581
	- Interest Accrued but not due on Loans	**180,407,615**	144,020,604
	- Loans to Employees included related parties	**4,992,131**	5,266,036
Unsecured (Considered good)			
	- Term Loans to Constituents of IREDA*	**1,108,643,110**	576,280,586
	- Security Deposits	**34,000**	34,000
	- Staff Advances (Not bearing interest) included related parties	**3,292,022**	3,399,168
	- Advance Tax & Other Tax Recoverable	**162,127,632**	410,678,072
	- Others	**5,285,251**	4,969,436
Doubtful			
- Term Loans to Constituents of IREDA		**877,429,903**	1,849,383,808
		12,134,108,550	13,429,241,633
Less: Provision for bad and doubtful debts (IREDA only)		**737,630,989**	1,755,490,393
		11,396,477,561	11,673,751,240
MNRE			
Doubtful			
	- Term Loans to Constituents of MNRE	**91,945,473**	92,260,163
	GRAND TOTAL	**11,488,423,033**	11,766,011,403
	- Due from Directors of the Company included in Staff Advances & Loans to related parties	**364,228**	306,019
	- Due from other officers of the Company i.e. Company Secretary as per the Companies Act, 1956	**335,940**	335,940

* Includes funded interest Rs.105,05,02,588 (Previous Year Rs. 576,280,586)

NOTE- '18'
OTHER CURRENT ASSETS

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
-Interest accrued but not due on deposits with banks	**9,558,523**	1,900,538
-Others	**127,471,825**	101,308,059
Total	**137,030,348**	103,208,597

NOTE- '19'
REVENUE FROM OPERATIONS

Particulars	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
A. INTEREST		
(i) Interest on Lending Operations	**8,157,829,235**	6,518,042,499
Less : Rebate on Prompt Payment	**16,691,826**	20,802,226
	8,141,137,409	6,497,240,273
(ii) Differential Interest	**15,869,785**	1,385,839
Less: Service Tax	**1,961,505**	152,447
	13,908,280	1,233,392
(iii) Interest on Deposits with Banks		
-Short Term Deposit-INR	**301,613,979**	387,009,725
-US$ Deposit	**7,273,045**	11,860,411
-EURO Deposit	**5,474,951**	4,341,847
-Yen Deposit	**428,804**	447,284
	314,790,779	403,659,267
B. OTHER FINANCIAL SERVICES		
(a) Business Service Fees		
(i) Front end Fee	**151,874,888**	208,426,322
Less: Service Tax	**18,771,736**	22,927,637
	133,103,152	185,498,685
(ii) Application Fee on Loans	**19,572,409**	15,355,203
Less: Service Tax	**2,419,150**	1,689,127
	17,153,259	13,666,076
(iii) Application Fee - Accelerated Depreciation	-	14,378,990
Less: Service Tax	-	1,581,740
	-	12,797,250
(iv) Application Fee - Generation Based Incentive	**187,606,972**	21,161,469
Less: Service Tax	**23,188,222**	2,327,837
	164,418,750	18,833,632
(v) Application Fee - Security Trusteeship	**570,932**	-
Less: Service Tax	**70,567**	-
	500,365	-

Particulars	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
(b) **Business Service Charges**		
Service Charges-MNRE	**40,885**	1,665
Less: Service Tax	**5,053**	183
	35,832	1,482
Service Charges - UNDP Programme Fund	**1,680,696**	762,355
Less Service Tax	**207,734**	83,862
	1,472,962	678,493
Service Charges - Investment Promotion Component	-	61,798
Less Service Tax	-	6,798
	-	55,000
Service Charges - Generation Based Incentive	**19,824,613**	4,731,871
Less Service Tax	**2,450,322**	520,523
	17,374,291	4,211,348
Service Charges - Biogas Feed Fertilizer Plant	**435,046**	167,749
Less Service Tax	**53,772**	18,453
	381,274	149,296
Service Charges - Solar Based Village Electrification Pilot Project	-	448,879
Less Service Tax	-	49,378
	-	399,501
Service Charges - Roof Top and Other Small Solar Power Project	**22,734,342**	16,676,435
Less Service Tax	**2,809,965**	1,834,467
	19,924,377	14,841,968
(c) Provision for Bad and Doubtful Debts created in earlier years written back	**1,031,044,888**	-
(d) Amount received in respect of Bad Debts written off	**27,458,497**	37,465,508
Gurantee Commission	**55,929,652**	-
Total	**9,938,633,767**	7,190,731,171

