DRAFT SHELF PROSPECTUS
Dated January 21, 2014

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED
(A GOVERNMENT OF INDIA ENTERPRISE)

Our Company was incorporated on March 11, 1987, in New Delhi under the Companies Act, 1956, as amended ("**Companies Act, 1956**") as a public limited company and has obtained certificate of commencement of business on March 21, 1987.

Registered Office : India Habitat Centre, East Court, Core 4 'A', 1st Floor, Lodhi Road, New Delhi - 110003; Tel No: +91 (11) 24682206/19; Facsimile: +91 (11) 24682202
Corporate Office: 3rd Floor, August Kranti Bhawan, Bhikaiji Cama Place, New Delhi – 110066; Tel No: +91 (11) 26717400/12; Facsimile: +91 (11) 26717416; Website: www.ireda.gov.in
Company Secretary and Compliance Officer: Mr. Surender Suyal; Tel No: +91 (11) 26717430; Facsimile: +91 (11) 26717416; E-mail: cs@ireda.gov.in

PUBLIC ISSUE BY INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED ("COMPANY" OR "ISSUER" OR "IREDA") OF TAX FREE, SECURED, REDEEMABLE, NON-CONVERTIBLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, HAVING BENEFITS UNDER SECTION 10(15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED ("BONDS") FOR AN AMOUNT AGGREGATING UP TO ₹ 1,000 CRORES* ("SHELF LIMIT") IN FISCAL 2014 ("ISSUE"). THE BONDS WILL BE ISSUED IN ONE OR MORE TRANCHES (EACH A "TRANCHE ISSUE") SUBJECT TO THE SHELF LIMIT, IN ACCORDANCE WITH TERMS AND CONDITIONS SET OUT IN SEPARATE TRANCHE PROSPECTUS FOR EACH SUCH TRANCHE WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS OF THE ISSUE. THE SHELF PROSPECTUS TOGETHER WITH THE RELEVANT TRANCHE PROSPECTUS FOR A SPECIFIC TRANCHE ISSUE SHALL CONSTITUTE THE "PROSPECTUS".

The Issue is being made under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "**SEBI Debt Regulations**") and pursuant to Notification No. 61/2013/F.No.178/37/2013-(ITA.I) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India ("**CBDT Notification**"), by virtue of powers conferred on it under section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended (the "**Income Tax Act**").

** In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also, at its discretion, raise funds through issue of Bonds on a private placement basis in one or more tranches during the process of the present Issue, for an amount not exceeding ₹.300 crores, i.e. upto 30% of the allocated limit for raising funds through the issue of Bonds during the Fiscal 2014, wherein suitable amounts shall be earmarked for subscription by Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure, provided that in the event of any non-response, our Company shall be free to offer the un-subscribed amount through book building route under private placement in domestic market. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹. 1,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall get reduced by such amount raised.*

GENERAL RISKS

Investors are advised to read the risk factors carefully before taking an investment decision in relation to the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. Specific attention is invited to "***Risk Factors***" and "***Material Developments***" on page 12 and 115 respectively of the Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus(es) of any Tranche Issue before making an investment in such Tranche Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Shelf Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue that the information contained in the Draft Shelf Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes the Draft Shelf Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2013-14/NS/0226 dated November 19, 2013 and letter dated November 22, 2013, assigned a credit rating of "BWR AAA (SO) [pronounced BWR Triple A (Structured Obligation)] (Outlook: Stable)" to the Bonds and revalidated the rating vide letter no. BWR/BNG/RL/2013-14/NS/0282 dated December 31, 2013. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Credit Analysis & Research Limited has, vide its letters dated November 20, 2013 and November 27, 2013 assigned a credit rating of "CARE AAA (SO) [Triple A (Structured Obligation)]" to the Bonds and revalidated the rating vide its letter dated December 31, 2013. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.These ratings are not a recommendation to buy, sell or hold securities, and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agency(ies) and should be evaluated independently of any other ratings. For the rationale for these ratings, see "***Annexure B – Credit Rating***".

PUBLIC COMMENTS

The Draft Shelf Prospectus has been filed with the BSE Limited ("**BSE**"), being the Designated Stock Exchange and the National Stock Exchange of India Limited ("**NSE**") pursuant to the regulation 6(2) of the SEBI Debt Regulations. The Draft Shelf Prospectus is open for public comments for a period of 7 (seven) Working Days from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange. The Draft Shelf Prospectus is available on the website of our Company, on the website of the Stock Exchanges, i.e. BSE and NSE and the respective websites of the Lead Managers.All comments on the Draft Shelf Prospectus are to be forwarded to the attention of Mr. Surender Suyal, Company Secretary and Compliance Officer at the Corporate Office of our Company, at the following address: 3rd Floor, August Kranti Bhawan, Bhikaiji Cama Place, New Delhi – 110066; Tel No: +91 (11) 26717430; Facsimile: +91 (11) 26717416; E-mail: cs@ireda.gov.in. All comments **MUST** be received by our Company not later than 5 P.M. (Indian Standard Time) on the 7th Working Day from the date of filing the Draft Shelf Prospectus with the Designated Stock Exchange. Comments by post, fax and email shall be accepted.

LISTING

The Bonds are proposed to be listed on the BSE and the NSE. We have obtained in-principle listing approvals for the Bonds by letter No. [●] dated [●] from BSE and letter No. [●] dated [●] from NSE. The Designated Stock Exchange for the Issue is BSE.

LEAD MANAGERS TO THE ISSUE

KARVY INVESTOR SERVICES LIMITED 701, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Off. Bandra Kurla Complex, Bandra (East), Mumbai- 400 051, India Tel No.: +91 (22) 6149 1500; Facsimile: +91 (22) 6149 1515; Email: ireda2013@karvy.com; Investor Grievance Email:igmbd@karvy.com, cmg@karvy.com; Website: www.karvy.com; Contact Person: Mr. Sumit Singh/Mr. Rohan Menon; Compliance Officer: Mr. V Madhusudhan Rao; SEBI Registration No.: MB/INM000008365	**A. K. CAPITAL SERVICES LIMITED** 30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021 Tel No.: +91 (22) 6754 6500/6634 9300; Facsimile: +91 (22) 6610 0594; Email: iredatfbonds13@akgroup.co.in; Investor Grievance Email: investor.grievance@akgroup.co.in; Website: www.akcapindia.com; Contact Person: Mr. Mandeep Singh / Mr. Lohit Sharma; Compliance Officer: Mr. Vikas Agarwal; SEBI Registration No.: MB/INM000010411	**RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED** 47. M.M Road, Rani Jhansi Marg, Jhandewalan, New Delhi- 110 055, India Tel No.: +91 (11) 2363 6362/63; Facsimile: +91 (11) 2363 6746; Email: iredataxfree2013@rrfcl.com; Investor Grievance Email: investors@rrfcl.com; Website: www..rrfinance.com/www.rrfcl.com; Contact Person: Mr Anurag Awasthi; Compliance Officer: Mr Ravi Kant Goyal; SEBI Registration No.: MB/INM000007508

REGISTRAR TO THE ISSUE

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai 400 078
Tel No.: +91 22 2596 7878; Facsimile: +91 22 2596 0329;
Email: ireda.ncd@linkintime.co.in; Investor Grievance Email: ireda.ncd@linkintime.co.in
Website: www.linkintime.co.in;
Contact Person: Mr. Sachin Achar; SEBI Registration No.: INR000004058

DEBENTURE TRUSTEE

SBICAP TRUSTEE COMPANY LIMITED
Apeejay House, 6th Floor Dinshaw Wachha Road, Churchgate, Mumbai- 400020
Tel No.: +022 4302 5555; Facsimile:0 22 4302 5500/22040465;
Email: corporate@sbicaptrustee.com; Investor Grievance Email: investor.cell@sbicaptrustee.com;
Website: www.sbicaptrustee.com;
Contact Person: Mr. Ajit Joshi; SEBI Registration No.: IND000000536

ISSUE PROGRAMME

ISSUE OPENS ON	ISSUE CLOSES ON**
[●]	[●]

***The Issue shall remain open for subscription from 10 a.m. to 5p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of the Issue,our Company shall ensure that public notice of such early closure or extension is published on or before such early date of closure or the Tranche Issue Closing Date, as applicable, through advertisement(s) in atleast one leading national daily newspaper with wide circulation. For further details please refer to "General Information – Issue Programme" on page 45.*

SBICAP Trustee Company Limited has vide its letter no. 3076/STCL/DT/2013-14 dated January 6, 2014, given its consent for its appointment as Debenture Trustee to the Issue in accordance with regulation 4(4) of SEBI Debt Regulations and for its name to be included in the Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Bonds issued pursuant to this Issue. For further details please refer to "General Information – Debenture Trustee" on page 40.

A copy of the Shelf Prospectus and respective Tranche Prospectus(es), written consents of our Directors, Company Secretary and Compliance Officer, the Auditor, the Chartered Accountant issuing statement of tax benefit, the legal advisor, the Lead Managers, the Registrar to the Issue, Escrow Collection Bank(s), Refund Bank, Credit Rating Agencies, the Bankers to the Company, the Debenture Trustee, and the Consortium Members to act in their respective capacities shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in terms of the applicable provisions of the Companies Act, 1956 and Section 31 of the Companies Act, 2013 along with the requisite endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "Material Contracts and Documents for Inspection" beginning on page 183.

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SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in the Draft Shelf Prospectus to "our Company" or "we" or "us" or "our" or "IREDA" are to Indian Renewable Energy Development Agency Limited, a public limited company incorporated under the Companies Act, 1956.

The Draft Shelf Prospectus uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning provided below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
Articles/ Articles of Association/AoA	Articles of Association of our Company
Auditors / Statutory Auditors	Statutory auditors of our Company being M/s. Gianender & Associates, Chartered Accountants
Board/ Board of Directors	Board of directors of our Company
Corporate Office	Corporate Office of our Company, at 3rd Floor, August Kranti Bhawan, Bhikaiji Cama Place, New Delhi – 110066
Equity Shares	Equity Shares of our Company of face value of ₹1,000 each
"Issuer", "IREDA", "our Company" or "the Company"	Indian Renewable Energy Development Agency Limited , a company incorporated under the Companies Act, 1956 and having its registered office at India Habitat Centre, East Court, Core 4 'A', 1st Floor, Lodhi Road, New Delhi – 110003
Memorandum/Memorandum of Association/MoA	Memorandum of Association of our Company
Registered Office	Registered office of our Company, at India Habitat Centre, East Court, Core 4 'A', 1st Floor, Lodhi Road, New Delhi – 110003
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana

Issue Related Terms

Term	Description
AK Capital	A. K. Capital Services Limited
Allotment/ Allot/ Allotted	Issue and allotment of Bonds to successful Applicants pursuant to the Issue
Allotment Advice	The communication sent to the Allottees conveying the details of Bonds allotted to the Allottees in accordance with the Basis of Allotment
Allottee	Successful Applicant(s) to whom Bonds are Allotted pursuant to the Issue
Applicant/ Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of the Shelf Prospectus, relevant Tranche Prospectus(es) and Application Form for any Tranche Issue. For more information on eligibility of the Applicant please refer to the chapter titled "***Issue Procedure***" on page 146
Application	An application to subscribe to the Bonds offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus
Application Amount	The aggregate value of the Bonds applied for by the Applicant, as indicated in the Application Form for the relevant Tranche Issue
Application Form	The form in terms of which an Applicant shall make an offer to subscribe to Bonds and which will be considered as the application for Allotment of Bonds in terms of the relevant Tranche Prospectus(es)
Application Interest	Interest paid on application money, in a manner detailed in "*Terms of the Issue*" on page 125
Application Supported by Blocked Amount/ASBA/ ASBA Application	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application authorising the SCSB to block the Application Amount in a specified bank account maintained with such SCSB
ASBA Account	An account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount in relation to the Application Form made in ASBA mode
ASBA Applicant	Any applicant who applies for the Bonds through the ASBA process
Base Issue Size	The base issue size as defined in the relevant Tranche Prospectus(es)
Basis of Allotment	The basis on which the Bonds will be allotted to successful Applicants under the Issue and

Term	Description
	which is described in "***Issue Procedure – Basis of Allotment***" on page 172
Bond Certificate(s)	Certificate issued to Bondholder(s) pursuant to Allotment, in case the Applicant has Applied for Allotment of Bonds in physical form
Bond Committee	Committee constituted by the Board of Directors in their meeting held on December 23, 2013
Bondholder(s)	Any person holding Bonds and whose name appears on the beneficial owners list provided by the Depositories (in case of Bonds held in dematerialised form) or whose name appears in the Register of Bondholders maintained by our Company/Registrar to the Issue (in case of Bonds held in physical form)
Bonds	Tax free, secured redeemable non-convertible bonds in the nature of debentures of face value of ₹ 1,000 each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by our Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es)
Brickwork	Brickwork Rating India Private Limited
CARE	Credit Analysis & Research Limited
Category I (QIBs)*	• Public Financial Institutions, scheduled commercial banks, state industrial development corporations, which are authorised to invest in the Bonds; • Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds; • Insurance companies registered with the IRDA; • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); • Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; • Indian multilateral and bilateral development financial institutions; • Mutual funds registered with SEBI; and • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended. ** The MCA has, through its circular (General Circular No. 06/2013) dated March 14, 2013, clarified that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act, 1956*
Category II (Domestic Corporates)*	• Companies within the meaning of section 2(20) of the Companies Act, 2013; • Statutory bodies/corporations; • Co-operative banks; • Public/ private/ religious trusts; • Limited Liability Partnerships; • Regional rural banks; • societies registered under the applicable laws in India; • Partnership firms in the name of partners; and • Any other domestic legal entities/ persons as may be permissible under the CBDT Notification and authorised to invest in the Bonds in terms of applicable laws. ** The MCA has, through its circular (General Circular No. 06/2013) dated March 14, 2013, clarified that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act, 1956*
Category III (Domestic High Networth Individuals/HNIs)	The following investors applying for an amount aggregating to more than ₹10.00 lakh in the each Tranche Issue: • Resident Indian Individuals; and • Hindu Undivided Families through the Karta
Category IV (Retail Individual Investors)	The following investors applying for an amount aggregating upto and including ₹10.00 lakh in the each Tranche Issue • Resident Indian Individuals; and • Hindu Undivided Families through the Karta
CBDT Notification	Notification No. 61/2013/F.No.178/37/2013-(ITA.I) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India
Collection Centres	Collection Centres shall mean those branches of the Bankers to the Issue that are authorised to collect the Application Forms (other than ASBA) as per the Escrow Agreement to be entered into by our Company, Bankers to the Issue, Registrar and Lead Managers
Consolidated Bond Certificate	In case of Bonds applied for in physical form or rematerialized Bonds held in physical form, the certificate issued by our Company to our Bondholder for the aggregate amount of each of the series of Bonds that are rematerialized and held by such Bondholder

Term	Description
Consortium Agreement	Consortium Agreement dated January 21, 2014 among our Company and the Consortium Members
Consortium Members	Lead Managers and Karvy Stock Broking Limited, A. K. Stockmart Private Limited and RR Equity Brokers Private Limited
Credit Rating Agencies	Brickwork and CARE
Debenture Trustee Agreement	Agreement dated January 21, 2014 entered into between the Debenture Trustee and our Company
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and our Company
Debenture Trustee / Trustee	Trustee for the Bondholders in this case being SBICAP Trustee Company Limited
Deemed Date of Allotment	The date on which, the Board of Directors or Bond Committee approves the Allotment of Bonds for each Tranche Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified for each Tranche Issue by Tranche Prospectus(es)) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant, such as his/ her address, bank account details for printing on refund orders and occupation.
Depositories	NSDL and CDSL
Designated Branches	All branches of the SCSBs which shall collect the Application Form used by ASBA Applicants, a list of which is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries in or such other website as may be prescribed by the SEBI from time to time
Designated Date	Date of instructions being given for Application Amounts to be transferred from the Escrow Account(s) to the Public Issue Account or the Refund Account, and the Registrar to the Issue issues instructions to the SCSBs for transfer of funds to the Public Issue Account or unblock such amounts as are liable to be refunded, as appropriate, following which the Board shall Allot the Bonds to successful Applicants
Designated Stock Exchange	BSE
Draft Shelf Prospectus	This draft shelf prospectus dated January 21, 2014 filed by our Company with the Designated Stock Exchange which shall be open for public comments, in accordance with the SEBI Debt Regulations
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s), in whose favour Applicants (other than ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting an Application for each Tranche Issue
Escrow Agreement	Agreement to be entered into by our Company, the Lead Managers, the Escrow Collection Bank(s) and the Registrar to the Issue for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants (other than ASBA Applicants) on the terms and conditions thereof
Escrow Collection Bank(s) / Bankers to the Issue	Banks which are clearing members and registered with SEBI with whom the Escrow Account will be opened, in this case being Kotak Mahindra Bank Limited, State Bank of India, Yes Bank Limited, Axis Bank Limited and IndusInd Bank Limited
Interest Payment Date/ Coupon Payment Date	The date on which interest on Bonds shall fall due for payment as specified in the relevant Tranche Prospectus(es) for a particular Series of Bonds
Issue	Public issue of tax free secured redeemable non-convertible bonds in the nature of debentures of face value of ₹ 1,000 each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by our Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), for an amount up to the Shelf Limit of ₹1000 crores*. The Bonds will be issued in one or more tranches subject to the Shelf Limit. ** In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also, at its discretion, raise funds through issue of Bonds on a private placement basis in one or more tranches during the process of the present Issue, for an amount not exceeding ₹ 300 crores, i.e. upto 30% of the allocated limit for raising funds through the issue of Bonds during the Fiscal 2014, wherein suitable amounts shall be earmarked for subscription by Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure, provided that in the event of any non-response, our Company shall be free to offer the un-subscribed amount through book building route under private placement in domestic market. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹ 1,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall get reduced by such amount raised.*
Issue Agreement	The agreement entered into on January 21, 2014, between our Company and the Lead Managers
Issue Period	The period between the Tranche Issue Opening Date and the Tranche Issue Closing Date

Term	Description
	inclusive of both days, during which a prospective investor may submit their Application Forms as specified in the respective Tranche Prospectus
Issue Size	As specified in the Tranche Prospectus
Karvy	Karvy Investor Services Limited
Lead Managers/ LMs	Karvy, AK Capital and RR Investors
Market Lot	1 (One) Bond
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. **OCBs are not permitted to invest in the Issue**
Public Issue Account	Account opened with the Escrow Collection Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts, on the Designated Date
Record Date	Date falling 15 days prior to the relevant Interest Payment Date on which interest amount or the Maturity Date/Redemption Date on which the Maturity Amount is due and payable under the relevant Tranche Prospectus. In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount (excluding application amounts from ASBA Applicants) shall be made
Redemption Amount or Maturity Amount	Repayment of the face value amount of Bonds plus any interest at the applicable coupon/ interest rate that may have accrued on the Maturity Date/Redemption Date
Redemption Date or Maturity Date	The date(s) on which the Bonds issued under different Series fall due for redemption as specified in the relevant Tranche Prospectus(es)
Refund Bank	As specified in the relevant Tranche Prospectus
Register of Bondholders	Register of Bondholders (in case of Bonds held in physical form) maintained by the Issuer in accordance with the Companies Act, 1956 and as detailed in "***Terms of the Issue – Rights of Bondholders***" on page 141
Registrar Agreement	Agreement dated January 21, 2014 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar to the Issue or Registrar	Link Intime India Private Limited
Resident Indian Individual	Individual who is a person resident in India as defined under the Foreign Exchange Management Act, 1999
RR Investors	RR Investors Capital Services Private Limited
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, a list of which is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. A list of the branches of the SCSBs where Application Forms will be forwarded by such Syndicate Members is available at www.sebi.gov.in
Series of Bonds or Series	A series of Bonds, which are identical in all respects including but not limited to terms and conditions, listing and ISIN number (in the event that Bonds in a single Series of Bonds carry the same coupon/ interest rate) and as further stated to be an individual "Series" in the relevant Tranche Prospectus(es)
Shelf Limit	The aggregate limit of the Issue being ₹ 1,000 crores* to be issued as per the terms of the Draft Shelf Prospectus, through one or more tranches. ** In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also, at its discretion, raise funds through issue of Bonds on a private placement basis in one or more tranches during the process of the present Issue, for an amount not exceeding ₹ 300 crores, i.e. upto 30% of the allocated limit for raising funds through the issue of Bonds during the Fiscal 2014, wherein suitable amounts shall be earmarked for subscription by Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure, provided that in the event of any non-response, our Company shall be free to offer the un-subscribed amount through book building route under private placement in domestic market. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹ 1,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall get reduced by such amount raised.*