NOTE- '20'
OTHER INCOME

Particulars	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
Interest on Staff Loan	2,480,549	2,475,343
Dividend (Gross on Long Term Investment)	-	-
Interest on Income Tax Refund	5,874,593	98,917,964
Provision Written Back	3,750,000	-
Applicable Net Gain on Foreign Currency Translations and Transactions	-	1,884,326
Miscellaneous income		
- Transferred from Capital Grant	590,130	1,085,930
- Others	33,716,377	515,654
Total	46,411,649	104,879,217

NOTE- '21'
EMPLOYEE BENEFIT EXPENSES

Particulars		For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
(a)	Salaries, Wages and Other Amenities	**151,480,924**	134,795,278
(b)	**Contribution to Provident and Other Funds**		
	Contribution to Provident Fund	**9,430,245**	8,086,316
	Provident Fund Administrative Charges	**142,209**	121,847
	Contribution to Benevolent Fund	**65,270**	64,980
	Contribution to Superannuation fund	**6,814,038**	6,182,034
	Contribution to Gratuity Fund	**5,086,041**	9,611,611
(c)	Staff Welfare Expenses	**37,090,343**	22,070,595
(d)	Human Resource Development	**1,670,924**	1,897,053
	Total	**211,779,994**	182,829,714

NOTE- '22'
FINANCE COST

Particulars	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
A. Interest Expense		
Interest on Borrowings		
- on Bonds	**1,321,771,015**	867,839,488
- on Loans	**2,854,437,913**	2,483,280,798
	4,176,208,928	3,351,120,286
B. Other Borrowing Costs		
(i) Commitment fee		
- on Loan-II from KfW	-	38,478
- on Loan-III from KfW	**222,185**	473,470
- on Loan-IV from KfW	**28,633,325**	17,454,002
- On Loan from Japan International Corporation Agency (JICA)	**2,073,003**	5,271,348
Guarantee Fee		
- on Loan from International Bank for Reconstruction and Development (IBRD)	**21,186,152**	21,748,783
- on Loan-I from KfW	**26,545,665**	26,609,363
- on Loan-II from KfW	**30,917,317**	32,944,003
- on Loan-III from KfW	**15,797,485**	12,390,507
- on Loan-IV from KfW	**18,059,180**	1,205,100
- on Loan from Asian Development Bank (ADB)	**9,386,970**	9,364,668
- on Loan from Agence Francaise De Developpement (AFD)	**58,608,610**	29,639,588
- on Loan from Japan International Corporation Agency (JICA)	**177,126,536**	142,688,688
C. Others		
(i) Bond Trusteeship fee	**463,083**	536,726
(ii) Bank Charges	**76,415**	100,504
(iii) Bond Issue Expenses*	**59,292,187**	2,502,000
(iv) Loss due to underlying exchange fluctuation (IDA-II)	**252,905,252**	151,390,589
(v) Applicable Net Loss on Foreign Currency Translations and Transactions	**1,662,290**	
(vi) Interest u/s 234(B/C) of the Income Tax Act, 1961	-	-
(vii) Interest on Service Tax	**85,040**	159,930
(viii) Stamp duty on taxable bonds sr V	-	-
(ix) Others	**351,687**	350,982
Total	**4,879,601,310**	3,805,989,015

*Includes expenses of Rs 5,66,61,187 towards Tax free bonds Sr XI issue during the year

NOTE- '23'
OTHER EXPENSES

Particulars	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
Electricity and Water Charges	**6,082,489**	5,798,065
Office rent	**2,521,717**	2,186,300
Office Maintenance	**4,267,144**	3,784,289
Repairs and Maintenance-Others	**8,066,269**	9,535,235
Insurance	**464,534**	538,455
Rates and Taxes	**10,234,345**	3,960,404
Business Promotion	**7,575,828**	4,944,733
Travelling and Conveyance	**13,300,884**	9,058,347
Information and Dissemination	**8,824,199**	10,616,682
Payment to Auditor	**478,000**	478,000
Legal and Professional	**7,824,225**	5,113,396
Newspapers and Periodicals	**110,737**	103,123
Postage Telegram and Telephone	**2,072,048**	1,862,339
Printing and Stationery	**3,508,691**	2,821,828
Recruitment Expenses	**1,828,625**	-
Credit Rating Expenses	**6,347,679**	8,463,068
Filing Fees	**4,000**	-
Corporate Social Responsibility	**33,081,498**	34,626,904
Director Sitting Fees	**180,000**	150,000
Loss on Sale of Assets	**18,391**	329,742
Sustainable Development Expense	**-**	3,942,260
Miscellaneous Expenses	**2,186,055**	937,215
Total	**118,977,358**	109,250,385