Term	Description
Shelf Prospectus	The shelf prospectus to be filed by our Company with the RoC, Stock Exchanges and SEBI pursuant to the provisions of the SEBI Debt Regulations after incorporating the comments received from the public on the Draft Shelf Prospectus
Specified Cities/ Syndicate ASBA Locations	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Syndicate Members shall accept Application Forms under the ASBA process in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011, dated April 29, 2011
Stock Exchanges	BSE and NSE
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Syndicate Member, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Syndicate Members, and a list of which is available onhttp://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website(s) as may be prescribed by SEBI from time to time
Syndicate Members	Collectively, the Consortium Members and their respective affiliate brokers and sub-brokers acting in relation to the Issue
Trading Member	Intermediaries registered with a broker or a sub-broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable bye laws, rules, regulations, guidelines, circulars issued by the relevant Stock Exchanges from time to time
TRS/ Transaction Registration Slip	The acknowledgement or document issued by any of the Syndicate Members, SCSBs or Trading Members of the Stock Exchange(s), as the case may be, to an Applicant upon demand as proof of registration of Application for Bonds.
Tranche Issue	Issue of Bonds as per the terms specified in each Tranche Prospectus(es)
Tranche Issue Closing Date / Issue Closing Date	Issue closing date, as specified in the relevant Tranche Prospectus(es), for the relevant Tranche Issue or such other date as may be decided by the Board of Directors or Bond Committee
Tranche Issue Opening Date	Issue opening date, as specified in the relevant Tranche Prospectus(es), for the relevant Tranche Issue, or such other date as may be decided by the Board of Directors or Bond Committee
Tranche Prospectus	The tranche prospectus containing the details of Bonds including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection of the relevant Tranche Issue
Tripartite Agreements	Tripartite agreement dated April 29, 2009 between our Company, CDSL and the Registrar to the Issue and the tripartite agreement dated June 7, 2002 between our Company, NSDL and the Registrar to the Issue
Working Days	All days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in New Delhi or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
AD	Authorised Dealer
ADB	Asian Development Bank
AFD	Agence Francaise de Development
AGM	Annual General Meeting
AMC	Asset Management Company
AS	Accounting Standards issued by the ICAI
BIFR	Board for Industrial and Financial Reconstruction
Borrowing in Rupees Regulations	FEMA (Borrowing or Lending in Rupees) Regulations, 2000, as amended and supplemented from time to time
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARE	Credit Analysis & Research Limited
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
Civil Procedure Code	Code of Civil Procedure, 1908, as amended and supplemented from time to time
Companies Act, 1956	Companies Act, 1956, as amended and supplemented from time to time
Companies Act, 2013	Companies Act, 2013, to the extent notified and as amended and supplemented from time to time
Competition Act	Competition Act, 2002, as amended and supplemented from time to time

Term/Abbreviation	Description/ Full Form
CSR	Corporate Social Responsibility
Debt Listing Agreement	The debt listing agreement entered into by our Company with the Stock Exchanges
Depository(ies)	CDSL and NSDL
Depositories Act	Depositories Act, 1996, as amended and supplemented from time to time
DP/ Depository Participant	Depository Participant, as defined under the Depositories Act, 1996
DP ID	Depository Participant ID
DRR	Debenture Redemption Reserve
DTC	Direct Tax Code
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended and supplemented from time to time
FEMA 2000	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and supplemented from time to time
FII	Foreign Institutional Investor
FIMMDA	Fixed Income Money Market and Derivative Association of India
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
GDP	Gross Domestic Product
GoI or Government	Government of India
HUFs	Hindu Undivided Families
ICAI	Institute of Chartered Accountants of India
IFSC	Indian Financial System Code
IRDA	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
Income Tax Act	Income Tax Act, 1961, as amended and supplemented from time to time
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
JICA	Japan International Corporation Agency
KFW	Kreditanstalt Fur Wiederaufbau
KYC	Know your customer
LIBOR	London Inter-Bank Offer Rate
LIC	Life Insurance Corporation of India
LLP Act	Limited Liability Partnership Act, 2008, as amended and supplemented from time to time
MCA	Ministry of Corporate Affairs, GoI
MF	Mutual Fund
MICR	Magnetic Ink Character Recognition
MoF	Ministry of Finance, GoI
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NI Act, 1881	Negotiable Instruments Act, 1881
NIB	Nordic Investment Bank
NRI	Non Resident Indian
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
NSSF	National Small Savings Fund
p.a.	*Per annum*
PAN	Permanent Account Number
PAT	Profit After Tax
PFI	Public Financial Institution, as defined under section 4A of the Companies Act, 1956 and Section 2(72) of the Companies Act, 2013
PIO	Person of Indian Origin
PMLA	The Pre
PPP	Public Private Partnership
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Rs. or '₹'or Rupees or Indian Rupees	Lawful currency of India
RTGS	Real Time Gross Settlement
SARFAESI Act, 2002	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	Securities and Exchange Board of India
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended and supplemented from time to time
Securities Act	United States Securities Act, 1933, as amended and supplemented from time to time

Term/Abbreviation	Description/ Full Form
SIDBI	Small Industries Development Bank of India
Trusts Act	Indian Trusts Act, 1882, as amended and supplemented from time to time
UAN	Unique application number
Venture Capital Funds or VCFs	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI

Technical and Industry Related Terms

Term/Abbreviation	Description/ Full Form
AD	Accelerated Depreciation
CEA	Central Executive Authority
CERC	Central Electricity Regulatory Commission
CRR	Cash Reserve Ratio
EA	Electricity Act, 2003
FDI	Foreign Direct Investment
FiT	Feed in Tariffs
GBI	Generation Based Incentives
GDP	Gross Domestic Product
GoI	Government of India
GW	Giga Watt
IPP	Independent Power Producer
JNNSM	Jawaharlal Nehru National Solar Mission
LAF	Liquidity Adjustment Facility
MNES	Ministry of Non-Conventional Energy Sources
MNRE	Ministry of New and Renewable Energy
MSF	Marginal Standing Facility
MW	Mega Watt
MWhr	Mega Watt Hour
MW/ sq.km	Mega Watt Per Square Kilometer
NAPCC	National Action Plan for Climate Change
NEP	National Electricity Policy, 2005
NTP	National Tariff Policy (2006)
PM	Prime Minister
RBI	Reserve Bank of India
RE	Renewable Energy
RES	Renewable Energy Sources
RPS/RPO	Renewable Purchase Specification/Obligation
SERCs	State Electricity Regulatory Commissions
Tn./tn.	Trillion
WTGs	Wind Turbine Generators

Business Related Terms

Term/Abbreviation	Description/ Full Form
ALCO	Asset Liability Management Committee
CAGR	Compounded Annual Growth Rate
CMD	Chairman & Managing Director
CRAR	Capital to Risk Asset Ratio
CRRS	Credit Risk Rating System
CSR	Corporate Social Responsibility
ISO	International Organization for Standardization
KYC	Know Your Client
MoU	Memorandum of Understanding
MoF	Ministry of Finance
MPWL	M.P. Wind Farms Limited
NBFC	Non-Banking Financial Company
NCT	Near Capital Territory
NPA	Net Performing Asset
PAT	Profit After Tax
PV	Photovoltaic
QMS	Quality Management System

Term/Abbreviation	Description/ Full Form
RPSSGP	Rooftop PV & Small Solar Power Generation Programme

Notwithstanding the foregoing, terms in "***Main Provisions of the Articles of Association***", "***Statement of Tax Benefits***", "***Regulations and Policies***" on pages 176, 51, 77, respectively, and "***Annexure A - Financial Information***", shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATON

Certain Conventions

All references in the Draft Shelf Prospectus to "**India**" are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data of our Company for six months period ended September 30, 2013 and for each year ended March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 included in the Draft Shelf Prospectus has been derived from the audited financial statements of our Company as at and for the six month period ended September 30, 2013 and as at and for the years ended March 31, 2013, 2012, 2011, 2010 and 2009, and has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 and SEBI Debt Regulations. The audited financial statements for the six months period ended on September 30, 2013 and the years ended March 31, 2013, March 31, 2012, March 31, 2011 were audited by M/s. Gianender & Associates, Chartered Accountants, the current Auditors of our Company and for the years ended March 31, 2010 and March 31, 2009 were audited by M/s. S.C.Vasudeva & Co, Chartered Accountants, the previous statutory auditors of our Company. In the Draft Shelf Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year", and "Fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year.

The degree to which the financial statements prepared in accordance with Indian GAAP included in the Draft Shelf Prospectus 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 the Draft Shelf Prospectus should accordingly be limited.

Currency and Unit of Presentation

In the Draft Shelf Prospectus, references to '**₹**', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India and references to 'US$', 'USD', and 'U.S. dollars' are to the legal currency of the United States of America and references to 'Euro', 'DM' and '**€**' are to the legal currency of the European Union and references to 'Japanese Yen', 'JPY' and '¥' are to the legal currency of Japan.

Industry and Market Data

Any industry and market data used in the Draft Shelf Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which our Company competes. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although our Company believes the industry and market data used in the Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in the Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our Company conducts its business, and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates of the US$, **€** and ¥ as at and for the six month period ended September 30, 2013 and for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 are provided below:

Currency	Exchange rate into ₹ as at September 30, 2013	Exchange rate into ₹ as at March 28, 2013*	Exchange rate into ₹ as at March 30, 2012**	Exchange rate into ₹ as at March 31, 2011	Exchange rate into ₹ as at March 31, 2010	Exchange rate into ₹ as at March 31, 2009
1 US$	62. 78	54.39	51.16	44.65	45.14	50.95
1 €	84.67	69.54	68.34	63.24	60.56	67.48
1 ¥	0.64	0.58	0.62	0.54	0.48	0.52

Source: www.rbi.org.in

***March 29, 2013 was a holiday and March 30, 2013 and March 31, 2013 were trading holiday; hence, exchange rates for last working day of March, 2013 i.e March 28, 2013 have been used.*

*** March 31, 2012 was trading holiday; hence, exchange rates for last working day of March, 2012 i.e March 30, 2012 have been used.*

FORWARD LOOKING STATEMENTS

Certain statements contained in the Draft Shelf Prospectus that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'seek,' 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in the Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to comply with certain specific conditions prescribed by the Government of India ("**GoI**") in relation to our business or any changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institutions;
- limited recourse in the event of default by our borrowers;
- possible contingent liabilities and uninsured losses;
- credit and market risks, affecting our credit ratings and our cost of funds;
- unavailability of financing at commercially acceptable terms, or at all;
- concentration of our exposure to certain sectors, areas and borrowers;
- foreign currency borrowings as well as financing activities, which will expose us to fluctuations on foreign exchange rates;
- we may face asset-liability mismatches, which could affect our liquidity;
- our provisioning norms may not be indicative of the expected quality of our loan portfolio;
- changes in political conditions in India and internationally;
- Governmental and regulatory actions that may effect our business or our industry;
- other factors discussed in the Draft Shelf Prospectus, including under "*Risk Factors*" on page 12.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "***Our Business***" and "***Material Developments***" on page 64 and 115, respectively. The forward-looking statements contained in the Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, our Company cannot assure Investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II - RISK FACTORS

*You should carefully consider all the information in the Draft Shelf Prospectus, including the risks and uncertainties described below, and under "**Our Business**" on page 64 of the Draft Shelf Prospectus and "**Annexure A - Financial Information**", before making an investment in the Bonds. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to our Company or that our Company currently believes to be immaterial may also have an adverse effect on its business, prospects, results of operations and financial condition. If any of the following or any other risks actually occur, our Company's business, prospects, results of operations and financial condition could be adversely affected and the price and value of your investment in the Bonds could decline such that you may lose all or part of your investment.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where such implications are not quantifiable and hence any quantification of the underlying risks has not been disclosed in such risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

You should not invest in the Issue unless you are prepared to accept the risk of losing all or part of your investment and you should consult your own tax, financial and legal advisors about the particular consequences of an investment in the Bonds.

Unless otherwise stated, our financial information used in this section is derived from our audited financial information, prepared in accordance with accounting standards generally accepted in India.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

1. There are outstanding legal proceedings in which our Company is involved, and any adverse decision in such proceedings may affect 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 ₹ 1 crore, disputed income tax liabilities and labour proceedings against us, please see section titled "Outstanding Litigation" on page 106.

Additionally, should any new development arise against us by 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 affect our business, results of operations and financial condition.

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

Our business mainly comprises financing specific projects and schemes for generating energy through new and renewable material and sources in order to promote and develop new and renewable sources of energy. The projects carry project-specific as well as general risks. The risks related to the sector include but may not be limited to the following, many of which are not in our control:-

- political, regulatory, fiscal, monetary, legal actions and policies that may adversely affect the viability of projects to which we lend;
- changes in government 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/globally;
- 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 projects we finance materialize, the quality of our asset portfolio and our profitability may be adversely affected.

3. In the past we have certain non compliances with the terms of the Debt Listing Agreement that we have entered into with the NSE for listing of our privately placed debt securities.

Our debt securities are listed on the NSE. We have entered into a Debt Listing Agreement with the NSE for listing of our privately placed debt securities. In terms of the provisions of the Debt Listing Agreement we are required to make periodic filings and disclosure to the NSE. Although we have been making periodic disclosure to the holders of our debt securities listed on the NSE but certain disclosures as required under the Debt Listing Agreement were not made to the NSE. However, as on date, we have not received any notices from the NSE or SEBI as to show cause why we have not complied with the terms of the Debt Listing Agreement.

While we will take adequate measures to comply with Debt Listing Agreement in future, however, there can be no assurance that the NSE or SEBI will not take any regulatory action against us for the past or future non-compliance of the provisions of the Debt Listing Agreement. 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 Debt Listing Agreement, see the section titled "***Regulations and Policies***" on page 77.

4. If the level of non-performing assets in our loan portfolio were to increase, our financial condition may be adversely affected.

In the past, our gross NPAs have been as indicated below:

Particulars as of	**NPA as % of total loan**
As of March 31, 2013	3.86
As of March 31, 2012	5.46

Being a NBFC, owned and controlled by GoI, provisioning has been made by us in terms of prudential norms laid down by the Board in terms of internal policy of our Company. If RBI were to make provisioning norms applicable to us more stringent, our level of NPAs and provisions with respect thereto could be significantly 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.

5. We may not be able to recover, or there may be a delay in recovering, the expected value from security and collaterals 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 collaterals 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 being 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 March 31, 2013, out of the total outstanding loans of ₹ 6,596.72 crores, ₹ 6,583.08 crores were secured by a charge on the relevant project assets and ₹ 13.64 crores were unsecured but guaranteed by banks.

Our loans are typically secured by various movable and immovable assets of the project and/ or other collaterals. We seek a first ranking pari-passu charge on the relevant project assets for loans extended on a senior basis. The value of certain kinds of assets may decline due to operational risks that are inherent to 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 realization 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. Further, 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.

Further, certain of our loans have been granted as part of a syndicate and where joint recovery action is implemented by a consortium of lenders, they may be susceptible to delay or not favourable to us. In this regard, 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 ₹ 10 crores or more, lenders for more than 75% of such indebtedness by value and 60% 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.

6. ***As a financial institution focused towards financing of new and renewable sources of energy, we and our borrowers have received certain tax benefits, subsidies and incentives in the past. We cannot assure that such benefits, subsidies and incentives will be available to us and 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 new and renewable sources of energy and have benefited from certain tax regulations and incentives that accord favourable treatment towards such sector. Further, our Company is also eligible for certain tax benefits and incentives as a Public Financial Institution, as defined under Section 4A of the Companies Act, 1956. 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 tax rates 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.

Further, some of our borrowers benefit from the various incentives available to renewable energy projects such as MNRE Scheme for Implementation of Generation Based Incentives ("**GBI**") for Grid Interactive Wind Power Projects and Rooftop PV and Small Solar Power Generation Programme. We cannot assure you that our borrowers would continue to be eligible for such incentives. 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 affect on our financial results. Additionally, if such incentives were not available or significantly reduced, renewable energy power 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.

7. ***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 hypothecation or mortgage or both. In addition, 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, or 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 floods, fires and earthquakes, etc, it may affect our ability to recover the loan amounts due to us.

8. We are affected by volatility in interest rates for our lending operations as well as the rates at which our Company mobilizes its resources, 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 mobilise our resources. 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 RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, including inflation. Due to these factors, interest rates 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 align our lending activity in order to maintain our profitability. However, there can be no assurances that we will be able to do so and we may suffer reduced profitability in the event our net interest margins were to decrease, which may adversely affect our business, prospects, results of operations and financial condition.

A major portion of our domestic borrowings are on fixed interest rate basis and are primarily for a tenure in excess of 10 years. As a result, if lending rates fall, we may have difficulty in maintaining the net interest margin. 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 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.

Further, 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, our 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 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.

9. We are subject to credit and market risks, and if any such risks were to materialize, 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 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 our ratings (or withdrawal of 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 "***Our Business***" on page 64.

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

The liquidity and ongoing profitability of our business depend on our timely access to and the costs associated with raising capital. Our total finance cost for Fiscal 2013 was ₹ 380.60 crores and comprised approximately 89.67% of our total expenditure (excluding tax; provisions for bad & doubtful debts and standard assets) for Fiscal 2013. The total finance cost incurred by our Company as on September 30, 2013 is ₹ 259.78 crores. 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. Further, in case GoI does not guarantee our borrowings or in case credit rating of debt instruments issued by us is downgraded for any reason, in the future, investors/lenders may not be willing to invest in our debt instruments at commercially acceptable interest rates, or at all. Thus, in order to honour our lending commitments, we may be required to avail of loans at high costs, which may in turn affect our spread on loans and our financial condition. Further, 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.

Further, 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 loan agreements' conditions, in 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 hence would have an adverse effect on our business, prospects, results of operations and financial condition.

11. In addition to our Rupee borrowings, we currently have foreign currency borrowings, which are likely to continue or increase in the future, which will expose us to fluctuations in foreign exchange rates, which could adversely affect our financial condition.

As at September 30, 2013, our Company had foreign currency borrowings of ₹ 3,743.04 crores. We may seek to obtain additional foreign currency borrowings in the future. We are therefore exposed to adverse movements in foreign exchange rates. In the recent times, 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 avail loan it will result in higher outflow in relation to foreign currency denominated loan. Although we have hedged our foreign currency open position, it cannot be assured that such hedges will cover sufficiently or at all 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. For more information, see "***Financial Indebtedness***" on page 102.

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

For the Fiscal 2013, 2012 and 2011 and the six month period ended September 30, 2013, our profits after interest but before tax was ₹ 250.58 crore, ₹ 208.12 crore, ₹ 166.70 crore and ₹ 166.97 crore, respectively, and our profits after tax was ₹ 202.65 crore, ₹ 173.13 crore, ₹ 120.46 crore and ₹ 119.87 crore, respectively. Our Company's compounded annual growth rate ("**CAGR**") over the last three Fiscals of the profit after interest before tax and profit after tax is 22.60% and 29.70%, 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/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.

13. The renewable energy financing industry in India is still at a relatively early stage of development and is linked to the growth of the economy. If the renewable energy financing industry does not develop as anticipated, our business, prospects, results of operations and financial condition could be adversely affected.

The renewable energy sector in India is still at a relatively early stage of development and is linked to the growth of the Indian economy and stable regulatory regimes. Many specific factors within each sector we finance such as wind power, hydro power, biomass co-generation, energy efficiency and conservation, solar energy, also influence the success of the projects within these sectors, including changes in policies, regulatory frameworks and market structures. Any sudden and adverse change in the policies relating to sectors, in which we seek to invest, may leave us with unutilized capital and interest and debt obligations to fulfil.

Moreover, any disagreements or disputes between the parties involved in implementation of the projects, or delays in project schedule as a result of non-performance of obligations by any of the parties involved, delay in acquisition of land for the project or delay in receipt of government approvals, may temporarily or permanently impact the ability of our borrowers to pay interest or principal amounts borrowed, which could have an adverse effect on our business, prospects, results of operations and financial condition.

If the initiatives of the GoI and regulations in the renewable energy power sector do not proceed in the desired direction, or if there is any downturn in the macroeconomic environment in India or in specific sectors, our business, prospects, results of operations and financial condition could be adversely affected.

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

We are non-deposit taking systemically important NBFCs and in accordance with applicable laws and regulations we are required to maintain a CRAR of at least 15%. Our CRAR was 26.22% as of September 30, 2013. If we continue to grow our loan portfolio and asset base, we will be required to raise additional tier I 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.

15. Delays or cancellation in the implementation of renewable energy projects financed by us in the past or to be financed in the future may 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.