NOTE- '24'
EMPLOYEE BENEFITS

(i)The summarized position of Post-employment benefits and long term employee benefits recognized in the Statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(a) Change in the present value of the obligation

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Present value of obligation as at the beginning of the year	4,28,45,785 (3,24,60,233)	1,76,77,684 (1,33,38,930)	1,50,75,895 (1,07,87,620)	4,53,800 (3,46,904)	1,16,95,926 (72,24,603)
Interest cost	34,91,931 (26,45,509)	14,40,731 (10,87,123)	12,28,685 (8,79,191)	36,985 (28,273)	9,53,218 (5,88,805)
Current service cost	31,82,315 (28,98,400)	24,92,981 (14,19,677)	15,49,244 (16,16,259)	37,316 (32,194)	8,35,784 (6,87,549)
Past Service Cost	-	-	-	-	- -
Benefits paid	-35,42,859 (-)(10,00,000)	-39,31,263 (-)(40,28,589)	-10,42,808 (-)(4,47,873)	0 (0)	-3,23,411 (-)(3,04,008)
Actuarial loss/(gain) on obligations	21,82,408 (58,41,643)	77,10,046 (58,60,543)	70,287 (22,40,698)	18,427 (46,429)	39,00,843 (34,98,977)
Present value of obligation at year end	4,81,59,580 (4,28,45,785)	2,53,90,179 (1,76,77,684)	1,68,81,303 (1,50,75,895)	5,46,528 (4,53,800)	1,70,62,360 (1,16,95,926)

(b) Change in fair value of plan asset

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	3,57,44,109 (3,21,71,864)	-	-	-	-
Expected return on plan assets	31,27,610 (29,75,897)	-	-	-	-
Employer's contribution	37,23,578 (16,04,561)	-	-	-	-
Benefits paid	-34,88,577 (-)(10,00,000)	-	-	-	-
Actuarial loss/(gain) on obligations	-2,217 (-)(8,213)	-	-	-	-
Fair value of plan asset at the end of the year	3,91,04,503 (3,57,44,109)	-	-	-	-

(c) **Amount recognized in Balance Sheet**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Estimated present value of obligations as at the end of the year	4,81,59,580 (4,28,45,785)	2,53,90,179 (1,76,77,684)	1,68,81,303 (1,50,75,895)	5,46,528 (4,53,800)	1,70,62,360 (1,16,95,926)
Fair value of plan assets as at the end of the year	3,91,04,503 (3,57,44,109)	- -	- -	- -	- -
Unfunded net liability recognized in balance sheet	90,55,077 (71,01,676)	2,53,90,179 (1,76,77,684)	1,68,81,303 (1,50,75,895)	5,46,528 (4,53,800)	1,70,62,360 (1,16,95,926)

(d) **Expense recognized in the Statement of Profit & Loss**

(Amount in Rupees)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	31,82,315 (28,98,400)	24,92,981 (14,19,677)	15,49,244 (16,16,259)	37,316 (32,194)	8,35,784 (6,87,549)
Past service cost	0 (0)	-	-	- -	- -
Interest cost	34,91,931 (26,45,509)	14,40,731 (10,87,123)	12,28,685 (8,79,191)	36,985 (28,273)	9,53,218 (5,88,805)
Expected return on plan asset	-31,27,610 (-)(29,75,897)	-	-	- -	-
Net actuarial (Gain)/Loss recognized in the year	21,84,625 (58,49,856)	77,10,046 (58,60,543)	70,287 (22,40,698)	18,427 (46,429)	39,00,843 (34,98,977)
Total expenses recognized in Statement of Profit & Loss	57,31,261 (84,17,868)	1,16,43,758 (83,67,343)	28,48,216 (47,36,148)	92,728 (1,06,896)	56,89,845 (47,75,331)

(e) **Principal actuarial assumption as expressed as weighted average**

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Discount rate	9.14% (8.15%)	9.14% (8.15%)	9.14% (8.15%)	9.14% (8.15%)	9.14% (8.15%)
Expected rate of return on plan assets	8.75% (9.25%)	-	-	-	-
Expected rate of salary increase	7.64% (6.75%)	7.64% (6.75%)	7.64% (6.75%)	7.64% (6.75%)	7.64% (6.75%)
Method used	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 LIC)	
	In %	Amount in Rupees
Central Government securities	(25%)	Figures not available
State Government securities	(15%)	
Investment in PSUs	(40%)	Figures not available
Other investments (mixed in above 3 categories)	(20%)	

(g) **Defined Contribution Plan**

During the year, the company has recognized an expense of Rs 94,30,245 (Previous year: Rs. 80,86,316) in respect of contribution to Provident Fund, Rs 65,270 (Previous year : Rs. 64,980) in respect of contribution to Benevolent Fund and Rs 68,14,038 (Previous year : Rs. 61,82,034) 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.