16. 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 affect 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/seek the prior permission of these lenders for various activities, including, among other things, affecting undertaking any merger/amalgamation/restructuring, utilizing loans for purposes other than those set out in the financing agreement, effecting any amendments in our Company's Memorandum and Articles, etc.

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 affect on our business, results of operations and financial condition. For further details, please see the section titled "***Financial Indebtedness***" on page 102.

17. A level of indebtedness beyond our ability to service the same could adversely affect our ability to react to changes in our business environment which may in turn affect our prospects and results of operations.

A significant portion of our funding is obtained through credit facilities and loans provided by banks, financial institutions and bilateral and multilateral institutions. An unduly high level of indebtedness could:

- in the event our cash flows do not increase in the same proportions, 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 competitive disadvantage relative to competitors that have less debt or greater financial resources.

As at September 30, 2013, our indebtedness aggregated to ₹ 5,745.27 crores. Debt agreements entered into by us, at present or in 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. For more information, see "***Financial Indebtedness***" on page 102.

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

Our success depends substantially on the continued services and performance of our senior management team and other key personnel as well as on our skilled workforce. 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 10 years of experience in the renewable energy sector. We also face a continuing challenge to recruit and retain skilled personnel, knowledgeable in 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. We do not maintain key man insurance. 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.

19. 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 not registered nor our Company has 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 capitalize 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 "***Our Business***" on page 64.

20. 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). Notwithstanding the insurance coverage that we carry, we may not be fully insured against some 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. The extent of this material adverse effect on our business, financial condition and results of operation is not disclosed as it cannot be quantified.

21. Several properties used by our Company for the purposes of its operations are not owned by our Company. 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 not owned by us. For further details, please see the section titled "***Our Business***" on page 64. Pursuant to allotment letter dated August 25, 1988 and subsequent increase of space allocation vide letter dated July 26, 1989, the GoI has allotted premises located at India Habitat Centre, East Court, 1st Floor, Lodhi Road, New Delhi - 110003. Any termination of the contractual agreements in connection with such properties which are not owned by us or our failure to renew the same, and on favourable conditions, in a timely manner, or at all, could adversely affect our business, results of operations and financial condition.

22. 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, particularly in relation to independent directors, 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. Further, as per the Articles of Association, the President of India shall have powers to appoint, subject to the provisions of the Companies Act, 1956, chairman and 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 chairman and managing director or functional directors or director of our Company. Presently, there are six Directors on our Board. For more information, see "***Main Provisions of the Articles of Association***" and "***Our Management***" on pages 176 and 88, respectively.

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, vide Board resolution dated February 25, 2011, our company has adopted Guidelines on Corporate Governance for Central Public Sector Enterprises dated May 14, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India and accordingly we implement certain policies and procedures to minimize risks associated with internal controls and risk management, including

constitution of committees of our Board and divisions within our Company for such purpose, as well as periodic internal and external audits. For more information, see "***Our Business***" on page 64.

23. Our Company has received qualifications and/or limitations in the auditors' reports on our Company's financial statements for the six month period ended September 30, 2013 and for the financial years ended March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009.

Our Company has received qualifications and/or limitations in the auditor's reports on our financial statements for the financial years ended March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and for the six month period ended September 30, 2013. Such qualifications and/or limitations inter-alia state the following:

i) The auditor's report on Audited Financial Statements as on and for the six months period ended September 30, 2013 contains following qualifications which have not been given effect in the reformatted Accounts:

a) Note 24- relating to Employee Benefits : The provision for long term employee benefits has been made by the company on ad-hoc basis instead of on actuarial valuation basis which is not in conformity with AS-15 (Revised) issued by ICAI. The Consequent impact on profitability and long term provision on account of employee benefit is unascertained.

b) Note-35 : Non-Identification of NPA accounts. The company has not reviewed Non Preforming Assets as at 30.09.2013. The consequent impact on Income, Profitability and on Short Term and Long Term Loans & Advances and provisions is unascertained.

ii) The auditor's report on Audited Financial Statements as on and for year ended March 31, 2011 contains following qualification which has not been given effect in the reformatted Accounts Significant Accounting policies and Notes on Accounts (As per Schedule-P):

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

iii) The auditor's report on Audited financial statements as on and for year ended March 31, 2010 contains following qualification, which has not been given effect in the reformatted Accounts :

The Company is carrying a provision of ₹ 6.98 crores in respect of Standard Assets and Provision for Bad and doubtful debts of ₹ 284.64 crores in respect of Sub-standard, Doubtful, and Loss Assets in its books of account which exceeds the provision that the company is required to make in accordance with the prudential norms framed by the Board by an amount of ₹ 149.30 crores. The excess amount of provision has not been shown as 'Reserve' as required by Part III of Schedule VI to the Companies Act, 1956. Had the said amount been shown as a 'Reserve' as against the amount being presently shown as a 'Provision', the figure of Reserves and Surplus would have been ₹ 570.26 crores as against the reported figure of ₹ 420.96 crores, the figure of provision for standard assets and bad and doubtful debts would have been ₹ 142.32 crores as against the reported figure of ₹ 291.62 crores.

iv) The auditor's report on Audited financial statements as on and for year ended March 31, 2009 contains following qualification , which has not been given effect in the reformatted Accounts

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

For further details see "***Annexure A - Financial Information***" of the Draft Shelf Prospectus.

24. Our provisioning/reserve norms may not be indicative of the expected quality of our loan portfolio, accordingly, in the event a significant portion of our exposure were to materialize 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 development of renewable energy power projects in India, amounted to ₹ 336.19 crores as on March 31, 2013. The amount in the special reserve maintained by our Company as on September 30, 2013 as an update of six months from the last audited financial statements is ₹ 367.82 crores. We also have a corporate social responsibility reserve, in compliance with the corporate social responsibility policy of our Company as per the guidelines issued by the Department of Public Enterprises, GoI, which amounted to ₹ 6.44 crores as on March 31, 2013. The amount in the corporate social responsibility reserve maintained by our Company as on September 30, 2013 as an update of six months from the last audited financial statements is ₹ 4.40 crores. The Statutory Auditors have made certain qualifications in the auditor's reports on the financial statements of our Company for the six month period ended September 30, 2013, in respect of non-identification of new NPAs by our Company.

Please see Risk Factor No. 23 "***Our Company has received qualifications and/or limitations in the auditors' reports on our Company's financial statements for the financial years ended March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and for the six month period ended September 30, 2013."***, for details in connection with qualifications made by the Statutory Auditors.

Our provisioning norms may not be indicative of the expected quality of our loan portfolio, if risks affecting a significant portion of our exposure were to materialize or general economic conditions deteriorate.

For information on non-performing advances as at March 31, 2013, see "***Annexure A – Financial Information***". If the size of our loan portfolio increases in the future, then we may have non-performing loans on account of these new loans and sectoral exposures, or as a result 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.

Whilst 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 "***Our Business***" on page 64.

25. In case we 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, it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business. In case, we do not receive or are unable to renew such approvals in the time frames anticipated by us, or at all, it 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 a 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.

Any 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, 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 RBI regulations, Companies Act, 1956, Companies Act, 2013 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 77.

26. 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 GoI, issuance of secured and unsecured non-convertible debentures and secured/unsecured long term loans availed from domestic as well as multilateral and bilateral institutions. As at March 31, 2013, our indebtedness aggregated to ₹ 5,093.18 crores, and the cumulative amount of gross loans outstanding was ₹ 6,596.72 crores, under direct lending. The aggregated amount of financial indebtedness by our Company as on September 30, 2013 as an update of six months from the last audited financial statements is ₹ 5,745.27 crores. As at March 31, 2013, our long term borrowings aggregated to ₹ 4,916.63 crores as our Company did not have any short term borrowings, reflecting an increase of 22.91% in our indebtedness and 24.18% in our long term borrowings, compared to March 31, 2012. The aggregated amount of long term borrowings of our Company as on September 30, 2013 as an update of six months from the last audited financial statements is ₹ 5,482.86 crores.

While our domestic borrowings are usually on fixed interest rate basis and are primarily for a tenure of 7-16 years and the financing we offer is also of a long-term nature, in the future, if we are unable to effectively manage our funding requirements and the financing we provide (which may be aggravated if our borrowers prepay or 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.

27. 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 will be required to prepare its financial statements in accordance with IFRS converged standards as of April 1, 2014.

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 the Draft Shelf Prospectus, 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 the Draft Shelf Prospectus 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 the Draft Shelf Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of this Issue and the financial information contained in the Draft Shelf Prospectus.

The ICAI, the accounting body that regulates accounting firms in India, and the Ministry of Corporate Affairs has announced a road map for the adoption of and convergence of Indian GAAP with IFRS, pursuant to which our Company will be required to prepare their annual and interim financial statements under IFRS starting April 1, 2014.

Due to a significant lack of clarity on the adoption of and convergence of Indian GAAP with IFRS, with no significant body of established practice on which to draw upon when forming judgments regarding its implementation and application, our Company has not determined with any degree of certainty the impact that such adoption will have on its financial reporting. Our Company cannot assure investors that its financial condition, results of operations, cash flows or changes in shareholders' funds will not appear materially different under IFRS than under Indian GAAP. As our Company transitions to IFRS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems.

Our Company cannot assure that its adoption of the IFRS converged standards will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt IFRS standards by April 1, 2014, or such other date as prescribed by applicable law, could have an adverse effect on us.

28. Where we/our borrowers are required to comply with specific conditions prescribed by the Government of India ("GoI") in relation to our business, failure to comply with these or any 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.

Our business and our sector depends, directly and indirectly, on the policies and support of GoI 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, GoI 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 GoI by concentrating our financing on specific projects or sectors in the public interest.

We were set up by the Ministry of Renewable Energy ("**MNRE**"), as a non-banking financial institutions which promotes, develops and extends financial assistance for Renewable Energy and Energy Efficiency/Conservation Projects. Our Company has been notified as a "Public Financial Institution" under section 4 A of the Companies Act, 1956 and registered as NBFC with RBI.

Our borrowers are also significantly impacted by GoI policies and support in a variety of ways. In particular, GoI 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 government 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.

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

As on date, our Directors are not interested in corporations/ companies/ entities similar to ours. However in future, our Directors may have interest in such corporations/ companies/ entities having operations similar to ours and such directorships of our Directors may result in potential conflict of interest situations. While, our Board continues to adhere to the requirements of the Companies Act, 1956 and the Companies Act, 2013, there can be no assurance that these or other conflicts of interest will be resolved in a timely and efficient manner.

30. Our business may be adversely affected by future legislative/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, etc., 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. While we will take adequate measures, 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 77.

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

As on September 30, 2013, the contingent liabilities of our Company which were not provided for, are as under:

Amount (₹ in crores)

Particulars	**As at September 30, 2013**
Income tax demand for assessment years 2003-04, 2004-05, 2010-11 & 2011-12 is outstanding. Our Company has filed appeals against the orders of the Income Tax Department for the respective assessment years and based upon the decision of the Honourable ITAT on similar issues for assessment years 1998-99 to 2002-03 and on opinion of Expert Advisory Committee of ICAI 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
Claims against our Company not acknowledged as debt	1.50
Long term guarantee in favor of Tadas Wind Energy Limited for guaranteeing the advance payment on request of borrower M/S. Wind World India Limited	138.28
Total of contingent liabilities	**171.60**

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

RISKS RELATING TO THE INDIAN ECONOMY

32. A slowdown in economic growth in India could cause our business to be adversely affected.

Our results of operations are significantly affected by factors influencing the Indian economy and the global economy in general. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our loan portfolio, the quality of our assets, and our ability to implement our strategy.

Any slowdown in the growth or negative growth of sectors where we have a relatively higher exposure could adversely impact our performance. Any such slowdown could adversely affect our business, prospects, results of operations and financial condition.

33. Our access to liquidity is susceptible to adverse conditions in the domestic and global financial markets.

The Indian 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 effects on the economy as a whole, 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.

Since the second half of 2007, the global credit markets have experienced, and may continue to experience, significant dislocations and liquidity disruptions originating from liquidity disruptions in the United States and the European credit and sub-prime residential mortgage markets. These and other related events, such

as the collapse of a number of financial institutions, have had and continue to have an adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term, impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. Furthermore, pre-emptive actions taken by RBI in response to the market conditions in the second half of Fiscal 2009, especially the provision of liquidity support and a reduction in policy rates, may not continue in the future and there can be no assurance that we will be able to access the financial markets for liquidity if needed. In the event conditions in the global credit markets deteriorate or if there are changes in statutory limitations on the amount of liquidity we must maintain or if there is a significant financial disruption, such conditions could have an adverse effect on our business, prospects, results of operations and financial condition.

34. Difficulties faced by other banks, financial institutions or NBFCs or the Indian financial sector generally could cause our business to be adversely affected.

We are exposed to the risks of the Indian financial sector which in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years particularly in managing risks associated with their portfolios and matching the duration of their assets and liabilities, and some banks have also faced serious financial and liquidity crises. In addition, various financial institutions have been adversely affected due to their exposure to and dealings with the telecommunications, real estate and infrastructure companies. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which in turn could adversely affect our business, prospects, results of operations and financial condition.

35. Political instability or changes in GoI policies could adversely affect economic conditions in India generally, and consequently, our business in particular.

We are incorporated in India, derive our revenues from operations in India and all of our assets are located in India. Consequently, our performance may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic and financial sector liberalisation and deregulation and encouraged infrastructure projects. The present government has announced its general intention to continue India's current economic liberalization and deregulation policies. However, the rate of economic liberalization could change and there can be no assurance that such policies will be continued. A significant change in GoI's policies in the future, particularly in respect of the banking and finance industry and the infrastructure sector, could affect business and economic conditions in India. This could also adversely affect our business, prospects, results of operations and financial condition.

36. 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 natural calamities such as earthquakes, floods and drought in the recent past. For example, recent floods in Uttrakhand and earthquake in Sikkim. Such unforeseen circumstances or other natural calamities could have a negative impact on the Indian economy, thereby affecting our business, prospects, results of operations and financial condition.

37. If regional hostilities, terrorist attacks or social unrest in India increases, our business could be adversely affected.

India has from time to time experienced social and civil unrest and hostilities within itself and with neighbouring countries. India has also experienced terrorist attacks in some parts of the country. These hostilities and tensions and/or the occurrence of terrorist attacks have the potential to cause political or economic instability in India and adversely affect our business and future financial performance. Further,

India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our business, prospects, results of operations and financial condition.

38. Any down grading of India's sovereign rating by a credit rating agency could have a negative impact on our business, financial condition and results of operations.

Any adverse revisions to India's sovereign credit ratings for domestic and international debt by credit rating agencies may adversely impact the interest rates and other commercial terms at which such financing is available to us. Consequently, if India's sovereign credit rating downgrades, we may not be able to competitively price our loans and, accordingly, we may not be able to maintain the profitability or growth of our business. Additionally, if we are unable to competitively price our loans, we would be subjected to greater levels of prepayments on our loans as borrowers seek loans from our competitors that can offer lower priced loans resulting from their lower cost of capital. Accordingly, any adverse revisions to our credit rating or the India's sovereign credit rating could have a material adverse effect on our business, financial condition and results of operations, our ability to obtain financing for lending operations.

RISKS RELATING TO THE BONDS

39. There has been only a limited trading in the bonds and it may not be available on sustained basis in the future, and the price of the Bonds may be volatile.

There has been only a limited trading in bonds of such nature in the past. Although the Bonds are proposed listed on BSE and NSE, there can be no assurance that a public market for these Bonds would be available on a sustained basis. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of Bonds. Such fluctuations may significantly affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which the Bonds are issued.

40. There is no guarantee that the Bonds issued pursuant to the Issue will be listed on BSE and/or NSE in a timely manner, or at all or that monies refundable to Applicants will be refunded in a timely manner.

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until after the Bonds have been issued and Allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the Stock Exchange. If permission to deal in and for an official quotation of the Bonds is not granted by the Stock Exchange, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the respective Tranche Prospectus.

41. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Bonds.

Our ability to pay interest accrued on the Bonds and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the Bonds and/or the interest accrued thereon in a timely manner, or at all. Although our Company has undertaken to create appropriate security in favour of the Bond Trustee to the Issue for the Bondholders on the assets adequate to ensure 100% asset cover for the Bonds, the realizable value of the secured assets may be lower than the outstanding principal and/or interest accrued thereon in connection with the Bonds

42. A debenture redemption reserve will be created, up to an extent of 25% for the Bonds and in the event of default in excess of such reserve, Bondholders may find it difficult to enforce their interests.

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 117C of the Companies Act, any company that intends to issue debentures shall create a debenture redemption reserve ("**DRR**") to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. Further, the Ministry of Company Affairs ("**MCA**") has, through its circular dated February

11, 2013, specified that the PFIs shall create a DRR to the extent of 25% of the value of the debentures issued through public issue. Accordingly, our Company shall create DRR of 25% of the value of Bonds issued and allotted in terms of the Tranche Prospectus(es), or such a percentage as may be required under the relevant law as amended from time to time, for the redemption of the Bonds. our Company shall credit adequate amounts to the DRR from its profits every year until the Bonds are redeemed. The amounts credited to the DRR shall not be utilised by our Company for any purpose other than for the redemption of the Bonds.

43. Changes in interest rates may affect the trading price of the Bonds.

All securities where a fixed rate of interest is offered, such as the Bonds, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon/ interest rate, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the trading price of the Bonds.

44. Any downgrading in credit rating of our Bonds may affect the trading price of our Bonds.

The Bonds proposed to be issued under the Issue have been rated BWR AAA (SO) [pronounced BWR Triple A (Structured Obligation)] (Outlook: Stable)" by Brickwork and "CARE AAA (SO) [Triple A (Structured Obligation)]" by CARE through their letters, both dated December 31, 2013. We cannot guarantee that these ratings will not be downgraded. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the Bonds and may also affect our ability to raise further debt.

45. The Bonds are classified as 'tax free bonds' eligible for tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, up to an amount of interest on such Bonds.

The Bonds are classified as 'tax free bonds' issued in terms of Section 10(15)(iv)(h) of the Income Tax Act and the CBDT Notification. Accordingly, only the amount of interest on the Bonds shall be entitled to exemption under the provisions of the Income Tax Act, and not the actual amount of investment, and only to the extent that any Applicant or Bondholder is eligible to take the benefit of any exemption available to an assessee under the Income Tax Act.

46. Payments made on the Bonds will be subordinated to certain tax and other liabilities preferred by law.

The Bonds will be subordinated to certain liabilities preferred by law such as to claims of GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Bonds only after all of those liabilities that rank senior to these Bonds have been paid. 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 Bonds.

Further, there is no restriction on the amount of debt securities that we may issue that may rank above the Bonds. The issue of any such debt securities may reduce the amount recoverable by investors in the Bonds on our bankruptcy, winding-up or liquidation.

46. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.

We are subject to regulations by Indian governmental authorities. These laws and regulations impose numerous requirements on us, including prudential norms, asset classifications and prescribed levels of capital adequacy, cash reserves and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us.

47. The market value of your investment may fluctuate due to the volatility of the Indian securities market.

Indian stock exchanges (including the NSE and the BSE) have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokers. If such or similar problems were to re-occur, this may have effect on the market price and liquidity of the securities of Indian companies, including the Bonds. In addition, the governing bodies of Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. In the past, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases have had a negative effect on market sentiments.

SECTION III - INTRODUCTION
THE ISSUE

The following is a summary of the terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in "***Issue Structure***" and "***Terms of the Issue***" on page 120 and 125, respectively, of the Draft Shelf Prospectus as well as the relevant sections of the Tranche Prospectus(es).

Particulars	Terms and Conditions
Security Name	See "Terms and Conditions in Connection with the Bonds" on page 123.
Issuer	Indian Renewable Energy Development Agency Limited
Type of instrument	Tax free secured redeemable non convertible bonds of face value of ₹ 1,000 each, in the nature of debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act.
Nature of instrument	Secured, redeemable and non convertible Bonds
Seniority	The claims of the Bondholders shall be superior to the claims of any unsecured creditors of our Company and subject to applicable statutory and/or regulatory requirements, rank pari passu inter se to the claims of other secured creditors of our Company having the same security.
Mode of issue	Public issue
Eligible Investors	Please refer to the section titled "*Issue Procedure- Who can apply*" on page 147
Listing	The Bonds shall be listed on the BSE and NSE within 12 Working Days from the Issue Closure Date.
Designated Stock Exchange	BSE Limited
Credit Rating of the instrument	BWR AAA (SO) [pronounced BWR Triple A (Structured Obligation)] (Outlook: Stable)" by Brickwork and "CARE AAA (SO) [Triple A (Structured Obligation)]" by CARE. These credit ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by assigning rating agencies and should be evaluated independently of any other ratings. For the rationale for these ratings, see Annexure B.
Issue size	As specified in the relevant Tranche Prospectus with aggregate issuance amount in all Tranche Prospectus taken together, not exceeding the Shelf Limit.
Option to retain over subscription	As specified in the relevant Tranche Prospectuses.
Objects of the Issue	See the section titled "Objects of the Issue" on page 49
Details of utilisation of proceeds	See the section titled "Objects of the Issue" on page 49
Coupon rate	See the section titled "Terms of the Issue – Interest" on page 130
Step up/ step down coupon rates	Not Applicable
Coupon payment frequency	Annual
Coupon payment dates	As specified in the relevant Tranche Prospectus(es)
Coupon type	Fixed
Coupon Reset Process	Not Applicable
Default interest rate	See the section titled "Terms of the Issue – Events of Default" on page 141
Day count basis	Actual/actual
Interest on Application Amounts	See the section titled "Terms of the Issue – Interest on Application Amounts" on page 131
Tenor	10 years, 15 years and 20 years from the Deemed Date of Allotment
Redemption Dates	For Tranche [●] Series [●], the date, falling 10 years from the Deemed Date of Allotment; for Tranche [●] Series [●], the date falling 15 years from the Deemed Date of Allotment; and for Tranche [●] Series [●], the date falling 20 years from the Deemed Date of Allotment
Redemption Amount	Repayment of the face value amount of Bonds plus any interest at the applicable coupon/ interest rate that may have accrued on the Maturity Date/Redemption Date
Redemption Premium /Discount	Not Applicable
Issue Price (in ₹)	1,000 per Bond
Face Value (in ₹)	1,000 per Bond
Minimum application size	As specified in the Tranche Prospectus for a particular Series of Bonds. The minimum number of Bonds per Application Form will be calculated on the basis of the total number of Bonds applied for under each such Application Form and not on the basis of any specific option.

Particulars	Terms and Conditions
Issue opening date	As specified in the Tranche Prospectus.
Issue closing date	As specified in the Tranche Prospectus. The Issue shall remain open for subscription from 10:00 a.m. till 5:00 pm (Indian Standard Time) for the period mentioned above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure is published on or before the day of such early date of closure through advertisement/s in atleast one leading national daily newspaper with wide circulation.
Pay-in date	Application Date. Full Application Amount with the Application Form, except ASBA Applications. See "***Issue Procedure – Payment Instructions***" on page 155
Deemed Date of Allotment	The date on which, the Board of Directors or Bond Committee approves the Allotment of Bonds for each Tranche Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified for each Tranche Issue by Tranche Prospectus(es)) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
Issuance mode of the Instrument	In dematerialised form or in physical form as specified by the Applicant in the Application Form[#]
Trading mode of the Instrument	In dematerialised form only
Settlement mode of the Instrument	Through various available modes as detailed in the section titled "Issue Procedure – Payment Instructions" on page 155
Depository	NSDL and CDSL
Working Day Convention	See the section titled "Terms of the Issue – Effect of holidays on payments" on page 133
Record Date	Date falling 15 days prior to the relevant Interest Payment Date on which interest amount or the Maturity Date/Redemption Date on which the Maturity Amount is due and payable under the relevant Tranche Prospectus. In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date
Security	The Bonds proposed to be issued are secured by a floating first pari-passu charge on present and future receivables of our Company to the extent of amount mobilized under the Issue. Our Company reserves the right to create first pari-passu charge on present and future receivables for its present and future financial requirements.
Transaction Documents	The Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es) read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other security documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Escrow Agreement, the Memorandum of Understanding with the Registrar, Consortium Agreement and the Issue Agreement with the Lead Managers.
Security Cover	Atleast 100% of the outstanding Bonds at any point of time
Conditions Precedent to Disbursement	The conditions precedent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Condition Subsequent to Disbursement	The conditions subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of Default	Please refer to the chapter titled "*Terms of the Issue - Events of Default*" on page 141
Provisions related to Cross Default Clause	Please refer to the chapter titled "*Terms of the Issue*" on page 125
Role and Responsibilities of Debenture Trustee	Please refer to the chapter titled "*Terms of the Issue- Debenture Trustees*" on page 143.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between our Company and the Bondholders will be subject to the jurisdiction of competent courts in New Delhi.
Lead Mangers	Karvy, AK Capital and RR Investors
Registrar	Link Intime India Private Limited
Debenture Trustee	SBICAP Trustee Company Limited

 # In terms of Regulation 4(2) (d) of the SEBI Debt Regulations, our Company will make the public issue of the Bonds in the dematerialized form. However, in terms of Section 8(1) of the Depositories Act, 1996 ("Depositories Act") our Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds

*shall be compulsorily in dematerialized form***.**

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names appearing in the demat account are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of Bonds pursuant to the Issue.

SPECIFIC TERMS FOR EACH SERIES OF BONDS

Options	**Series of Bonds***		
	For Category I, II & III#		
	Tranche [●] Series [●]	**Tranche [●] Series [●]**	**Tranche [●] Series [●]**
Coupon Rate (%) p.a.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Annualised Yield (%)	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Options	**For Category IV#**		
	Tranche [●] Series [●]	**Tranche [●] Series [●]**	**Tranche [●] Series [●]**
Coupon Rate (%) p.a.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Annualised Yield (%)	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
For Category I, II,III & IV#			
Tenor	10 years	15 years	20 years
Redemption Date	10 years from the Deemed Date of Allotment.	15 years from the Deemed Date of Allotment.	20 years from the Deemed Date of Allotment.
Redemption Amount (₹/ Bond)	Repayment of the face value amount of Bonds plus any interest at the applicable coupon/ interest rate that may have accrued on the Maturity Date/Redemption Date	Repayment of the face value amount of Bonds plus any interest at the applicable coupon/ interest rate that may have accrued on the Maturity Date/Redemption Date	Repayment of the face value amount of Bonds plus any interest at the applicable coupon/ interest rate that may have accrued on the Maturity Date/Redemption Date
Frequency of interest payment	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Minimum Application size	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
In multiples of	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Face Value (₹/ Bond)	₹ 1,000.	₹ 1,000.	₹ 1,000.
Issue Price (₹/ Bond)	₹ 1,000.	₹ 1,000.	₹ 1,000.
Modes of interest payment	Through various available modes.**	Through various available modes.**	Through various available modes.**
Put and call option	None.	None.	None.

* *Our Company shall Allot Bonds of Tranche [●] Series [●]/Tranche[●] Series [●](depending upon the category of Applicants)for all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of Bonds.*

** *For various modes of interest payment, see the section titled "Terms of the Issue – Modes of Payment" on page 139.*

\# *In pursuance of the CBDT Notification, and for avoidance of doubt, it is clarified that,:*

(i) The coupon rates indicated under the Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●] Bonds shall be payable only on the Bonds allotted to Category IV investors in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under Category IV.

(ii) In case the Bonds allotted under Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●]are transferred by Category IV investors to investors falling under Categories I, Category II or Category III, the coupon rate on such Bonds shall stand at par with coupon rate applicable for Tranche [●] Series [●], the Tranche [●] Series[●]and the Tranche [●] Series [●], respectively.

(iii) If the Bonds allotted under Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●]are sold/ transferred by Category IV investors to other investors falling under Category IV as on the Record Date, the coupon rates on such Bonds shall remain unchanged.

(iv) The Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●]and the Tranche [●] Series [●]shall continue to carry the specified interest rate if on the Record Date, such Bonds are held by Category IV Investors;

(v) If on any Record Date, the original Category IV Allottees/ transferee(s) hold the Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●],Tranche [●] Series [●],Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●]for an aggregate face value amount of over ₹ 10 lakhs, then the coupon rate applicable to such Category IV Allottees/transferee(s) on Bonds under Tranche [●] Series [●], Tranche [●] Series[●] and Tranche [●] Series [●] shall stand at par with coupon rates applicable for Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●], respectively;

(vi) Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●] and Tranche [●]Series [●] shall carry coupon rates indicated above until the maturity of the respective Series of Bonds irrespective of Category of holder(s) of such Bonds;

(vii) For the purpose of classification and verification of status of Category IV Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the relevant Tranche Issue shall be clubbed and taken together on the basis of PAN.

SBICAP Trustee Company Limited has vide its letter dated January 6, 2014 given its consent for its appointment as Debenture Trustee to the Issue in accordance with regulation 4(4) of SEBI Debt Regulations and for its name to be included in the Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Bonds issued pursuant to this Issue.

SELECTED FINANCIAL INFORMATION

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED
Reformatted Audited Statement of Assets and Liabilities

Annexure-I
All amounts in Rs. Crore if not stated otherwise

Particulars	Note No.	As at 30.09.2013 Rs.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
1	2	2	3	4	5	6	7
I. EQUITY AND LIABILITIES							
(1) Shareholders' Funds							
(a) Share Capital	2	744.60	699.60	639.60	589.60	539.60	520.00
(b) Reserves and Surplus	3	1,108.60	988.75	818.39	674.52	420.96	371.93
(2) Share Application Money pending allotment		-	-	-	-	-	-
(3) Non-current liabilities							
(a) Long-term borrowing	4	5,482.86	4,916.63	3,959.16	2,398.06	2,620.84	2,103.63
(b) Other long-term liabilities	5	-	0.04	0.53	1.69	2.94	3.68
(c) Long-term provisions	6	30.56	29.21	32.15	28.55	10.18	9.20
(4) Current liabilities							
(a) Short-term borrowing	7	-	-	0.02	-	6.33	-
(b) Trade payables	8	3.93	12.56	4.46	2.91	6.59	6.08
(c) Other current liabilities	9	418.61	292.39	276.86	142.51	177.01	205.56
(d) Short-term provisions	10	297.53	253.93	357.39	293.82	239.08	172.85
TOTAL		8,086.69	7,193.11	6,088.55	4,131.67	4,023.53	3,392.93
II. ASSETS							
(1) Non-current assets							
(a) Fixed Assets	11						
(i) Tangible assets		37.92	39.33	42.58	40.18	42.64	44.71
(ii) Intangible assets		0.72	0.83	0.54	0.20	0.25	0.08
(iii) Capital work-in-progress		-	-	-	0.19	-	-
(iv) Intangible assets under development		0.15	0.15	0.09	0.24	0.23	0.23
		38.79	40.30	43.21	40.81	43.12	45.03
(b) Non-current investments	12	0.12	0.12	0.12	0.12	0.12	0.12
(c) Deferred tax assets (Net)		76.57	77.66	58.35	58.39	26.55	31.06
(d) Long-term loans and advances	13	6,160.79	5,653.83	4,524.15	3,041.02	2,752.18	2,170.49
(e) Other non-current assets	14	-	119.39	129.70	181.41	538.49	645.05
(2) Current assets							
(a) Trade Receivable	15	0.01	0.06	1.25	0.78	0.14	0.01
(b) Cash and bank balances	16	848.93	114.83	613.89	204.55	386.86	118.60
(c) Short-term loans and advances	17	939.56	1,176.60	716.95	602.90	270.04	375.07
(d) Other current assets	18	21.92	10.32	0.95	1.68	6.03	7.51
TOTAL		8,086.69	7,193.11	6,088.55	4,131.67	4,023.53	3,392.93
Significant Accounting Policies	Note - 1 (Annexure - IV)						
Notes on Financial Statements	Note - 2 to 23 and Annexure - V						

For Glanender & Associates
Chartered Accountants
ICAI Regn. No. 004661N

Sd/-
G K Agrawal
Partner
Membership No. 081603

Sd/-
Surender Suyal
Company Secretary

Sd/-
S K Bhargava
Director (Finance)

Place : New Delhi
Date : 24/12/2013

Sd/-
Debashish Majumdar
Chairman and
Managing Director

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED
Reformatted Audited Statement of Profit and Loss

Annexure-II
All amounts in Rs. Crore if not stated otherwise

Particulars	Note No.	For the period ended 30.09.2013 Rs.	For the year ended 31.03.2013 Rs.	For the year ended 31.03.2012 Rs.	For the year ended 31.3.2011 Rs.	For the year ended 31.3.2010 Rs.	For the year ended 31.3.2009 Rs.
I. Revenue from operations	19	443.33	719.07	519.65	400.96	334.11	273.56
II. Other Income	20	0.77	10.49	15.17	1.50	11.14	1.55
III. Total Revenue (I+II)		444.10	729.56	534.82	402.46	345.25	275.11
IV. Expenses:							
Employee Benefit Expenses	21	9.57	18.28	16.04	13.98	13.97	13.00
Finance Cost	22	259.78	380.60	253.49	189.10	147.47	127.36
Depreciation and Amortisation Expenses		1.64	3.85	3.24	3.03	3.11	2.41
Other Expenses	23	5.64	10.93	10.23	7.02	4.09	3.45
Bad Debts Written Off		-	10.80	24.10	0.24	17.58	42.96
Provision for Bad and Doubtful Debts		-	46.98	18.40	21.23	18.76	-
General Provision for Standard Assets		0.49	4.25	3.54	1.08	-	-
		277.12	475.70	329.04	235.67	204.98	189.18
V. Profit for the year (III-IV)		166.98	253.87	205.78	166.79	140.27	85.93
VI. Add+/Less(-) Prior Period Adjustments (Net)		(0.01)	(3.29)	2.35	(0.09)	0.77	(0.03)
VII. Profit before tax (V-VI)		166.97	250.58	208.12	166.70	141.05	85.90
VIII. Tax Expenses							
(1) Current Tax		46.00	83.00	56.40	51.75	44.75	25.15
(2) Income Tax- Earlier Years		-	(15.75)	(21.45)	0.02	19.10	-
(3) FBT- Earlier Years		-	-	-	-	-	0.15
(4) Deferred Tax		1.10	(19.32)	0.04	(5.54)	4.51	4.39
IX. Profit for the period (VII-VIII)		119.87	202.65	173.13	120.46	72.69	56.36
X. Earning per Equity Share:							
(1) Basic (Annualized)		324.18	300.90	273.14	209.20	136.88	110.30
(2) Diluted		-	-	-	-	-	-
Significant Accounting Policies	Note - 1 (Annexure - IV)						
Notes on Financial Statements	Note - 2 to 23 and Annexure - V						
As per our Report of even date							

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

Sd/-
G K Agrawal
Partner
Membership No. 081603

Sd/-
Surender Suyal
Company Secretary

Sd/-
S K Bhargava
Director (Finance)

Place : New Delhi
Date : 24/12/2013

Sd/-
Debashish Majumdar
Chairman and
Managing Director

Reformatted Audited Statement of Cash Flow

Annexure-III

All amounts in Rs. Crore if not stated otherwise

	Particulars	For the half year ended September 30, 2013		For the year ended March 31, 2013		For the year ended March 31, 2012		For the year ended March 31, 2011		For the year ended March 31, 2010		For the year ended March 31, 2009	
A	**Cash Flow from Operating Activities:**												
	Net Profit Before Tax and Extraordinary / Prior Period	166.98		263.87		206.78		166.79		140.27		85.93	
	Adjustment for:												
	1 Depreciation	1.64		3.85		3.24		3.03		3.11		2.41	
	2 Provision for Non Performing Assets	-		46.98		(5.51)		21.23		18.76		-	
	3 Provision for Standard Assets	0.49		4.25		3.54		1.08		-		-	
	4 Miscellaneous Expenses written off	-		-		-		1.23		0.14		0.08	
	5 Prior Period Expenses/Income	(0.01)		(3.29)		2.35		(0.09)		0.77		(0.03)	
	6 Foreign Exchange Fluctuations/Underlying exchange fluctuation	37.64		14.95		(0.66)		3.11		1.00		(0.67)	
	7 Interest Funded adjusted from provision held	-		(7.20)		-		-		-		-	
	8 Investment written back	-		-		-		-		-		(0.12)	
	9 Amortization of Capital Grant	(0.03)		(0.11)		(0.21)		(0.45)		(6.70)		(0.38)	
	10 Income Tax Provision written back	-		15.77		18.32		-		-		-	
	11 Loss on sale of Fixed Assets/Adjustment	0.00		0.03		0.12		0.22		0.00		(0.00)	
	12 Dividend on investment	-		-		(0.01)		(0.01)		(0.01)		(0.01)	
	Operating profit before Working Capital Changes	**206.72**		**329.11**		**226.95**		**196.12**		**157.34**		**87.21**	
	Increase / Decrease in												
	1 Loans and Advances - IREDA	(248.51)		(1,742.59)		(1,523.91)		(441.17)		(456.71)		(397.41)	
	2 Loans and Advances - MNRE	9.23		(0.03)		(1.30)		1.06		4.21		(0.91)	
	3 Other Non Current Assets	-		10.31		51.72		357.08		105.75		(84.31)	
	4 Other Bank Balances	(112.85)		2.09		(1.23)		18.50		(0.06)		(0.01)	
	5 Other Current Assets	(11.60)		(9.37)		0.73		(0.34)		2.71		3.27	
	6 Trade Receivable	0.05		1.19		(0.46)		(0.64)		0.13		(0.04)	
	7 Other Long Term Liabilities	(0.04)		(0.49)		(1.17)		(1.30)		(0.74)		3.66	
	8 Other Current Liabilities	40.35		23.66		26.81		15.46		(9.17)		(18.45)	
	9 Trade Payable	(8.63)		8.10		1.55		(2.24)		0.51		3.04	
	10 Provisions	(1.54)		5.69		4.55		(4.25)		(0.44)		5.69	
		(333.53)		**(1,701.44)**		**(1,442.71)**		**(57.84)**		**(353.82)**		**(485.43)**	
	Cash Generated from Operations	**(126.81)**		**(1,372.33)**		**(1,215.76)**		**138.28**		**(196.47)**		**(398.22)**	
	Income Tax	(30.64)		(88.97)		(66.46)		50.64		43.18		40.57	
	Net Cash Generated from Operations		(157.45)		(1,461.30)		(1,282.22)		87.65		(239.65)		(438.79)
B	**Cash Flow From Investing Activities**												
	1 Purchase of Fixed Assets	(0.14)		(1.01)		(5.79)		(0.94)		(1.21)		(8.29)	
	2 Sale of Fixed Assets	0.00		0.03		0.04		0.01		0.00		0.02	
	3 Dividend on Investment	-		-		0.01		0.01		0.01		0.01	
	Net Cash flow from Investing Activities		(0.14)		(0.98)		(5.75)		(0.92)		(1.20)		(8.26)
C	**Cash Flow from Financial Activities**												
	1 Equity Contribution	45.00		60.00		50.00		50.00		19.60		30.00	
	2 Capital Grants			-		-		-		-		0.27	
	3 Revenue Grant			-		-		-		-		0.41	
	4 Redemption of Bonds	-		(50.00)		-		(15.10)		-		(50.00)	
	5 Bond Issue Expenses	-		-		-		(0.86)		(0.56)		(0.56)	
	6 Dividend paid	-		(25.00)		(20.00)		(14.54)		(11.25)		(9.60)	
	7 Dividend Tax paid	-		(4.06)		(3.24)		(2.41)		(1.91)		(1.63)	
	8 Increase /Decrease in Short term Debts	-		(0.02)		0.02		-		6.33		-	
	9 Increase /Decrease in Long term Debts	614.45		984.39		1,669.30		(267.62)		496.84		463.78	
	Net Cash flow from Financing Activities		659.45		965.32		1,696.07		(250.53)		509.05		432.68
	Net Increase in Cash and Cash Equivalents		**501.87**		**(496.97)**		**408.11**		**(163.81)**		**268.20**		**(14.37)**
	Cash and Cash Equivalents at the beginning of the year		104.33		601.29		193.18		356.99		117.05		131.42
	Cash and Cash Equivalents at the end of the year		**606.19**		104.33		601.29		193.18		385.25		117.05
	Net Increase in Cash and Cash Equivalents		**501.87**		**(496.97)**		**408.11**		**(163.81)**		**268.20**		**(14.37)**

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

Sd/-
G K Agrawal
Partner
Membership No. 081603

Sd/-
Surender Suyal
Company Secretary

Sd/-
S K Bhargava
Director (Finance)

Place : New Delhi
Date : 24/12/2013

Sd/-
Debashish Majumdar
Chairman and
Managing Director

SUMMARY OF OUR BUSINESS

We are a non-banking financial institution registered with RBI under the RBI Act, 1934 engaged in extending financing services to projects and schemes for generating electricity and energy through renewable sources and conserving energy through energy efficiency. We were incorporated on March 11, 1987 as a public limited company under the Companies Act, 1956 and received a certificate for commencement of business on March 21, 1987. Our Company was set up by GoI under the administrative control of MNRE to promote, develop and extend financial assistance for renewable energy and energy efficiency projects. Further, our Company has been notified as a 'Public Financial Institution' by the MCA, through a notification (No. 10/37/94-CL.V) dated October 18, 1995. As of December 31, 2013, we operate through branch offices located at Chennai and Hyderabad and camp offices located at Kolkata and Ahmedabad on let out basis and we do not own such premises.