NOTE '25'

The company operates in India, hence it is considered to operate only in domestic segment. Major revenue for the company comes from a single segment of financing activities as such considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI).

NOTE '26'
RELATED PARTY DISCLOSURE

(i) Details of transactions entered into with the related parties during the year as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(Amount in Rupees)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	1,86,16,691 (94,74,328)

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

Name of the Key Management Personnel (KMP)	Designation	Period
Shri K. S. Popli	CMD	From 01.03.2014 (A/N) to 31.03.2014
Shri Debashish Majumdar	Ex-CMD	From 01.04.2013 to 28.02.2014
Shri K. S. Popli	Ex-D(T)	From 01.04.2013 to 01.03.2014 (F/N)
Shri S. K. Bhargava	D(F)	From 01.04.2013 to 31.3.2014

(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.

(iv) IREDA has received dividend of Rs. Nil (Previous year Rs. Nil) from M/s M P Wind Farms Ltd, a Joint Sector Company against Equity Shares.

NOTE '27'

EARNING PER SHARE

In terms of Accounting Standard (AS) 20 on Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI), the Earnings Per Share (Basic & Diluted) is worked out as under:-

Particulars	As at 31.03.2014	As at 31.03.2013
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator Profit after Tax as per Statement of Profit & Loss	240,51,34,827	2,02,64,50,546
Denominator		
▪ Number of equity shares	74,46,000	69,96,000
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earnings per share	73,48,600**	67,34,630*
▪ Basic & Diluted Earnings per share	327.29	300.90

* weighted average (6396000 x 365/365 + 600000 x 206/365) = 67,34,630

** weighted average (6996000 x 365/365 + 450000 x 286/365) = 73,48,600

NOTE '28'

DEFERRED TAXES

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India (ICAI), the company has taken credit in the Statement of Profit & Loss towards deferred tax asset (net) on account of timing differences. After giving due consideration, deferred tax assets/liabilities are measured using the applicable current rates of Income Tax. In accordance with the provisions of AS-22, the current year deferred tax debit of Rs. 23,17,31,426 (Previous year : Rs. 19,31,85,371) (credit) has been debited (credited) to the Statement of Profit and Loss.

b) Since the Company has resolved that it will not make any withdrawal from the Special Reserve created and being 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. 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 recognized any deferred tax liability on this account.

c) The details of deferred tax assets (net) as on 31st March, 2014 is given below:-

A	**Deferred Tax Assets (+)**		**(Amount in Rs.)**
	Arising on account of timing differences:-	As at 31/3/2014	As at 31/3/2013
	▪ Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit, Contribution to CSR Fund and Sustainable Development Fund	4,40,73,310	4,08,98,177
	▪ Provision for Bad & Doubtful Debts & Standard Assets	53,35,70,453	76,64,26,033
	Total – A	**57,76,43,763**	**80,73,24,210**
B	**Deferred Tax Liabilities (-)**		
	▪ Depreciation	3,56,94,809	3,36,43,830
	▪ Stamp duty paid but not debited to Statement of Profit & Loss	(-) 29,56,992	(-)29,56,992
	Total – B	**3,27,37,817**	**3,06,86,838**
	Deferred Tax Asset (+)/Liability (-) (A-B)	54,49,05,946	77,66,37,372
	Deferred Tax Asset	**54,49,05,946**	**77,66,37,372**

NOTE '29'

IMPAIRMENT OF ASSETS

Fixed Assets possessed by the company are treated as "Corporate Assets" and not "Cash Generating Units" as defined by Accounting Standard 28 (Impairment of Assets) issued by the Institute of Chartered Accountants of India (ICAI). As on March 31, 2014 there were no events or changes in circumstances which indicate any impairment in the assets.