We are primarily engaged in providing finance to specific projects and schemes for generation of energy through new and renewable sources of energy.

Our Company provides financial assistance to the following renewable and energy efficiency projects:

- Wind Power
- Hydro Power
- Biomass Power Co-generation
- Energy Efficiency & Conservation
- Solar Energy
- Waste to Energy & Miscellaneous

The GoI has been regularly providing financial support in the form of equity infusion and has also guaranteed loans raised from international agencies. In the Union Budget 2013-14, the Government of India announced allocation of funds from the National Clean Energy Fund to our Company for the period of five years, for on-lending to viable renewable energy projects by way of refinancing part of the loan at concessional rate of interest.

Under the categorisation of Public Sector Enterprises, our Company was upgraded from 'Schedule C' to 'Schedule B' by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, GoI with effect from January 4, 2010.

Our Company enters into memorandum of understanding with the MNRE on annual basis ("**MoU**"). Pursuant to the MoU, the annual targets are set with respect to loan sanctions, disbursements, profitability and other dynamic parameters. Over the last two Fiscals upto the Fiscal year 2012-13, the actual achievement of our Company vis-à-vis the targets set out in the MoU were rated as 'Very Good' by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, GoI.

The total loans sanctioned and disbursed by our Company for renewable and energy efficiency projects in Fiscal 2013 are as detailed in the table below:

Sr. No.	**Particulars**	**Loans Sanctioned in Fiscal 2013 *(₹ in crores)***	**Loans Disbursed in Fiscal 2013 *(₹ in crores)***
1.	Wind Power	1792.17	1,207.89
2.	Hydro Power	914.46	356.28
3.	Biomass Co-generation	711.12	347.94
4.	Energy Efficiency & Conservation	0.00	59.74
5.	Solar Energy	321.51	151.20
6.	Waste to Energy & Miscellaneous	8.10	2.45
Total		3747.36	2125.50

For the Fiscal 2013, 2012 and 2011 and the six month period ended September 30, 2013, our profits after interest but before tax was ₹. 250.58 crore, ₹ 208.12 crore, ₹ 166.70 crore and ₹ 166.97 crore, respectively, and our profits after tax was ₹ 202.65 crore, ₹ 173.13 crore, ₹ 120.46 crore and ₹ 119.87 crore, respectively.

Our outstanding loan portfolio has grown at a CAGR of 39.23% from ₹ 3,402.80 crores as of March 31, 2011 to ₹ 6,596.72 crores as of March 31, 2013. Similarly, our profit after tax has grown at a CAGR of 29.70% over a period of three years from ₹ 120.46 crores for Fiscal 2011 to ₹ 202.65 crores for Fiscal 2013. Our gross NPA was 3.42%, 3.86%, 5.46% and 5.31% and our net NPA was 0.70%, 0.92 %, 2.50 %, and 0.79 % as at September 30, 2013, March 31, 2013, 2012 and 2011 respectively.

The total borrowings of our Company, as at December 31, 2013, were ₹ 5,814.27 crores. The total borrowings of our Company as at March 31, 2013, were ₹ 5,093.18 crores and the CRAR of our Company as at March 31, 2013 was 24.75%. For further details, please see the section titled "***Financial Indebtedness***" on page 102.

The key financial parameters of our Company are as mentioned in the table below:

(₹in crore)

Particulars	**Six month period ended September 30, 2013**	**Fiscal 2013**	**Fiscal 2012**	**Fiscal 2011**
Paid up equity share capital	744.60	699.60	639.60	589.60
Net worth	1,853.20	1,688.35	1,457.99	1,264.12
Total Debt *(of which)*				
Non Current Maturities of				
- Long Term Borrowing	5,482.86	4,916.63	3,959.16	2,398.06
- Short Term Borrowing	-	-	0.02	-
Current Maturities of Long Term Borrowing	262.41	176.55	184.68	77.13
Net Fixed Assets	38.79	40.30	43.21	40.81
Non Current Assets	6,237.48	5,851.00	4,712.32	3,280.94
Cash and Cash Equivalents	8,48.93	114.83	613.89	204.55
Current Investments	-	-	-	-
Current Assets	961.49	1,186.98	7,19.15	605.36
Current Liabilities	720.07	558.88	638.71	439.24
Assets under Management	-	-	-	-
Off Balance Sheet Assets	-	-	-	-
Interest Income	433.78	690.21	458.61	365.71
Interest Expense	202.34	335.11	206.06	168.79
Provisioning & Write-offs	0.49	62.03	46.04	22.55
Profit after tax (PAT)	119.87	202.65	173.13	120.46
Gross NPA (%)	3.42	3.86	5.46	5.31
Net NPA (%)	0.70	0.92	2.5	0.79
Tier I Capital Adequacy Ratio (%)	26.22	24.75	28.61	35.38
Tier II Capital Adequacy Ratio (%)	N.A.	N.A.	N.A.	N.A.

GENERAL INFORMATION

Our Company was incorporated on March 11, 1987 as a public limited company under the Companies Act, 1956 and received a certificate for commencement of business on March 21, 1987. Pursuant to certificate of registration dated January 23, 2008, issued by RBI, our Company was registered as a systematically important non deposit taking NBFC. Our Company was set up by GoI under the administrative control of MNRE to promote, develop and extend financial assistance for renewable energy and energy efficiency projects. Further, our Company has been notified as a 'Public Financial Institution' by the MCA, through a notification (No. 10/37/94-CL.V) dated October 18, 1995. The President of India holds 100% of the paid up Equity Share capital of our Company, either directly or through nominee shareholders.

Registered Office

India Habitat Centre,
Core 4 'A' East Court, 1st Floor
Lodhi Road, New Delhi - 110003
Tel No: +91 (11) 24682206/19
Facsimile: +91 (11) 24682202

Corporate Office:

3rd Floor, August Kranti Bhawan
Bhikaiji Cama Place, New Delhi – 110066
Tel No: +91 (11) 26717400/12
Facsimile: +91 (11) 26717416

Registration

Details	Registration/Identification number
Registration Number	027265
Corporate Identification Number (CIN)	U40108DL1987GOI027265
RBI registration number	14.000012

For information on changes in our Registered Office, see "***History and Certain Corporate Matters***" on page 85.

Address of the Registrar of Companies

Our Company is registered at the office of:

The Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
Email: roc.delhi@mca.gov.in

Compliance Officer and Company Secretary

Mr. Surender Suyal
3rd Floor, August Kranti Bhawan
Bhikaiji Cama Place, New Delhi-110 066
Tel No.: +91 (11) 2671 7430
Facsimile: +91 (11) 2671 7416
Email: cs@ireda.gov.in

Investors may contact the Registrar to the Issue or our Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, bond certificate (for Applicants who have applied for Allotment in physical form), demat credit or refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of Bonds applied for, Series of Bonds applied for, amount paid on application, Depository Participant and the Collection Centre of the Syndicate Members where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Syndicate Member and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for number of Bonds applied for, amount blocked on Application.

All grievances arising out of Applications for the Bonds made through the Online Stock Exchange Mechanism or through Trading Members may be addressed directly to the relevant Stock Exchange.

Chief Financial Officer

Our Company does not have a designated Chief Financial Officer. The finance functions of our Company are headed by Mr. Satish Kumar Bhargava, whose particulars are provided below.

Mr. Satish Kumar Bhargava
Director (Finance)
3rd Floor, August Kranti Bhawan,
Bhikaiji Cama Place, New Delhi – 110 066
Tel No.: (011) 2671 7400/ 2671 7413
Facsimile: (011) 2671 7416
Email: skbhargava@ireda.gov.in

Lead Managers

Karvy Investor Services Limited
701, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Off. Bandra Kurla Complex, Bandra (East), Mumbai- 400 051, India
Tel No.: +91 (22) 6149 1500
Facsimile: +91 (22) 6149 1515
Email: ireda2013@karvy.com
Investor Grievance Email: igmbd@karvy.com, cmg@karvy.com
Website: www.karvy.com
Contact Person: Mr. Sumit Singh/Mr. Rohan Menon
Compliance Officer: Mr. V Madhusudhan Rao
SEBI Registration No.: MB/INM000008365

A. K. Capital Services Limited
30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point,
Mumbai 400 021, India
Tel No.: +91 (22) 6754 6500/6634 9300;
Facsimile: +91 (22) 6610 0594
Email: iredatfbonds13@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Mandeep Singh / Mr. Lohit Sharma
Compliance Officer: Mr. Vikas Agarwal
SEBI Registration No.: MB/INM000010411

RR Investors Capital Services Private Limited
47. M.M Road, Rani Jhansi Marg
New Delhi- 110 055, India
Tel No.: +91 (11) 2363 6362/63
Facsimile: +91 (11) 2363 6746

Email: iredataxfree2013@rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Website: www.rrfinance.com / www.rrfcl.com
Contact Person: Mr. Anurag Awasthi
Compliance Officer: Mr. Ravi Kant Goyal
SEBI Registration No.: INM000007508

Consortium Members

In addition to the Lead Managers, following are the Consortium Members to the Issue:

Karvy Stock Broking Limited
Karvy House, 46, Avenue 4, Street No. 1
Banjara Hills, Hyderabad – 500 034
Tel No.: +91 (40) 2331 2454
Facsimile: +91 (40) 6662 1474
Email: bonds@karvy.com
Investor Grievance Email: ksblredressal@karvy.com
Website: www.karvy.com
Contact person: Mr. P.B. Ramapriyan
Compliance Officer: Mr. Muthuswamy Iyer N.
SEBI Registration Number:
INB230770138(NSE)/INB010770130(BSE)

A.K. Stockmart Private Limited
30-39 Free Press House, Free Press Journal House,
215, Nariman Point, Mumbai 400 021, India
Tel No.: +91 (22) 6634 9300
Facsimile: +91 (22) 6754 4666
Email: ankit@akgroup.co.in
Investor Grievance Email:
stockmart@akgroup.co.in
Website: www.akcapindia.com
Contact Person and Compliance Officer: Mr. Ankit Gupta
SEBI Registration No.: NSE – INB231269532
BSE – INB011269538

RR Equity Brokers Private Limited
47, M.M. Road, Rani Jhansi Marg
Jhandewalan, New Delhi-110 055
Tel No.: +91 (11) 2350 8473
Facsimile: +91 (11) 2363 6666
Email: manishagarwal@rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Website: www.rrfinance.com/www.rrfcl.com
Contact person: Mr. Manish Agrawal
SEBI Registration Number: NSE – INB231219636
BSE – INB011219632

Debenture Trustee

SBICAP Trustee Company Limited
Apeejay House, 6th Floor Dinshaw Wachha Road
Churchgate, Mumbai- 400 020
Tel No.: +91 (22) 4302 5555
Facsimile: +91 (22) 4302 5500 / 2204 0465
Email: corporate@sbicaptrustee.com
Investor Grievance Email:
investor.cell@sbicaptrustee.com
Website: www.sbicaptrustee.com
Contact Person: Mr. Ajit Joshi
SEBI Registration No.: IND000000536

SBICAP Trustee Company Limited has by its letter dated January 6, 2014 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf

Prospectus, the Tranche Prospectus(es) and in all the subsequent periodical communications sent to the holders of the Bonds issued, pursuant to this Issue pursuant to Regulation 4(4) of the Debt Regulations. Please see Annexure C for the consent letter of the Debenture Trustee.

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound L.B.S. Marg
Bhandup (West), Mumbai 400 078, Maharashtra, India
Tel No.: +91 (22) 2596 7878
Facsimile: +91 (22) 2596 0329
Email: ireda.ncd@linkintime.co.in
Investor Grievance Id: ireda.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar
SEBI Registration No.: INR000004058

Auditors

M/s. Gianender & Associates
Chartered Accountants
Plot No.6, Site 21,Geeta Mandir Marg
New Rajinder Nagar, New Delhi-110 060
Tel No.: +91 (11) 4241 2008
Facsimile: +91 (11) 2874 3942
Email: gka_ma@yahoo.com, info.gianender@gmail.com
Firm Registration No.: 04661N
Contact Person: CA. G.K. Agrawal

M/s. Gianender & Associates, Chartered Accountants, New Delhi, were appointed by the Comptroller and Auditor General of India, as Auditors of our Company for the financial year 2013-14. For further details, please see section titled "***Other Regulatory and Statutory Disclosures***" on page 116.

Escrow Collection Banks/ Bankers to the Issue

Kotak Mahindra Bank Limited
Kotak Towers, Cash Management Services
6th Floor, Zone 3, Building No.21
Infinity Park, Off Western Express Highway
Goregaon Mulund Link Road
Malad (E), Mumbai, Maharashtra – 400 097
Tel No.: +91 (22) 6605 6959
Facsimile: +91 (22) 6646 6540
E-mail: prashant.sawant@kotak.com
Website: www.kotak.com
Contact Person: Mr. Prashant Sawant
SEBI Registration Number: INBI00000927

State Bank of India
Videocon Heritage Building
Ground Floor, Charanjit Rai Marg
Fort, Mumbai 400 001
Tel No.: +91 (22) 2209 4932/ 2209 4927
Facsimile: +91 (22) 2209 4921
E-mail: nib.11777@sbi.co.in, sbi11777@yahoo.co.in
Website: www.statebankofindia.com
Contact Person: Mr. Anil Sawant
SEBI Registration Number: INBI00000038

Yes Bank Limited
India Bulls Finance Centre, Tower 2
8th Floor, Senapati Bapat Marg
Elphinstone (W); Mumbai-400 013
Tel No.: +91 (22) 3347 7374
Facsimile: +91 (22) 2421 4504
Email: dlbtiservices@yesbank.in

Axis Bank Limited
148 Statesman House
Barakhamba Road
New Delhi-110 001
Tel No.: +91 (011) 4742 5100
Facsimile: +91 (011) 2331 1054
Email:ashish.dhall@axisbank.com,

Website: www.yesbank.in
Contact Person: Mr. Alok Srivastava/ Avinash Pawar
SEBI Registration Number: INBI00000935 (*The certificate of SEBI Registration granted to Yes Bank Limited expired on January 9, 2014. Yes Bank Limited vide letter dated October 8, 2013 applied for permanent registration as banker to the issue.)*

amit.mishra@axisbank.com
rajkumar.miglani@axisbank.com
newdelhi.operationshead@axisbank.com
newdelhi.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Ashish Dhall/Amit Mishra/ Rajkumar Miglani
SEBI Registration Number: INBI00000017

IndusInd Bank Limited
Solitaire Park No. 1001, Building No. 10
Ground Floor, Guru Hargovindji Marg
Andheri (E); Mumbai- 400 093
Tel No.: +91 (22) 6772 3901 to 3917
Facsimile: +91 (22) 6772 3998
Email: suresh.esaki@indusind.com
Website: www.indusind.com
Contact Person: Mr Suresh Esaki
SEBI Registration Number: INBI00000002

Refund Bank

IndusInd Bank Limited
Solitaire Park No. 1001, Building No. 10
Ground Floor, Guru Hargovindji Marg
Andheri (E); Mumbai- 400 093
Tel No.: +91 (22) 6772 3901 to 3917
Facsimile: +91 (22) 6772 3998
Email: suresh.esaki@indusind.com
Website: www.indusind.com
Contact Person: Mr Suresh Esaki
SEBI Registration Number: INBI00000002

Self Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs for ASBA process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. For more information on the Designated Branches collecting ASBA Applications, see the above mentioned web-link.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Lead Managers, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange(s) only in the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Lead Managers, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange(s) is provided onhttp://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from the Syndicate Members or the Trading Members of the Stock Exchange(s) only in the Specified Cities, see the above mentioned web-link.

Bankers to the Company

Nordic Investment Bank ***Japan International Cooperation Agency***

Fabianinkatu 34, 00100 Helsinki
Finland (Mail.P.O.Box 249,00171,Helsinki)
Tel No.: +358 (10) 618 001
Facsimile: +358 (10) 618 0719
Email: taina.ulkoniemi@nib.int
Contact Person: Mrs. Taina Ulkoniemi
Website: www.nib.int

Union Bank of India
Lodhi Colony, Branch F-1, Khanna Market
Lodhi Colony, New Delhi
Tel No.: +91 (11) 2461 6901
Facsimile: +91 (11) 2461 6901
Email: lodhicolony@unionbankofindia.com
Contact Person: Mr. Ajay Kumar
Website: www.unionbankofindia.com

Bank of India
36, Janpath, 10th Floor, Chanderlok Building, New Delhi 110 001
Tel No.: +91 (11) 2346 1400
Facsimile: +91 (11) 2376 5123
Email: LargeCorporateBr.NewDelhi@bankofindia.co.in
Contact Person: Mr. Ravindra Nath
Website: www.bankofindia.co.in

Small Industrial Development Bank of India
Videocon Tower, Ground Floor, E-1, Rani Jhansi Road, Jhandewalan Extension, New Delhi – 110 005
Tel No.: +91 (11) 2368 2470
Facsimile: +91 (11) 2368 2461
Email: sngowan@sidbi.in
Contact Person: Mr. Sanjay Naveen Gowan
Website: www.sidbi.in

Kfw Bancengruppe
Palmengartenstraze 5-9,60325,Frankfurt
Germany
Tel No.: 0049 69 7437 7634
Facsimile : 0049 69 7437 3514
Email : andrea.grajcar@kfw.de
Contact Person: Andrea Grajcar
Website : www.kfw.de

State Bank of Hyderabad
Core -6, SCOPE Complex
Lodhi Road, New Delhi – 110 003
Tel No.: 011 4715 7927
Facsimile : 011 2436 5907
Email : scopecomplex@sbhyd.co.in
Contact Person: Mrs. Bindu Acharya
Website : www.sbhyd.com

Legal Advisor to the Issue

2nd Floor, Dr. Gopal Das Bhawan
28 Barakhamba Road, New Delhi 110 001
Tel No.: +91 (11) 4768 5500
Facsimile: +91 (11) 4768 5555
Email: id_oso_rep@jica.go.jp
Contact Person: Ms. Aditi Puri
Website: www.jica.go.jp

French Development Agency
1-A, Janpath, New Delhi – 110075
Tel No.: +91 (11) 23793747
Facsimile: +91 (11) 23793738
Email: afdnewdelhi@afd.fr
Contact Person: Ms. Aude Flogny
Website: www.afd.fr

Vijaya Bank
Ansal Chamber –II, 6 Bhikaji Cama Place, New Delhi 110066
Tel No.: +91 (11) 26170154
Facsimile: +91 (11) 26194796
Email: del.bhikajicamaplace6020@vijayabank.co.in
Contact Person: Mr. Shailesh Kumar
Website: www.vijayabank.com

Oriental Bank of Commerce
Harsha Bhawan, E Block Connaught Place
New Delhi
Tel No.: +91 (11) 2431 8625
Email : bm0007@obc.co.in
Contact Person : Mr. R Kirthivasan
Website : orientalbankofcommerce.com

Dena Bank
E-13/29, Harsha Bhawan
Cannaught Place, New Delhi
Tel No.: +91 (11) 2341 4553
Facsimile : +91(11) 4351 8294
Email : cbbdel@denabank.co.in
Contact Person: Mr. K.V. Singh
Website : denabank.co.in

J Sagar Associates
Vakils House
18, Sprott Road
Ballard Estate
Mumbai- 400 001
Tel No.: +91 (22) 4341 8500
Facsimile: +91 (22) 6656 1515

Credit Rating Agencies

Brickwork Ratings India Private Limited
29/2 & 32/3, III floor, Raj Alkaa Park
Bannerghatta Road
Bangalore 560 076
Tel No.: +91 (80) 4040 9940
Facsimile: +91 (88) 4040 9941
Email: info@brickworkratings.com
Contact Person: Ms. Sharada Shivaram
Website: www.brickworkratings.com
SEBI Registration Number: IN/CRA/005/2008 *(The renewal of the SEBI registration granted vide certificate dated January 5, 2011 is valid till February 6, 2014. Brickwork has made an application to SEBI for grant of certificate of permanent registration on December 16, 2013.)*

Credit Analysis and Research Limited
13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi – 110 055
Tel No.: +91 (11) 45333200/23716199
Facsimile: +91 (11) 45333238
Email: jasmeen.kaur@careratings.com
Contact Person: Ms. Jasmeen Kaur
Website: www.careratings.com
SEBI Registration No.: IN/CRA/004/1999

Credit Rating and Rationale

Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2013-14/NS/0226 dated November 19, 2013 and letter dated November 22, 2013, assigned a credit rating of "BWR AAA (SO) [pronounced BWR Triple A (Structured Obligation)] (Outlook: Stable)" to the Bonds and revalidated the rating vide letter no. BWR/BNG/RL/2013-14/NS/0282 dated December 31, 2013. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Credit Analysis & Research Limited has, vide its letters dated November 20, 2013 and November 27, 2013, assigned a credit rating of "CARE AAA (SO) [Triple A (Structured Obligation)]" to the Bonds and revalidated the rating vide its letter dated December 31, 2013. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. These ratings are not a recommendation to buy, sell or hold securities, and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agency(ies) and should be evaluated independently of any other ratings.