NOTE '30'

As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India (ICAI), the movement in Provisions as on 31st March, 2014 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	27,45,67,732 (30,40,07,702)	15,46,65,459 (4,25,47,350)	0 (7,19,87,320)	42,92,33,192 (27,45,67,732)
2	Income tax	2,07,89,27,707 (3,20,14,44,746)	76,62,00,000 (83,00,00,000)	0 (1,95,25,17,039)	2,84,51,27,707 (2,07,89,27,707)
3	Proposed dividend	27,50,00,000 (25,00,00,000)	35,00,00,000 (27,50,00,000)	27,50,00,000 (25,00,00,000)	35,00,00,000 (27,50,00,000)
4	Dividend tax	4,67,36,250 (4,05,56,250)	5,94,82,500 (4,67,36,250)	4,67,36,250 (4,05,56,250)	5,94,82,500 (4,67,36,250)
5	Leave encashment	1,76,77,684 (1,33,38,930)	1,16,43,758 (83,67,343)	39,31,263 (40,28,589)	2,53,90,179 (1,76,77,684)
6	Gratuity	71,01,676 (2,88,369)	57,31,261 (68,13,307)	37,77,860 (0)	90,55,077 (71,01,676)
7	Post retirement medical benefit	1,16,95,926 (72,24,603)	56,89,845 (47,75,331)	3,23,411 (3,04,008)	1,70,62,360 (1,16,95,926)
8	Sick leave	1,50,75,895 (1,07,87,620)	28,48,216 (47,36,148)	10,42,808 (4,47,873)	1,68,81,303 (1,50,75,895)
9	Baggage Allowance	4,53,800 (3,46,904)	92,728 (1,06,896)	0 (0)	5,46,528 (4,53,800)
10	Corporate Social Responsibility	6,43,76,904 (3,00,00,000)	3,30,81,498 (3,46,26,904)	4,06,70,591 (2,50,000)	5,67,87,811 (6,43,76,904)
11	Sustainable Development	39,42,260 (0)	0 (57,00,000)	0 (17,57,740*)	39,42,260 (39,42,260)
12	Other Provisions	3,58,45,155 (3,73,26,269)	2,00,00,000 (1,20,55,000)	3,32,57,881 (1,35,36,114)	2,25,87,274 (3,58,45,155)
	Total	**2,83,14,00,990** **(3,89,53,21,393)**	**1,40,94,35,265** **(1,27,14,64,529)**	**40,47,40,064** **(2,33,53,84,933)**	**3,83,60,96,191** **(2,83,14,00,990)**

Previous year figures shown within bracket

* included in various expenses under Note 23 i.e other expenses on account of sustainable development expenses, balance provision is debited to Statement of Profit & Loss.

b) **Detail of Contingent Liabilities & Commitments**

(Amount in Rupees)

Particulars	As at 31-3-2014	As at 31-03-2013
Contingent Liabilities		
Income tax demand for Assessment Years 2003-04, 2004-05, 2010-11 & 2011-12 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.	31,82,00,000	31,82,00,000
Claims against the Company not acknowledged as debt	1,50,00,000	1,50,00,000
During the year company has provided counter indemnity in favour of M/s Indusind Bank against issue of Bank Guarantee in favour of BSE ltd. as security for receiving subscription of Public issue of Tax free bonds.	7,00,00,000	0
Long Term Guarantee in favor of Tadas Wind Energy Limited for guaranteeing the advance payment on request of borrower M/S. Wind World India Ltd	1,38,28,50,000	0
Total of Contingent Liabilities	**1,78,60,50,000**	**33,32,00,000**
COMMITMENTS		
Estimated value of contract to be executed on Capital Account and not provided	0	0

NOTE '31'

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.

NOTE '32'

SUBSIDY

(a) Interest Subsidy

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to borrowers implementing MNRE programmes of 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 passed on to the borrowers on quarterly basis subject to complying with the terms and conditions of the sanction by these borrowers.

The undisbursed interest subsidy as on 01-04-2013 was Rs. 16,32,938 (Previous year : Rs. 1,77,07,747) and the company received during the year Rs. 51,943 (Previous year : Rs. Nil). Out of this, a sum of Rs. 26,48,399 (Previous year: Rs. 1,60,74,799) 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 51,943 (Previous year : Rs. Nil) has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-03-2014 stands at Rs. (-) 9,63,518 (Previous year: Rs. 16,32,938).

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2014 are as under:-

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

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 01-04-2013	Interest Subsidy received during 2013-14	Amount refunded during 2013-14	Interest Subsidy passed on during 2013-14	Closing Balance as on 31-03-2014
1	Bio-mass Co-generation	2,53,02,662 (2,94,56,299)	0 (0)	0 (0)	26,03,922 (41,53,637)	2,26,98,740 (2,53,02,662)
2	Small Hydro	1,82,667 (2,37,639)	0 (0)	0 (0)	0 (54,962)	1,82,667 (1,82,667)
3	Waste to Energy	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
	Sub Total....A	**2,54,85,339 (29,69,39,38)**	**0 (0)**	**0 (0)**	**26,03,922 (42,08,599)**	**2,28,81,407 (2,54,85,339)**

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

(Amount in Rupees)

Sl. No.	Name of the sector	Opening Balance as on 01-04-2013	Subsidy received during 2013-14	Amount refunded during 2013-14	Interest received on FDR	Subsidy passed on during 2013-14	Closing Balance as on 31-03-2014
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	-51,35,405 (-) (34,02,805)	0 (0)	0 (0)	0 (0)	0 (17,32,600)	-51,35,405 (-) (51,35,405)
3	SPV WP 2001-02	(-)1,36,02,787 (-) (76,69,651)	0 (0)	0 (0)	0 (0)	0 (59,33,136)	(-)1,36,02,787 (-) (1,36,02,787)
4	SPV WP 1999-00	-6,84,937 (-) (6,84,937)	0 (0)	0 (0)	0 (0)	0 (0)	-6,84,937 (-) (6,84,937)
5	SPV WP Manufacturing	-2,96,898 (-) (2,96,898)	0 (0)	0 (0)	0 (0)	0 (0)	-2,96,898 (-) (2,96,898)
6	SPV WP 2002-03	-41,38,701 (0)	0 (0)	0 (0)	0 (0)	0 (41,38,701)	-41,38,701 (-)(41,38,701)
7	Accelerated SWH System	2,385 (64,148)	0 (0)	0 (0)	0 (0)	44,477 (61,763)	-42,092 (2,385)
	Sub Total.....B	**-2,38,52,391** **(-) (1,19,86,191)**	**0** **(0)**	**0** **(0)**	**0** **(0)**	**44,477** **(1,18,66,200)**	**-2,38,96,868** **(-)(2,38,52,391)**
	Grand Total (A + B)	**16,32,938** **(1,77,07,747)**	**0** **(0)**	**0** **(0)**	**0** **(0)**	**26,48,399** **(1,60,74,799)**	**-9,63,518** **(16,32,938)**

Previous year figures shown within bracket

(b) Capital subsidy

During the year an amount of Rs. 24,40,50,000 (Previous year: Rs. 4,00,00,000) was received from MNRE towards Capital Subsidy. Out of the total capital subsidy amount available, Rs. 24,40,50,000 (Previous year: Rs. 4,00,00,000) was passed on to the borrowers on compliance of the terms and conditions of the capital subsidy scheme. The sector-wise details of capital subsidy at the beginning, received during the year, passed/refunded/adjusted during the year and the balance as on 31-03-2014 are as under:-

(Amount in Rupees)

Name of the sector	Opening balance as on 01.04.2013	Received during the year	Passed on during the year	Amount refunded to MNRE during the year	Adjustment	Closing balance as on 31.03.2014
Hydro	0 (0)	24,40,50,000 (4,00,00,000)	24,40,50,000 (4,00,00,000)	0 (0)	0 (0)	0 (0)
Total	**0** **(0)**	**24,40,50,000** **(4,00,00,000)**	**24,40,50,000** **(4,00,00,000)**	**0** **(0)**	**0** **(0)**	**0** **(0)**

Previous year figures shown within bracket

NOTE '33'

(a) Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs. 41,43,149 (Previous year – Rs. 41,43,149), office premises-IHC costing Rs. 4,39,56,603 (Previous year – Rs. 4,39,56,603) and office premises-AKB costing Rs. 42,27,57,822 (Previous year – Rs. 42,27,57,822) 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 in Schedule XIV to the Companies Act, 1956.

(b) The property tax in respect of office premises for the period upto 31st March, 2014 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.

NOTE '34'

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.

NOTE '35'

IREDA is a Non-Banking Financial Company (NBFCs) 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 NBFCs, as amended from time to time. Accordingly, the unrealized interest amounting to Rs 1,89,10,05,663 (Previous year : Rs. 1,16,50,02,195) on accounts classified as Non-Performing Asset (NPAs) has not been recognized as income for the year. Further, a sum of Rs. 16,30,97,857 (Previous year : Rs. 90,15,513) being the amount of unrealized interest upto 2012-13 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 9,50,35,906. (Previous year : Rs. 6,35,86,456) has been recognized as income being interest realized during the year from NPA accounts.