For the rationale for these ratings, see "***Annexure B – Credit Rating***".

Expert Opinion

Except the letters dated November 19, 2013, November 22, 2013 and December 31, 2013 issued by Brickwork and letters dated November 20, 2013, November 27, 2013 and December 31, 2013 issued by CARE, in respect of the credit rating of the Issue and the auditor's report dated December 24, 2013 and statement of tax benefits dated January 9, 2014 issued by M/s. Gianender & Associates, Auditors of our Company, our Company has not obtained any expert opinions.

Minimum Subscription

In terms of the SEBI Debt Regulations, an issuer undertaking a public issue of debt securities may disclose the minimum amount of subscription that it proposes to raise through the issue in the offer document. Our Company has decided not to stipulate any minimum subscription for this Issue.

Underwriting

The Issue is not underwritten.

Issue Programme

ISSUE PROGRAMME	
ISSUE OPENS ON	**ISSUE CLOSES ON***
[●]	[●]

The Issue shall open for subscription from 10.00 a.m. to 5 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Tranche Issue Closing Date, as applicable, through advertisement(s) in atleast one leading national daily newspaper with wide circulation. For more information, see "Issue Procedure**" on page 146.*

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Syndicate Members or the Trading Members of the Stock Exchange(s), as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Syndicate Members or the Trading Members of the Stock Exchange, as the case may be, only at the Specified Cities. On the Issue Closing Date the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and not later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event if a large number of Applications are received on the Issue Closing Date, there may be some Applications which may not uploaded due to lack of sufficient time for uploading. Any such Applications which are not uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Syndicate Members or Trading Members of the Stock Exchange(s) shall be liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise.

CAPITAL STRUCTURE

The details of our authorised share capital, issued subscribed and paid up capital as on December 31, 2013 is as follows:

		Face Value of share (₹)	Aggregate value at face value (₹)
A)	**AUTHORISED SHARE CAPITAL**		
	100,00,000 Equity Shares*	1000	10,000,000,000
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**		
	7,446,000 Equity Shares	1000	7,446,000,000
C)	**SECURITIES PREMIUM ACCOUNT**		**NIL**

**There has been no changes in the authorised share capital of our Company in the last five Fiscal years.*

Notes to Capital Structure

1. Equity Share capital history of our Company since April 1, 2008 upto December 31, 2013

The following is the change in the Equity Share capital of our Company since April 1, 2008 upto December 31, 2013.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Equity Share Capital *(₹ in crores)*	Cumulative Equity Share Premium
August 14, 2008	3,00,000	1,000	1,000	Cash	Further allotment to President of India	52,00,000	520.00	-
July 27, 2009	66,000	1,000	1,000	Cash	Further allotment to President of India	52,66,000	526.60	-
September 29, 2009	1,30,000	1,000	1,000	Cash	Further allotment to President of India	53,96,000	539.60	-
May 14, 2010	83,300	1,000	1,000	Cash	Further allotment to President of India	54,79,300	547.93	-
July 22, 2010	4,16,700	1,000	1,000	Cash	Further allotment to President of India	58,96,000	589.60	-
May 13, 2011	5,00,000	1,000	1,000	Cash	Further allotment to President of India	63,96,000	639.60	-
September 7, 2012	6,00,000	1,000	1,000	Cash	Further allotment to President of India	69,96,000	696.00	-
June 19, 2013	4,50,000	1,000	1,000	Cash	Further allotment to President of India	74,46,000	744.60	-

2. Details of Equity Shares held by the Promoter as on December 31, 2013

Sr No	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital	No. of Equity Shares pledged	Percentage of Equity Shares pledged
1.	Government of India*	74,46,000	-	100%	-	-

**Including through nominees*

3. Shareholding pattern of our Company and list of shareholders as on December 31, 2013

The following is the shareholding pattern and list of shareholders of our Company as on December 31, 2013:

Sr No	Name of the Shareholders	No. of Equity Shares held (of face value ₹ 1,000 each)	Percentage of issued Equity Share capital	No. of Equity Shares held in dematerialized the form
1.	President of India (Through MNRE)	74,45,993	99.9999000%	0
2.	Shri. Alok Srivastava, Joint Secretary, MNRE*	1	0.0000134%	0
3.	Shri. Tarun Kapoor, Joint Secretary, MNRE*	1	0.0000134%	0
4.	Dr. Ahmar Raza, Director, MNRE*#	1	0.0000134%	0
5.	Dr. D.K. Khare Director, MNRE*	1	0.0000134%	0
6.	Shri Dilip Nigam, Director (Wind Energy), MNRE*	1	0.0000134%	0
7.	Dr. Praveen Saxena Advisor (SHP), MNRE*	1	0.0000134%	0
8.	Dr.Pankaj Saxena, Director(IREDA Cell of MNRE), MNRE*	1	0.0000134%	0
Total		74,46,000	100%	0

**Nominee shareholder on behalf of the President of India*
#One Equity Share held by Dr. Ahmar Raza was transferred to Dr. P.C. Maithani on January 3, 2014

4. Top 10 Bondholders of our Company as on December 31, 2013

a) The following is the details of the top ten taxable bond holders of our Company as on December 31, 2013:

Sr. No.	Name of bondholder	Total amount of bonds held *(₹in crore)*
1.	Life Insurance Corporation of India	305.00
2.	IFCI Limited	204.00
3.	CBT EPF-05-B-DM	110.00
4.	Infosys Technologies Limited Employees Provident Fund Trust	105.00
5.	CBT EPF-05-A-DM	55.00
6.	Nalco Employees Provident Fund Trust	48.00
7.	United India Insurance Company Limited	40.00
8.	Punjab National Bank	30.00
9.	Postal Life Insurance Fund A/C UTI AMC	30.00

Sr. No.	Name of bondholder	Total amount of bonds held *(₹in crore)*
10.	HDFC Bank Limited PF Trust A/C (RPFC Covered Employees)	25.00
Total		952.00

b) As on December 31, 2013, there are no tax free bondholders of our Company.

5. Debt - equity ratio of the Issuer

Particulars	Pre Issue (as on September 30, 2013)	Post Issue of Bonds of ₹ 1,000 crores*
TOTAL DEBT		
Total Debt	5,745.27	6,745.27
SHAREHOLDERS' FUNDS		
Share Capital	744.60	744.60
Reserve & Surplus (excluding Revaluation Reserve)	1,108.60	1,108.60
Net Worth	1,853.20	1,853.20
GROSS DEBT/ EQUITY RATIO		
Gross Debt/ Equity Ratio ***(Total long term debts/ Shareholder's fund)***	3.10	3.64

* *No effect has been given for changes in equity and debt subsequent to September 30, 2013 except for ₹ 1,000 crore towards proposed Issue of the Bonds, which is assumed to have been fully subscribed.*

6. No Equity Shares of our Company are pledged or otherwise encumbered.

7. Our Company has not issued any Equity Shares or debt securities for consideration other than cash, whether in whole or part, since its incorporation.

8. Our Company has not issued any debt securities at a premium or at a discount or in pursuance of an option, since incorporation.

9. Our Company has not issued any Equity Shares or debt securities on account of any acquisition, amalgamation, reorganisation or reconstruction in the last one year.

10. Our Company has not undertaken any acquisition or amalgamation in the last one year prior to filing of the Draft Shelf Prospectus.

11. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of the Draft Shelf Prospectus.

12. There have not been any defaults and/or delay in payment of interest and principle of any kind of term loan, debt securities and other financial indebtedness including corporate guarantee issued by our Company in last five Fiscal years.

13. For information on outstanding borrowings of our Company as at December 31, 2013, see "***Financial Indebtedness***" on page 102.

OBJECTS OF THE ISSUE

Issue Proceeds

This is a public issue by our Company, of tax free, secured, redeemable, non-convertible bonds in the nature of debentures of face value of ₹ 1,000 each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, up to a Shelf Limit of ₹ 1,000 crores* in Fiscal 2014. The Bonds will be issued in one or more tranches subject to the Shelf Limit, in accordance with the terms and conditions set out in separate Tranche Prospectus(es) for each such tranche. The Issue is being made under the SEBI Debt Regulations and pursuant to CBDT Notification No. 61/2013/F.No.178/37/2013-(ITA.I) dated August 8, 2013, issued by the Central Board of Direct Taxes, Department of Revenue, MoF, GoI, by virtue of powers conferred on it under section 10(15)(iv)(h) of the Income Tax Act.

** In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also, at its discretion, raise funds through issue of Bonds on a private placement basis in one or more tranches during the process of the present Issue, for an amount not exceeding ₹300 crores, i.e. upto 30% of the allocated limit for raising funds through the issue of Bonds during the Fiscal 2014, wherein suitable amounts shall be earmarked for subscription by Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure, provided that in the event of any non-response, our Company shall be free to offer the un-subscribed amount through book building route under private placement in domestic market. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹1,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall get reduced by such amount raised.*

Utilisation of Issue Proceeds

The proceeds of Issue may be utilised towards financing renewable energy and energy efficiency projects and augmenting our resource base.

The main objects clause of our Memorandum of Association permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

In accordance with SEBI Debt Regulations, our Company is required to not utilise the proceeds of the Issue for providing loans to or acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management as our Company or any Subsidiary or Associate Company of our Company. Our Company is a public sector enterprise and, as such, we do not have any identifiable 'group' companies or 'companies under the same management'. Further, the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any acquisition, including by way of a lease, of any property. Issue proceeds from Bonds will not be utilised for any purpose which may be in contravention of RBI Guidelines on bank financing to NBFCs, including those relating to classification as capital market exposure or any other sectors that are prohibited by RBI.

We shall utilise the Issue proceeds only on execution of documents for creation of security as stated in the Draft Shelf Prospectus, Shelf Prospectus and each of the relevant Tranche Prospectus under "***Terms of the Issue***" on page 125 and on the listing of the Bonds.

Project Cost and Means of Financing

The proceeds of Issue will be utilised towards lending for the renewable energy and energy efficiency projects and augmenting our resource base and not for any specified project.

Interim use of Proceeds

The Board, in accordance with policies formulated from time to time, will have flexibility in deploying the proceeds of the Issue. Pending utilisation of the Issue proceeds for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities or inter-corporate loans as may be approved by the Board or its any duly constituted committee. Such investment would be in accordance with the investment policies approved by the Board from time to time.

Issue Expenses

The following are the estimated Issue expenses, proposed to be met from the Issue proceeds:

Particulars	Estimated Issue Expenses (₹ in crores)	Percentage of Issue Size (%)
Fees payable to Intermediaries		
To the Legal Advisor to the Issue	[●]	[●]
To Credit Rating Agencies	[●]	[●]
To the Registrar and Depositories	[●]	[●]
To the Lead Managers	[●]	[●]
To the Debenture Trustee	[●]	[●]
To the SCSBs	[●]	[●]
To printing and stationery	[●]	[●]
To marketing expenses, brokerage and selling commission	[●]	[●]
Other Miscellaneous Expenses	[●]	[●]
Total	[●]	[●]

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/Consortium Members/ Sub-Consortium Members/Brokers/ Sub-brokers/Trading Members and submitted to SCSBs for blocking the Application Amount of the Applicant, at the rate of ₹ [●] per Application Form procured, as finalised by our Company. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA processing fee.

Monitoring of Utilization of Funds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of the Issue. The Board shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our financial information for the relevant fiscal commencing from Fiscal 2014, the utilization of the proceeds of the Issue under a separate head along with any details in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

For more information, see "***Issue Procedure - Utilisation of Issue Proceeds***" on pages 173.

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bondholder. This is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Bond, under the current tax laws presently in force in India. The benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the laws or enactments thereto. The Bondholder is advised to consider in his own case the tax implications in respect of subscription to the Bond after consulting his tax advisor as alternate views are possible. Interpretation of provisions where under the contents of his statement of tax benefit is formulated may be considered differently by Income Tax Authority, Government, Tribunals or Court. We are not liable to the Bondholder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. INCOME TAX

1. Interest from Bond do not form part of Total Income.

a) In exercise of power conferred by item (h) of sub clause (iv) of clause (15) of Section 10 of the Income Tax Act, 1961 (43 of 1961) the Central Government vide Notification N. 61/2013.F.No.178/37/2013-(ITA.1) dated 8th August, 2013 authorizes IREDA Limited to issue through a Public/Private Issue, during the financial year 2013-14, tax free, secured, redeemable, non-convertible bonds for the aggregate amount not exceeding Rs. 1,000 crore subject to the conditions as prescribed in the said notification.

(i) The tenure of the bonds shall be ten, fifteen or twenty years.

(ii) It shall be mandatory for the subscribers of such bonds to furnish their permanent account number to the issuer

(iii) There shall be ceiling on the coupon rates based on the reference Government security (G-Sec) Rate.

(iv) The reference G-sec rate shall be the average of the base yield of G-sec for equivalent maturity reported by Fixed Income Money Market and Derivative Association of India(FIMMDA) on the daily basis (working day) prevailing for two weeks ending on the Friday immediately preceding the filing of the final Prospectus with the Exchange or Registrar of Companies(ROC) in case of public issue and the issue opening date in case of private placements.

(v) The ceiling coupon rate for AAA rated issuers shall be the reference G-sec rate less 55 basis points in case of Retail Individual Investor and reference G-sec less 80 basis points in case of other investor segments, like Qualified Institutional Buyers (QIB's), Corporates and High Networth Individuals.

(vi) In case the rating of the issuer entity is AA+, the ceiling rate shall be 10 basis points above the ceiling rate for AAA rated entities as given in the clause (V).

(vii) In case the rating of the issuer entity is AA or AA-, the ceiling rate shall be 20 basis points above the ceiling rate for AAA rated entities as given in the clause (V).

(viii) These ceiling rates shall apply for annual payment of interest and in case the schedule of interest payments is altered to semi-annual, the interest rates shall be reduced by 15 basis points.

(ix) The higher rate of interest, applicable to Retail investors, shall not be available in case the bonds are transferred by Retail investors to non retail investors.

b) Issue expense and brokerage:

(i) In the case of private place, the total issue expense shall not exceed 0.25 per cent of the issue size and in case of public issue it shall not exceed 0.65 per cent of the issue-size.
(ii) The issue expense would include all expenses relating to the issue like brokerage, advertisement, printing, registration etc.

c) Section 10(15)(iv)(h) to be read with Section 14A(1) of the Income Tax Act, 1961 provides that in computing the total income of a previous year of any person, interest payable by any public sector company in respect of such bonds or debentures and subject to such conditions, including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may, by notification in the Official Gazette, specify in this behalf shall not be included;

Further, as per Section 14 A(1), no deduction shall be allowed in respect of expenditure incurred by the assessee in relation to said interest as it does not form part of Total Income as per the Income Tax Act.

Section 2(36A) of the Income Tax Act defines "Public Sector Company" as any corporation established by or under any Central, State or Provincial Act or a Government Company as defined in Section 617 of the Companies Act, 1956 (1 of 1956).

d) Accordingly, pursuant to the aforesaid notification to be read with Section 14A(1) of The Income Tax Act, 1961, interest from bond will be exempt from income tax.

e) Since the interest Income on these bonds is exempt, no Tax Deduction at Source is required.
However interest on application money would be liable for TDS as well as would be subject to tax as per present tax laws.

2. CAPITAL GAIN

a) Under Section 2 (29A) of the Income Tax Act,1961 read with section 2 (42A) of the Income Tax Act, a listed Bond is treated as a Long Term Capital Asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under Section 112 of the I.T. Act, capital gains arising on the transfer of Long Term Capital Assets being listed securities are subject to tax at the rate of 20% of Capital Gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the bonds from the sale consideration.

However as per third proviso to Section 48 of Income tax act, 1961 benefits of indexation of cost of acquisition under second proviso of Section 48 of Income tax Act, 1961 is not available in case of bonds and debenture, except capital indexed bonds. Thus, Long Term Capital Gain Tax can be considered at a rate of 10% on listed bonds without indexation.

Securities Transaction Tax ("STT") is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. However, STT is not applicable on transactions in the Bonds.

In case of an individual or HUF, being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax i.e. Rs.2,00,000 in case of resident individual/HUF, Rs.250,000 in case of resident senior citizens of 60 or more years of age (on any day of the previous year) and Rs.500,000 in case of resident super senior citizens of 80 years or more of age

(on any day of the previous year), the long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and at the option of assesse the tax on the balance of such long-term capital gains shall be computed at the rate of ten per cent in accordance with and the proviso to sub-section (1) of section 112 of the I.T. Act read with CBDT Circular 721 dated September 13, 1995.

A 2% education cess and 1% secondary and higher education cess on the total income tax (including applicable surcharge) is payable by all categories of tax payers.

b) Short-term capital gains on the transfer of listed bonds, where bonds are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provision of the I.T. Act.

The provisions related to minimum amount not chargeable to tax, surcharge and education cess described at para(a) above would also apply to such short-term capital gains.

c) Under Section 54 EC of the I.T. Act and subject to the conditions and to the extent specified therein, long term capital gains arising to the bondholders on transfer of their bonds in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

Where the benefit of Section 54 EC of the I.T. Act has been availed on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under Section 80 C of the I.T. Act.

For purpose of availing exemption from tax on Capital Gains, the investment made in the notified bonds by an assessee in any financial year cannot exceed Rs. 50.00 lakh.

d) As per the provisions of Section 54F of the Income Tax Act, 1961 and subject to conditions specified therein, any long-term capital gains (not being residential house) arising to Bondholder who is an individual or Hindu Undivided Family, are exempt from capital gains tax if the entire net sales considerations is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

Provided that nothing contained above shall apply where the said Bondholder own more than one residential house other than the new asset, on the date of transfer of such original asset or purchase any residential house, other than the new asset, within a period of one year after the date of transfer of such original asset or construct any residential house, other than the new asset, within a period of three years after the date of transfer of such original asset and the income from such residential house other than the one residential house owned on the date of transfer of such original asset, is chargeable under the head Income from House Property. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Bondholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which such residential house is purchased or constructed.

e) Under Section 195 of Income Tax Act, Income Tax shall be deducted from sum payable to Non-Residents on long term capital gain and short term capital gain arising on sale and purchase of bonds at the rate specified in the Finance Act of the relevant year or the rate or rates of the income tax specified in an agreement entered into by the Central Government under section 90, or an agreement notified by the Central Government under section 90A, as the case may be.

f) The income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the Act) realized by Foreign Financial Institutions on sale of security in the Company would be taxed at the following rates as per Section 115AD of the I.T. Act, 1961.

 Short term capital gains- 30% (plus applicable surcharge and education cess)
 Long term capital gains- 10% without cost of indexation (plus applicable surcharge and education cess)

As per section 90(2) of the Act, the provision of the Act would not prevail over the provision of the tax treaty applicable to the non-resident to the extent such tax treaty provisions are more beneficial to the non resident. Thus, a non resident can opt to be governed by the beneficial provisions of an application tax treaty.

g) However under section 196D, No deduction of tax shall be made from any income, by way of capital gain arising from the transfer of securities referred to in Section 115AD, payable to Foreign Institutional Investors.

3. Bonds held as Stock in Trade

In case the Bonds are held as stock in trade, the income on transfer of bonds would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

4. Taxation on gift

As per section 56(2)(vii) (c) of the I.T. Act, 1961 in case where individual or Hindu undivided Family receives bond from any person on or after 1st October, 2009 –

A. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such bonds/debentures or;
B. for a consideration which is less than the aggregate fair market value of the Bond by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration;

shall be taxable as the income of the recipient.

Provided further that this clause shall not apply to any sum of money or any property received

a) from any relative; or

b) on the occasion of the marriage of the individual; or

c) under a will or by way of inheritance; or

d) in contemplation of death of the payer or donor, as the case may be; or

e) from any local authority as defined in the Explanation to clause (20) of section 10; or

f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trusts or institution referred to in clause (23C) of section 10; or

g) from any trusts or institution registered under section 12AA.

B. WEALTH TAX

Wealth-tax is not levied on investment in bond under section 2(ea) of the Wealth-tax Act, 1957.