NOTE '36'

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.

NOTE '37'

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.

NOTE '40'

DISCLOSURE OF PRIOR-PERIOD ITEMS

(Amount in Rupees)

Particulars	**2013-14**	**2012-13**
Salary and Wages	1,51,508 Dr.	0
Business promotion	31,460 Dr.	0
IHC Maintenance Expenses	7,94,170 Dr.	0
Business Promotion	50,000 Dr.	0
Service tax	34,63,710 Dr.	0
GBI Application Fees	9,949 Cr.	0
Depreciation	33,300 Dr.	
Refund of Accelerated Depreciation Fees	0	19,52,409 Dr
Medical Expenses- Others	0	2,62,042 Dr.
Electricity and Waters	0	1,50,592 Dr.
Underlying Exchange Fluctuation (IDA-II)	0	3,38,76,284 Dr.
Wages-others	0	2,20,263 Dr.
Accelerated Depreciation Fees	0	89,156 Cr.
Intt Payable on IDA-II	0	34,76,353 Cr.
Total (Net Dr./Cr.)	**45,14,199 Dr.**	**3,28,96,081 Dr.**

NOTE '41'

ADDITIONAL INFORMATION

a) Expenditure in Foreign Currency:

- On Traveling Rs. 8,51,597 (Previous year : Rs. 2,67,582)
- Interest expenses & Other Finance Charges – Rs. 39,43,63,917(Previous year :Rs. 38,09,33,213) which exclude hedging cost in Rs. 1,92,96,75,413 (Previous Year : Rs. 1,53,80,11,316)

b) Earnings in Foreign Exchange:

- Interest Rs.34,31,54,233 (Previous year : Rs. 34,41,74,242)

c) Revenue Grant received on account of Technical Assistance Programme (TAP) from KfW-II - Rs Nil (Previous year : Rs 12,12,074)

NOTE '38'

REMUNERATION TO AUDITOR

(Amount in Rupees)

Particulars	Statutory Auditor
As Auditor	2,35,000 (2,10,000)
Limited Review Audit	1,20,000 (1,20,000)
Tax Audit	94,000 (108,000)
*Certification & Other Service	50,000 (40,000)
Fee as Auditor to Tax Free Bonds	10,00,000 (0)
Total	**14,99,000 (4,78,000)**

Previous year figures shown within bracket

* Include Rs. 24,000 for FY 2011-12

NOTE '39'

REMUNERATION OF DIRECTORS

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

(Amount in Rupees)

Particulars	Chairman and Managing Director		Director (Technical)**	Director (Finance)
	Ex-CMD*	Present CMD**		
Salary & allowances	79,88,693 (32,67,149)	1,84,125 (0)	52,45,766 (25,25,769)	26,51,011 (4,82,893)
Medical allowance	80,348 (75,000)	6,370 (0)	77,450 (73,000)	68,960 (17,609)
Provident Fund	195,574 (1,90,163)	16,604 (0)	1,93,454 (1,86,383)	177,360 (43,860)
Superannuation Contribution	146,680 (132,302)	12,859 (0)	1,36,123 (43,732)	133,022 (32,896)
Value of perquisites as per Income Tax Act, 1961	5,20,458 (4,05,381)	20,350 (0)	3,87,253 (2,73,650)	3,74,231 (69,872)
Total	**89,31,753 (40,69,995)**	**2,40,308 (0)**	**60,40,046 (31,01,534)**	**34,04,584 (6,47,130)**

Previous year figures shown within bracket

* Mr. Debashish Majumdar, Ex-CMD was superannuated on 28.02.2014.

** Mr K.S Popli was Director (Technical) upto 01-03-2014 (F/N) and took charge as Chairman and Managing Director on 01.03.2014 (A/N)

Note: In addition to above Sh SP Reddi, Ex- Director (Finance) who was superannuated on 30-04-2012. was paid an amount of Rs 11,39,099 comprising of Performance related Pay for the financial year 2010-11 & 2011-12 and pay revision arrear for the period from 15-03-2012 to 30.04.2012 due to up-gradation of the company from Schedule 'C' to Schedule 'B'

a) Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

b) Sitting Fees paid to Independent Directors - Rs. 1,80,000 (Previous year Rs. 1,50,000).

NOTE '42'

THE DISCLOSURES UNDER RBI GUIDELINES ARE AS UNDER (IREDA ONLY)

a.	Capital to Risk Assets Ratio (CRAR)	23.79% (24.75%)
b.	Exposure to Real Estate Sector (Direct and Indirect)	0 (0)

c. Maturity Pattern of Assets & Liabilities

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years
Rupee assets	14,08,40,67,163 (12,84,54,21,728)	16,53,43,01,159 (14,49,08,46,508)	16,38,27,25,502 (12,94,11,63,014)
Foreign currency assets	2,61,17,45,764 (172,765,367)	26,37,48,506 (239,016,300)	32,03,36,010 (290,656,460)
Total Assets	**1,66,95,812,927 (13,01,81,87,095)**	**1,67,98,049,665 (14,72,98,62,808)**	**16,70,30,61,512 (13,23,18,19,474)**
Rupee liabilities	6,80,91,24,455 (4,48,79,85,933)	84,73,88,506 (73,93,98,543)	1,90,39,76,010 (86,20,96,460)
Foreign currency liabilities*	2,84,72,46,235 (1,10,08,37,116)	4,68,29,84,657 (4,25,43,59,805)	3,06,72,44,869 (3,00,02,92,676)
Total liabilities	**9,50,42,77,190 (5,58,88,23,049)**	**5,53,03,73,163 (4,99,37,58,348)**	**4,97,12,20,879 (3,86,23,89,136)**

Items	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	15,00,37,29,390 (11,38,53,99,342)	27,90,94,50,693 (18,90,16,21,478)	89,91,42,73,907 (70,56,44,52,070)
Foreign currency assets	38,93,95,696 (35,31,84,388)	10,68,43,409 (3,110,38,712)	3,69,20,69,385 (1,36,66,61,227)
Total Assets	**15,39,31,25,086 (11,73,85,83,730)**	**28,01,62,94,102 (19,21,26,60,190)**	**93,60,63,43,292 (71,93,11,13,297)**
Rupee liabilities	5,86,49,66,734 (3,42,46,24,388)	38,81,15,48,294 (26,62,88,35,308)	54,23,70,03,999 (36,14,29,40,632)
Foreign currency liabilities*	2,56,59,32,419 (2,94,92,38,149)	26,20,59,31,113 (24,48,34,44,919)	39,36,93,39,293 (35,78,81,72,665)
Total liabilities	**8,43,08,99,153 (6,37,38,62,537)**	**65,16,95,72,907 (51,11,22,80,228)**	**93,60,63,43,292 (71,93,11,13,297)**

NOTE '43'

MNRE funds are not classified as Current and Non-Current as these funds are payable on demand of MNRE.

NOTE '44'

During the year, Ministry of New and Renewable Energy vide letter No.1/2/2013-EFM dated 11th March, 2014 had provided an amount of Rs.100 crores from National Clean Energy Fund (NCEF) as grant to provide re-finance at concessional rates of interest to scheduled commercial banks/financial institutions in respect of their lending to renewable energy projects. Accordingly, in terms of the scheme of re-financing, IREDA has on lent Rs.100 crores in the form of refinancing in the month of March, 2014 and utilized the said fund.

NOTE '45'

NBFC reserve has been transferred to General Reserve as there is no further requirement as per RBI being a Govt. NBFC

NOTE '46'

Ministry of Finance, Government of India vide notification No.61/2013/F.No.178/37/2013-(ITA.I) dated 8th August, 2013 had allocated an amount of Rs.1000 crores to IREDA to be raised by way of issue of Tax Free Bonds. In terms of the said notification, IREDA has raised an amount of Rs.721,65,46,000 by way of public issue and Rs.36,00,00,000 by way of private placement aggregating to Rs.757,65,46,000 during the year.

In terms of the Circular No.04/2013 dated 11th February, 2013 issued by Ministry of Corporate Affairs, Government of India, IREDA is required to create a Debenture Redemption Reserve (DRR) upto 25% of the funds raised through public issue. Accordingly, the DRR for the year 2013-14 has been created which works out to Rs.13,82,30,000/- (previous year nil) by way of spread of the requirement of the 25% of the DRR amount over respective tenure of the bonds in such a manner that the said DRR is available one year before the maturity period of the respective bonds.

NOTE '47'

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.

As per our Report of even date

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

Ramesh Koul Partner Membership No. 077804	**S K Bhargava** Director (Finance)	**K S Popli** Chairman and Managing Director

Place : New Delhi
Date : 14.08.2014

Surender Suyal
Company Secretary

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