C. PROPOSALS MADE IN DIRECT TAX CODE

The Hon'ble Finance Minister has presented the Direct Tax Code Bill, 2010 ("**DTC Bill**") on August 30, 2010. The DTC Bill is likely to be presented before the Indian Parliament in future. Accordingly, it is currently unclear what effect the Direct Tax Code would have on the investors.

For Gianender & Associates
Chartered Accountants
Firm Registration Number: 04661N

(G K Agrawal)
Partner
Membership No.: 081603
Place: New Delhi
Dated January 09, 2014

SECTION IV- ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in the Draft Shelf Prospectus.

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The Indian Economy

The overall growth of GDP (at factor cost at constant prices) is provisionally estimated at 5.0 per cent in 2012-13 as compared to 6.2 per cent during 2011-12 (First Revised Estimates). The GDP growth rate is placed at 4.4 per cent in the first quarter of 2013-14. Foreign Currency Assets stood at US$ 254.7 billion at end-October 2013 as compared to US$ 261.1 billion at end-October 2012. As a proportion of budget estimate, fiscal deficit and revenue deficit during 2013-14 (April–September) was 76 per cent and 84.8 per cent respectively. The Rupee appreciated against US dollar, Pound sterling, Japanese yen and Euro in the month of October 2013 over September 2013. ***(Source: Ministry of Finance, Department of Economic Affairs, Economic Division, 4(3)/Ec.Dn./2012, Monthly Economic Report, October, 2013, Highlights)***

Taking into account the easing of the exchange rate pressures since September 2013 and evolving macroeconomic conditions, the Reserve Bank in its Mid-Quarter Monetary Policy Review (September 20, 2013) moved towards normalising monetary measures. In order to reduce the costs of funds, it reduced the MSF rate by 75 bps to 9.5 per cent. The minimum daily CRR balance maintained by the banks was reduced to 95 per cent of the requirement from 99 per cent to provide banks with the flexibility to better manage their liquidity situation. However, considering inflation risks, the repo rate were increased by 25 bps to 7.5 per cent. The Reserve Bank also signalled its intention to normalise the conduct and operations of monetary policy and to revert to the LAF repo rate as the operational policy interest rate. **(*Source: RBI, Macroeconomic and Monetary Developments Second Quarter Review 2013-14 dated October 28, 2013 (Issued with the Second Quarter Review of Monetary Policy 2013-14))***

Indian economy has continued to slowdown for the third year in succession. In part, the slowdown is the result of global cyclical conditions that have resulted in most emerging markets and developing economies slowing down. However, the slowdown has been exacerbated by domestic factors, a large part of which can be addressed through concerted policy actions and their implementation. ***(Source: RBI, Macroeconomic and Monetary***

Developments Second Quarter Review 2013-14 dated October 28, 2013 (Issued with the Second Quarter Review of Monetary Policy 2013-14)

Overview of the Indian Power Sector

The Indian power sector is one of the most diversified in the world. Sources for power generation range from conventional sources like coal, lignite, natural gas, oil, hydro and nuclear power to other viable non-conventional sources like wind, solar and agriculture and domestic waste. The demand for electricity in the country has been growing at a rapid rate and is expected to grow further in the years to come. ***(Source: GoI – "Year End Review of Power Ministry" dated December 28, 2012)***

The power sector is currently at a crucial juncture of its evolution from a dominantly public sector environment to a more competitive power sector with many private producers and greater reliance on markets, subject to regulation. The performance of the power sector shows many positive features, especially relating to the pace of addition to power generation but there are numerous problems relating to fuel supply which need to be resolved as also problems relating to the financial viability of the operation of the distribution companies (Discoms). ***(Source: GoI, Planning Commission report titled "Twelfth Five Year Plan (2012-2017") Economic Sectors-Volume II")***

In spite of the massive addition in generation, transmission and distribution capacity over the last sixty years, growth in demand for power has always exceeded the generation capacity augmentation. According to the report of the Working Group on Power for the Twelfth Plan, although the country has achieved capacity addition of about 1,81,500 MW over the last six decades (until August 2011), peak and energy shortages of varying magnitudes are being experienced. ***(Source: GoI, Report of the Working Group on Power for Twelfth Plan (2012-17))***

According to the central electricity authority ("**CEA**"), during the year 2012-2013, India has experienced energy shortage of 8.7% and peak power shortage of approximately 9.0%. ***(Source: GoI, CEA Load Generation Balance Report (2013 – 14))***. According to the monthly review of the power sector by the CEA, the provisional power supply deficit and peak power deficit for September 2013 was approximately 3.4% and 3.6% respectively. ***(Source: GoI, CEA Executive Summary for September 2013)***

The Indian economy is based on planning through successive five year plans ("**Five Year Plan**") that set out targets for economic development in various sectors, including the power sector. During the Ninth Five Year Plan (1997 to 2002) ("**9th Plan**"), capacity addition achieved was 19,119 MW, which was 47.5% of the 40,245.2 MW targeted under the 9th Plan. During the course of the Tenth Five Year Plan (2002 to 2007) ("**10th Plan**"), capacity addition achieved was 21,180.24 MW, which was 51.5% of the 41,109.84 MW targeted under the 10th Plan. ***(Source: GoI, CEA "Power Scenario at a Glance" November 2012)***

Further, during the Eleventh Five Year Plan (2007 to 2012) ("**11th Plan**") the capacity addition target was 62,373.9 MW and the actual capacity addition was 54,963.9 MW. The generation capacity addition target for the Twelfth Five Year Plan (2012-2017) ("**12th Plan**") has been fixed at approximately 88,537 MW.

In addition, it is planned to add a grid interactive renewable capacity of 30,000 MW, comprising of wind (15,000 MW), solar (10,000 MW), small hydro (2,100 MW) and the balance primarily from bio mass sources **(Source: GoI, Planning Commission "Twelfth Five Year Plan (2012-2017) Economic Sectors- Volume II")**. The total installed power generation capacity in India was 228,721.73 MW as of September 30, 2013. ***(Source: GoI, MoP, CEA Executive Summary for the month of September 2013)***.

The 12th Plan also expects the share of renewables in electricity generated to rise from around 6% in 2012 to 9% in 2017 and 16% in 2030. ***(Source: GoI, Planning Commission "Twelfth Five Year Plan (2012-2017) Economic Sectors- Volume II")***

All India Installed Capacity (MW)

- **Region-wise (MW) As on 30-11-2013:**

Region (MW)	Thermal	Nuclear	Hydro	RES	Grand Total
Northern	38,967.75	1,620 .00	15,692.75	5,729.62	**62,010.12**
Western	60,950.30	1,840.00	7,447.50	9,925.19	**80,162.99**
Southern	31,684.60	1,320.00	11,398.03	13,127.33	**57,529.96**
Eastern	24,945.08	-	4,113.12	417.41	**29,475.61**
North-East	1,411.24	-	1,242.00	252.65	**2,905.89**
Islands	70.02	-	-	10.35	**80.37**
All India	**158,028.99**	**4,780**	**39,893.40**	**29,462.55**	**232,164.94**

- **Sector-wise (MW) As on 30-11-2013:**

Sector (MW)	Thermal	Nuclear	Hydro	RES	Grand Total
Central	52,500.54	4,780.00	9,717.40	-	66,997.94
State	59,377.93	-	27,482.00	3,726.77	90,586.70
Private	46,150.52	-	2,694.00	25,735.78	74,580.30
All India	**158,028.99**	**4,780.00**	**39,893.40**	**29,462.55**	**232,164.94**

Note: Renewable Energy Sources (RES) include Small Hydro Project (25 MW), Biomass Power, Urban & Industrial Waste Power, Solar and Wind Energy
(Source: Executive Summary of Power Sector, CEA November 2013)

Indian Renewable Policy & Regulatory Evolution

In the early 1980s, Indian government established the Ministry of Non-Conventional Energy Sources (MNES) to encourage diversification of country's energy supply, and satisfy the increasing energy demand of a rapidly growing economy. In 2006, this ministry was renamed as the Ministry of New and Renewable Energy (MNRE). This is the only ministry in the world which focuses solely on renewable capacity addition. Enactments prior to Electricity Act (EA), 2003 had no specific provisions to boost energy generation from renewable sources. Despite this shortcoming, the Ministry of Renewable Sources, attempted to provide fillip to renewable energy generation through policy initiatives. It had mixed results. However, the Electricity Act 2003 changed the legal and regulatory framework for the renewable energy sector. The Act provides for policy formulation by the Government of India and mandates the State Electricity Regulatory Commissions (SERCs) to take steps to promote renewable and non-conventional sources of energy within their jurisdiction.
(Source: CARE Research report on Renewable Energy, July 2013)

Electricity Act, 2003

The Electricity Act 2003 introduced certain enabling provisions conducive to accelerate development of grid connected electricity. Under Section 61(h), promotion of co-generation and generation of electricity from renewable sources of energy has been made the explicit responsibility of SERCs, which are bound by law to take these considerations into account while drafting their terms and conditions for tariff regulations. Nearly all SERCs have issued their tariff regulations incorporating suitable clauses, which will enable them to provide a preferential treatment to renewable energy (RE) during the tariff determination process. Under Section 86 (1) (e), the SERCs are also made responsible for the following:

1. Ensuring suitable measures for connectivity of renewable power to the grid,
2. Sale of renewables based electricity to any person and
3. Mandating purchase of a certain percentage of total energy consumption from renewables.

As mandated under section 86 1(e) of the Electricity Act, 2003, 22 SERCs have fixed quotas (in terms of percentage of electricity being handled by the power utility) to procure power from renewable energy sources.

The mandate, which is called a Renewable Purchase Specification/Obligation (RPS/RPO), varies from 0.5% to 14% in various states over varying time-scales. Few states have come out with technology specific RPSs. Besides, the state regulators determine the tariff for all RE projects in the states and ensure connectivity to the grid through extension of power evacuation from the RE project sites, which are generally at remote locations and away from major load centres.

Furthermore, the Electricity Act 2003 initiated the adoption of the following key policies and related regulation:

1 **National Electricity Policy (NEP) (2005) -** The clause 5.12 of NEP stipulates several conditions to promote and harness renewable energy sources. Renewable energy sources being most environment friendly are need to be promoted on an urgent basis.

2 **National Tariff Policy (2006) -** The policy formulated states that State Electricity commissions should come out with appropriate minimum requirement quantum by state distribution companies. The policy also propagates the mechanism to harness renewable energy sources.

3 **Rural Electrification Policy (2006) -** The policy under section 3 (3.3) for the first time laid stress on decentralized distributed generation that may be based on conventional or non-conventional energy sources. Non-conventional sources are utilized if they are found cost effective. The central government formulated a national policy in consultation with state governments, commissions for rural electrification and bulk purchase of power.
(Source: CARE Research report on Renewable Energy, July 2013)

Integrated Energy Policy

Integrated Energy Policy was the first attempt in India to take a holistic view on country's energy security. This policy has provided broad overarching framework for the multitude of policies governing the production, distribution, usage etc. of different forms of energy from various sources (conventional and non-conventional). However, due to limited political support the implementation has lacked to generate desired outcome resulting in India importing energy sources (Coal, Gas and Oil) to meet domestic requirements. The policy had for the first time focused on Generation Based Incentives (GBI) rather than capital subsidies to improve efficiency levels for renewable energy sources. ***(Source: CARE Research report on Renewable Energy, July 2013)***

National Action Plan for Climate Change ("NAPCC")

This plan, propagated in June 2008, is a comprehensive framework with approval of the PM's Council on Climate Change. It relates to sustainable development, co-benefits to society at large, focus on adaptation, mitigation, and scientific research. The NAPCC is coordinated by the Ministry of Environment and Forests and implemented through the nodal Ministries and is aimed at advancing relevant actions in specific sectors/areas. Eight national missions in the areas of solar energy, enhanced energy efficiency, sustainable agriculture, sustainable habitat, water, Himalayan ecosystem, increasing the forest cover and strategic knowledge for climate change form the core of NAPCC. ***(Source: CARE Research report on Renewable Energy, July 2013)***

Feed in Tariffs ("FiT")

Across the globe most of the countries are trying to boost energy generation from renewable sources. However, as capital costs for renewable generation still, in most cases, are higher on per kilowatt-hour than for fossil-fuelled power, governments are looking at all options for encouraging the development of greater renewable capacity and FITs are one policy tool that has been used to attract private investment in the renewable energy. Central Electricity Regulatory Commission (CERC) along with various State Electricity Regulatory Commissions (SERCs) has formulated attractive FiTs to encourage renewable sources development. FiTs are formulated in such a way to provide higher return ratios commensurate with the higher risks envisaged for developing renewable sources by the developers, lenders and other stakeholders. ***(Source: CARE Research report on Renewable Energy, July 2013)***

Generation Based Incentives ("GBI")

In 2009, the Government of India (GoI) implemented a GBI scheme for grid connected wind power projects. A GBI of ₹ 0.50 per kwhr, with a cap of approximately ₹ 16.5 lakh per MW per year, totalling ₹ 62 lakh per MW over 10 years of a project's life is being offered under this scheme. The GBI is over and above the tariff approved by respective SERC and will be disbursed on a half yearly basis through the Indian Renewable Energy Development Agency (IREDA). This scheme is applicable to wind power projects not using accelerated depreciation benefits and which are commissioned before 31st March 2012. However wind power projects selling power to third party/merchant power plant are excluded from the GBI incentives.

Rationale for GBI

The main objectives of the GBI scheme are:

1. To broaden investor base by facilitating entry of large IPPs attracting Foreign Direct Investment (FDI) to the wind power sector,
2. To provide a level playing field for various classes of investors,
3. To incentivize higher efficiencies and
4. To provide a framework for transition from a purely investment based incentive to an outcome based incentive.

GBI was introduced to promote actual generation of wind power rather than the mere installation of Wind Turbine Generators (WTGs). The GBI scheme attempts to build a business case for IPPs. The advent of IPPs in the segment is also expected to lead to more utility scale installations which, in turn, would help build investor confidence in the sector. The GBI incentive scheme is being implemented through IREDA for which separate guidelines were published. As per these guidelines each investor, whether using GBI incentives or Accelerated depreciation (AD) incentives, is required to register with IREDA. IREDA issued a unique identification number for each WTG commissioned under this scheme after 17th December 2009. ***(Source: CARE Research report on Renewable Energy, July 2013)***

Extension of the Scheme for continuation of GBI

Under the approval from President of India for implementation of GBI scheme for grid interactive wind power projects, the said scheme has been extended for the 12th plan period. The said scheme will be available for wind turbine commissioned on or after 1.04.2012 and for the entire 12th plan period and would be governed by the guidelines. Under the extended scheme, a GBI will be provided to wind electricity producers @ ₹ 0.50 per unit of electricity fed into the grid for a period not less than 4 years and a maximum period of 10 years with a cap of ₹ 100 lakhs per MW. The total disbursement in a year will not exceed one fourth of the maximum limit of the incentive, i.e., ₹ 25 lakhs per MW during the first four years. ***(Source: Extension letter No. 53/10/2011-WE, GoI, MNRE (Wind Power Division) dated 04.09.2013)***

Jawaharlal Nehru National Solar Mission ("JNNSM")

The government of India had launched national mission through Ministry of New and Renewable Energy (MNRE). The government has launched the JNNSM in January 2010 with a target of 20 GW grid solar power (based on solar thermal power-generating systems and solar photovoltaic technologies), 2GW of off-grid capacity by 2022. The Mission will be implemented in three phases. The first phase will last three years (up to March 2013), the second till March 2017, and the third till March 2022. The Government has also approved the implementation of the first phase of the Mission (up to March 2013) and the target to set up 1100 MW grid-connected solar plants including 100 MW of rooftop and small solar plants and 200 MW capacity-equivalent off-grid solar applications and a 7 million sq. m solar thermal collector area in the first phase of the Mission, till 2012-13.

Status and achievement in JNNSM as on 31st March, 2013				
	Target capacity	Actual capacity	Target capacity	Target capacity
	Phase-I (2010-12)		Phase-II (2013-17)	Phase-III (2017-22)
Grid-based (MW)	1100	466	10000	20000
Off-grid (MW)	200	89	1000	2000
Total	**1300**	**554**	**11000**	**22000**
Source: MNRE JNNSM phase-II Policy document and CARE Research				

(Source: CARE Research report on Renewable Energy, July 2013)

Renewable Purchase Obligation & Renewable Energy Certificate Mechanism

The National Action Plan for Climate Change (NAPCC) plan envisaged several measures to address global warming. One of the important measures identified involves increasing the share of renewable energy in total electricity consumption in the country. This would mean that there is quantum level of jump in use of renewable sources in overall mix of power generation.

The Electricity Act section 86(1) (e) promotes energy generation from environmentally benign renewable sources. The Act also entrusts the responsibility on respective SERCs to ensure that respective distribution licensee. Thus, CERC has designed Renewable Purchase Obligation (RPO) to be followed by each state in a time-bound manner. The NAPCC envisaged RPO at 5% by 2010 and increasing to 15% by 2020. However, since the renewable resources are unevenly spread across the country. There were not enough incentives for states with rich resources to develop these beyond specified RPO limit and deficient states are not finding it feasible to develop such resources. Consequently, the need was felt at regulatory level to develop a mechanism, which can enable both these states to utilize power generated from renewable sources, while realizing additional benefits through sale of renewable-linked generation.

REC mechanism offers the potential to expand the market for renewables by broadening the availability and scope of power products which are available to customers. The concept of RECs is based on separating the environmental or green power attribute of renewable generation from the underlying electrical energy. This creates two separate, though related products for sale by the owner of the generation asset(s): (1) Commodity electricity; and (2) Renewable attributes (alternatively known as renewable certificates, green certificates, green tags, and environmental attributes). A renewable energy certificate represents the renewable attributes of a single MWhr of renewable energy. The renewable attributes may be sold separately or combined with system electricity at the point of sale by a developer.
(Source: CARE Research report on Renewable Energy, July 2013)

Renewable Energy Developments in India

Renewable energy is no longer "alternate energy", but will increasingly become a key part of the solution to the nation's energy needs. Renewable energy has been an important component of India's energy planning process since quite some time. The importance of renewable energy sources in the transition to a sustainable energy base was recognized in the early 1970s. At the Government level, political commitment to renewable energy manifested itself in the establishment of the first Department of Non-Conventional Energy Sources in 1982, which was then upgraded to a full-fledged Ministry of Non-Conventional Energy Sources (MNES) in 1992 subsequently renamed as Ministry of New and Renewable Energy (MNRE). This is the only such Ministry in the world. MNRE is the nodal Ministry of the Government of India at the Federal level for all matters relating to new and renewable energy. The Ministry has been facilitating the implementation of broad spectrum programmes including harnessing renewable power, renewable energy to rural areas for lighting, cooking and motive power, use of renewable energy in urban, industrial and commercial applications and development of alternate fuels and applications. In addition, it supports research, design and development of new and renewable energy technologies, products and services.

In April 2002, renewable energy based power generation installed capacity was 3,475 MW which was 2% of the total installed capacity in the country. As on 31.12.2010, it has reached 18,655 MW, which is about 11% of the total installed capacity of 1,68,945 MW and corresponds to a contribution of about 4.13% in the electricity mix. During the first three years of the 11th plan period and upto 31.12.2010, renewable power capacity addition has been 8,395 MW, while the conventional power capacity addition has been 25,598 MW. In this period the renewable power capacity addition was over 24% of the total capacity addition. **(*Source: Strategic plan for new and renewable energy sector for the period 2011-17, MNRE, February 2011)***

The table below gives an idea of the growth of renewable energy capacity in the last plan periods. Major contribution has come from wind power which is about 70% of the total capacity.

Plan-period-wise capacity addition in grid connected renewable energy based power generation installed capacity (MW)

		Capacity Addition	
Resource	**Estimated Potential**	**Upto 9th Plan**	**During 10th Plan**
Wind power	48,500	1,667	5,427
Small Hydro Power	15,000	1,438	538
Bio power*	23,700	390	795
Solar power	20-30MW/ sq km	2	1
Total		**3,475**	**6,761**

**Note – including biomass power, bagasse cogeneration, urban and industrial waste to energy.*

(*Source: Strategic plan for new and renewable energy sector for the period 2011-17, MNRE, February 2011)*

Review of 11th plan

Progress in grid interactive renewable power generation capacity, especially of wind-based power was broadly in line with the targets of the Eleventh Plan. However, actual renewable energy generation has been substantially lower. Wind-based power generation has suffered the most partly also because of the lack of evacuation infrastructure in the resource rich States and partly because of lack of enforcing mechanisms and incentives for operational performance of the wind turbines. Incentives such as Accelerated Depreciation have not yielded the desired results and the recommendation now is to enforce generation-based incentive. Achievement in capacity addition has been satisfactory for most sectors except in waste to power. **(*Source: Twelfth Five Year Plan, 2012–2017, Planning Commission, GoI 2013)***. The details of targets and achievements during the Eleventh Plan for grid interactive renewable power have been given in the Table below:

Eleventh Plan Power Capacity Addition through Grid Interactive Renewable Power

Source	Target (MW)	Actual (MW) as on 31st March '2012
Wind	9,000	10,260.00
Small Hydro	1,400	1,419.17
Biomass Power	500	626.00
Waste to Energy	80	46.20
Bagasse Cogeneration	1,200	1,369.70
Solar Power	50	939.74
Total	12,230	14,660.81

(Source: Twelfth Five Year Plan, 2012–2017, Planning Commission, GoI 2013)

MNRE targets for 12th plan period

Below are the Targets for Grid interactive RE Power for the period 2011-17:

Targets for Grid interactive RE Power for the period 2011-17 (MW)

Technology	Cumulative (anticipated upto 31.03.11)	Total Target for the 6-year period (2011-17)	Cumulative Total Target
Biomass / Agri waste	1,025	500	**1,525**
Bagasse Cogen	1,616	1,600	**3,216**
U&I Energy	84	240	**324**
SHP	3,040	1,960	**5,000**
Solar	35	4,000	**4,035**
Wind	13,900	13,400	**27,300**
Total Targets	**19,683**	**21,700**	**41,383**

(Source: Strategic plan for new and renewable energy sector for the period 2011-17, MNRE, February 2011)

Twelfth plan strategy for renewable energy

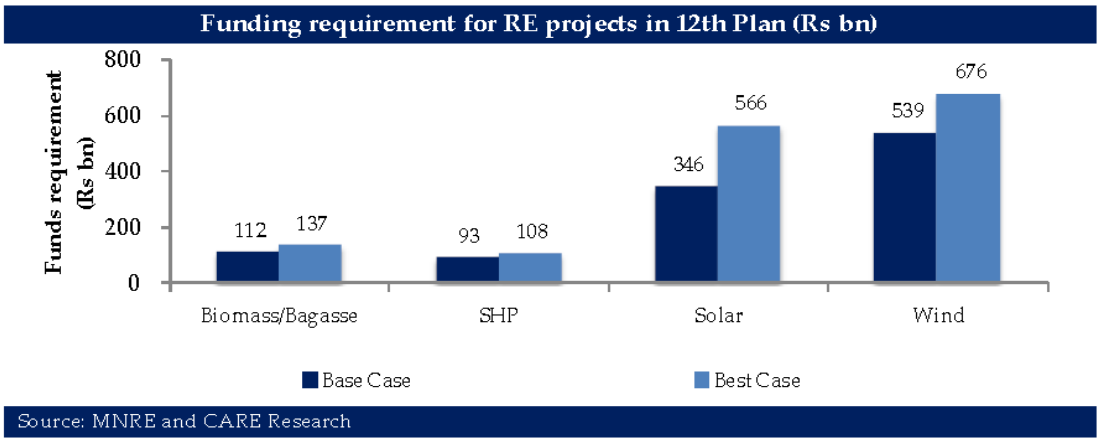
Renewable energy has to play an expanding role in achieving energy security and access in the years ahead. The areas on which attention should be focussed during the Twelfth Plan are:

- Grid interactive and ff-Grid/Distributed Renewable Power
- Renewable Energy for Rural Application
- Renewable Energy for Urban, Industrial and Commercial Applications
- Research, Design and Development for New and Renewable Energy
- Strengthening of Institutional Mechanism for enhanced deployment and creation of public awareness.

The National Action Plan for Climate Change (NAPCC) norms envisage that the share of renewable electricity in the electricity mix which was 7 per cent in 2011–12 should reach 12 per cent by 2016–17. For this the corresponding renewable power requirement would be 132 BU or 52,000 MW considering the conservative average capacity utilization factor of 30 per cent. The present installed capacity of renewable power is around 25,000 MW and, consequently, the renewable power capacity addition required for the Twelfth plan would be about 30,000 MW. For the Twelfth Five Year Plan, in addition to reorienting various existing policy initiatives, several new measures have been identified that are deemed essential to accelerate the pace of deployment of renewable energy in the country. **(*Source: Twelfth Five Year Plan, 2012–2017, Planning Commission, GoI 2013)***

Funding requirement for the 12th Plan

Our Base case assumes the 12th Plan funding requirement of ₹ 1.09 tn., with 49% of share from the wind energy sector. However, the Best case assumes the requirement rising to ₹ 1.5tn on account of higher investment in the wind and solar sectors.



(Source: CARE Research report on Renewable Energy, July 2013)

OUR BUSINESS

Overview

We are a non-banking financial institution registered with RBI under the RBI Act, 1934 engaged in extending financing services to projects and schemes for generating electricity and energy through renewable sources and conserving energy through energy efficiency. We were incorporated on March 11, 1987 as a public limited company under the Companies Act, 1956 and received a certificate for commencement of business on March 21, 1987. Our Company was set up by GoI under the administrative control of MNRE to promote, develop and extend financial assistance for renewable energy and energy efficiency projects. Further, our Company has been notified as a 'Public Financial Institution' by the MCA, through a notification (No. 10/37/94-CL.V) dated October 18, 1995. As of December 31, 2013, we operate through branch offices located at Chennai and Hyderabad and camp offices located at Kolkata and Ahmedabad on let out basis and we do not own such premises.

We are primarily engaged in providing finance to specific projects and schemes for generation of energy through new and renewable sources of energy.

Our Company provides financial assistance to the following renewable and energy efficiency projects:

- Wind Power
- Hydro Power
- Biomass Power Co-generation
- Energy Efficiency & Conservation
- Solar Energy
- Waste to Energy & Miscellaneous

The GoI has been regularly providing financial support in the form of equity infusion and has also guaranteed loans raised from international agencies. In the Union Budget 2013-14, the Government of India announced allocation of funds from the National Clean Energy Fund to our Company for the period of five years, for on-lending to viable renewable energy projects by way of refinancing part of the loan at concessional rate of interest.

Under the categorisation of Public Sector Enterprises, our Company was upgraded from 'Schedule C' to 'Schedule B' by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, GoI with effect from January 4, 2010.

Our Company enters into memorandum of understanding with the MNRE on annual basis ("**MoU**"). Pursuant to the MoU, the annual targets are set with respect to loan sanctions, disbursements, profitability and other dynamic parameters. Over the last two Fiscals upto the Fiscal year 2012-13, the actual achievement of our Company vis-à-vis the targets set out in the MoU were rated as 'Very Good' by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, GoI.

The total loans sanctioned and disbursed by our Company for renewable and energy efficiency projects in Fiscal 2013 are as detailed in the table below:

Sr. No.	**Particulars**	**Loans Sanctioned in Fiscal 2013** ***(₹ in crores)***	**Loans Disbursed in Fiscal 2013** ***(₹ in crores)***
1.	Wind Power	1792.17	1,207.89
2.	Hydro Power	914.46	356.28
3.	Biomass Co-generation	711.12	347.94
4.	Energy Efficiency & Conservation	0.00	59.74
5.	Solar Energy	321.51	151.20
6.	Waste to Energy & Miscellaneous	8.10	2.45
Total		3747.36	2125.50

For the Fiscal 2013, 2012 and 2011 and the six month period ended September 30, 2013, our profits after interest but before tax was ₹ 250.58 crore, ₹ 208.12 crore, ₹ 166.70 crore and ₹ 166.97 crore, respectively, and our profits after tax was ₹ 202.65 crore, ₹ 173.13 crore, ₹ 120.46 crore and ₹ 119.87 crore, respectively.

Our outstanding loan portfolio has grown at a CAGR of 39.23% from ₹ 3,402.80 crores as of March 31, 2011 to ₹ 6,596.72 crores as of March 31, 2013. Similarly, our profit after tax has grown at a CAGR of 29.70% over a period of three years from ₹ 120.46 crores for Fiscal 2011 to ₹ 202.65 crores for Fiscal 2013. Our gross NPA was 3.42%, 3.86%, 5.46% and 5.31% and our net NPA was 0.70%, 0.92 %, 2.50 %, and 0.79 % as at September 30, 2013, March 31, 2013, 2012 and 2011 respectively.

The total borrowings of our Company, as at December 31, 2013, were ₹ 5,814.27 crores. The total borrowings of our Company as at March 31, 2013, were ₹ 5093.18 crores and the CRAR of our Company as at March 31, 2013 was 24.75%. For further details, please see the section titled "***Financial Indebtedness***" on page 102.

The key financial parameters of our Company are as mentioned in the table below:

(₹In crore)

Particulars	**Six month period ended September 30, 2013**	**Fiscal 2013**	**Fiscal 2012**	**Fiscal 2011**
Paid up equity share capital	744.60	699.60	639.60	589.60
Net worth	1,853.20	1,688.35	1,457.99	1,264.12
Total Debt *(of which)*				
Non Current Maturities of				
- Long Term Borrowing	5,482.86	4,916.63	3,959.16	2,398.06
- Short Term Borrowing	-	-	0.02	-
Current Maturities of Long Term Borrowing	262.41	176.55	184.68	77.13
Net Fixed Assets	38.79	40.30	43.21	40.81
Non Current Assets	6,237.48	5,851.00	4,712.32	3,280.94
Cash and Cash Equivalents	8,48.93	114.83	613.89	204.55
Current Investments	-	-	-	-
Current Assets	961.49	1,186.98	7,19.15	605.36
Current Liabilities	720.07	558.88	638.71	439.24
Assets under Management	-	-	-	-
Off Balance Sheet Assets	-	-	-	-
Interest Income	433.78	690.21	458.61	365.71
Interest Expense	202.34	335.11	206.06	168.79
Provisioning & Write-offs	0.49	62.03	46.04	22.55
Profit after tax (PAT)	119.87	202.65	173.13	120.46
Gross NPA (%)	3.42	3.86	5.46	5.31
Net NPA (%)	0.70	0.92	2.5	0.79
Tier I Capital Adequacy Ratio (%)	26.22	24.75	28.61	35.38
Tier II Capital Adequacy Ratio (%)	N.A.	N.A.	N.A.	N.A.

Our Strengths

We believe that the following are our key strengths

Experience and expertise in financing renewable energy projects

We were incorporated in the year 1987 for the purpose of exclusively providing finance towards promotion and development of new and renewable energy projects. We have been providing finance for over last two and half decades to renewable energy projects and to facilitate the policies and programs of MNRE. Our Company is a

one of its kind institution providing finance exclusively for the renewables and energy efficiency projects. Our Company has primarily worked with the private sector enterprises operating in the power sector as the major development in renewable energy sector have been undertaken by private sector companies. Since incorporation till March 31, 2013, our Company has sanctioned loans aggregating to ₹ 22,459.23 crores and disbursed loans aggregating to ₹ 11,848.79 crores.

Below is the sector-wise breakup of loans sanctioned and disbursed along with the percentage of the total loans sanctioned since incorporation up till March 31, 2013:

(₹ in crores)

Sr. No.	**Particulars**	**Loans sanctioned since incorporation till March 31, 2013**	**Loans disbursed since incorporation till March 31, 2013**
1.	Wind Power	10,075.53	6,082.68
2.	Hydro Power	5,593.91	2,155.87
3.	Biomass Co-generation	4,058.8	2,428.94
4.	Energy Efficiency & Conservation	976.10	332.96
5.	Solar Energy	1,530.05	713.73
6.	Waste to Energy & Miscellaneous	224.84	134.61

We believe that the extensive, exclusive and focused financing experience in the field of renewable energy sector will enable us to increase our business in the future.

Availability of funds at competitive costs due to support from GoI

We are wholly owned and controlled by GoI and have been provided with continuous support from the MNRE and MoF (GoI) by way of policy as well as fiscal measures. In the Union Budget 2013-14, the Government of India announced allocation of funds from the National Clean Energy Fund to our Company for the period of five years, for on lending to viable renewable projects by way of refinancing part of the loan at concessional rate of interest. Further, the GoI has also allowed us to raise funds through issue of Bonds pursuant to CBDT Notification issued by GoI.

The GoI has been regularly providing financial support in the form of equity infusion and has also guaranteed loans availed by our Company from international agencies. We have well-developed relationships with multilateral and bilateral financial institutions, domestic financial institutions as well as scheduled commercial banks. As on December 31, 2013, the sources of our funding comprises of (i) secured loans from Bank of Baroda, Oriental Bank of Commerce, Dena Bank, Union Bank of India, Asian Development Bank, Small Industrial Development Bank of India; (ii) unsecured loans from Nordic Investment Bank, Kreditanstalt Fur Wiederaufbau, International Bank for Reconstruction and Development, Agence Francaise De Developpement, Japan International Corporation Agency, International Development Association; and (iii) issuance of debentures by way of private placement.

As on date of the Draft Shelf Prospectus, the funds availed by us from the international agencies, except Nordic Investment Bank, are guaranteed by GoI which allows us to avail funds at competitive cost. In relation to our long-term debt instruments, we have long term rating of **"CARE AAA(SO)"** by CARE and **"BWR AAA(SO)"** by Brickwork.

We believe that these relationships enable us to encourage an increased flow of long-term capital, including foreign capital, into renewable energy projects in India and also enable us to play a key role in developing and introducing innovative financial products and structures to allow a broader cross-section of lenders to participate in financing towards renewable energy sector in India.

Competitive rate of lending to the borrowers

We face competition from domestic banks and other financial institution including international institutions that provide finance towards the renewable and energy efficient sources of power (energy efficiency projects). Since, we provide financing specifically towards promotion and development of new and renewable sources of energy and also due to continuous support of GoI, we believe that we offer financing at competitive terms to our customers. We also facilitate suitable and innovative funding structure besides offering competitive lending rates.

Robust risk management policy

We are subject to financial risk in our day to day operations which includes risks associated with all loans and borrowings, all marketable assets, like securities, equities, foreign exchange, etc. and off-balance sheet exposures, such as committed credit limits / sanctions, derivatives, etc. Therefore, our growth is linked to our ability to recognize and manage the various risks which we face in our functioning. In order to mitigate risks associated with financing, we undertake hedging of the foreign currency funds and invests the surplus funds, if any, in fixed deposits with banks, etc. so as to ensure that adequate funds are available when the need for disbursal of loans arises or when repayment obligations fall due. Also, we keep our lending and borrowing in alignment with the market rates. The specific risk management measures adopted by us include *inter alia* (i) financing guidelines for credit appraisal, ii) Credit Committee, iii) policy on foreign exchange and derivatives risk management, (iv) policy on credit concentration norms, (v) know your customer and anti-money laundering norms, (vi) credit risk rating system, (vii) committee on interest rate fixing, viii) Assets Liability Management Committee ix) Risk Management Committee. In addition to the above, we also have an integrated Risk Management Policy. We believe that our Company has robust risk management systems and processes in place across all areas of operations, namely loan origination, credit appraisal, loan disbursement, and collection and recovery.

Maintaining low level of NPAs

To maintain control over level of NPAs, our Company has been adopting various strategies including concerted follow-up, rescheduling, one-time settlement, action for recovery before Debts Recovery Tribunal and recovery under the SARFAESI Act, 2002. We believe that our focused approach towards the same enables us to keep a check and maintain control on NPAs. As on March 31, 2013 our gross and net NPAs was 3.86% and 0.92%, respectively against our gross and net NPAs was 5.46% and 2.50% as on March 31, 2012.

Experienced senior management team and skilled human resource

As on date of the Draft Shelf Prospectus, our Board comprise of 6 (six) Directors with considerable experience in the field of financing renewable energy projects. Our senior and middle management personnel also have considerable experience and in-depth industry knowledge and expertise. The majority of our senior management team has more than 10 years of experience in the renewable energy sector. For any organization and especially for us, the employees and their efficient work are drivers of growth and successful operational effectiveness. We continually enhance and augment the knowledge and skills of the workforce to achieve its targets and goals for the future. As the strength of our Company lies in a skillful and highly efficient workforce, it has constantly been our mission to make the environment at work more competitive and rewarding, which we believe is helping in a faster progress and growth of the organization.

Our Strategies

Our business objective is to increase our market presence all along the value chain and grow our loan book, income and profits through the following strategies:

Leveraging of inherent strengths towards providing loans at competitive rates

We are wholly owned and controlled by GoI and have been provided with continuous support from the MNRE and MoF by way of policy as well as fiscal measures. The GoI has on regular basis provided us with financial

support in the form of equity infusion and by providing guarantee towards loans availed by our Company from international agencies.

In the past we have leveraged and will continue to leverage on the competitive rate of interest made available to us due to our association with GoI and established relationship with multilateral and bilateral financial institutions, domestic financial institutions as well as scheduled commercial banks.

Entering into consortium/co-financing with other lenders for financing large size renewable energy projects

In order to participate in providing financing towards large size projects and within the permissible exposure norms, our Company has entered into consortium/co-financing arrangements with other banks/financial institutions. Such arrangements also provides for the sharing of risk, if any entailing from the financing provided towards such large size projects. We intend to continue to do so in the future by leveraging on our relationship with banks/financial institutions in order to increase our loan portfolio.

Diversification strategy

We intend to strategically diversify our customer portfolio by providing financing towards the areas such as transmission and evacuation for renewable energy projects, manufacturing of solar modules, medium and large hydro power and renovation and modernisation. Also, in future we see opportunities for providing financing towards areas such as clean energy technologies.

We also intend to diversify our financial portfolio by expanding our areas of financing towards (i) non-fund based facilities like providing 'performance guarantee' for renewable energy projects, (ii) providing refinance to banks/financial institutions for on-lending to renewable energy projects under National Clean Energy Fund and (iii) fee based advisory/consulting services and (iv) expand the scope of providing loan against securitization of future receivables from the renewable energy projects.

We expect that systematic diversification, along with continued focus on our competitive strengths, would help us in significantly improving our market share and drive growth.

Maintaining strong asset quality through continued focus on risk management

Maintaining strong asset quality is paramount in our business as it directly impacts our provisioning, profitability, net worth and CRAR. Further, we believe that our ability to control levels of NPAs and maintain credit quality of our loan portfolio indicates robust risk management systems and policies that we have in place.

Risk management forms an integral part of our business as we are exposed to various risks relating to the renewable energy and energy efficiency sectors, availability of funding at competitive rates, asset-liability mismatches (in terms of interest rates and liquidity), amongst others. The objective of our risk management systems is to measure and monitor the various risks that we are subject to, and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage our growth and the risks inherent to our business.

Further increase our market visibility

We believe that we have comparative advantages and differences in the services provided by us from our competitors. We intend to increase the visibility of such advantages and differences in the products and services offered by us by focusing towards corporate re-branding and commercial advertising, undertaking business developmental activities through meetings, seminars and workshops.

Our participation in government programmes

The GoI, MNRE has initiated a number of programmes aimed at accelerating the growth and development of renewable energy projects. Our Company plays a key role as an agency for implementation of the Scheme for providing Generation Based Incentives for Grid Interactive Wind Power Projects. Further, we were designated as 'Programme Administrator' by the Ministry of New and Renewable Energy for administering the generation based incentive programme for rooftop PV and other small solar power plants.

Sectoral and Geographical Exposure

Loans Sanctioned:

The total loans sanctioned by our Company in Fiscal 2013, 2012 and 2011 were ₹ 3,747.36 crores, ₹ 3,405.96 crores and ₹ 3,126.42 crores, respectively. Since incorporation till March 31, 2013, we have sanctioned loans aggregating to ₹ 22,459.23 crores. The details of loans sanctioned sector-wise and state-wise during the last three Fiscals are as stated below:

Sector-wise:

(₹ in Crores)

Sr. No.	Sector	Fiscal 2011	Fiscal 2012	Fiscal 2013	Cumulative since 1987
1.	Wind Power	1,495.63	1,643.54	1,792.17	10,075.53
2.	Hydro Power	984.51	772.93	914.46	5,593.91
3.	Biomass Co-generation	328.35	499.65	711.12	4,058.8
4.	Energy Efficiency & Conservation	261.56	141.13	-	976.10
5.	Solar Energy	39.39	344.81	321.51	1,530.05
6.	Waste to Energy & Miscellaneous	16.98	3.9	8.1	224.84

State-wise:

(₹ in Crores)

Sr. No.	Name of States/ Union territory	Fiscal 2011	Fiscal 2012	Fiscal 2013	Cumulative since 1987
A.	**STATES**				
1.	Andhra Pradesh	76.51	187.64	62	1,758.87
2.	Arunachal Pradesh	555	250	-	805
3.	Assam	-	-	-	9.4
4.	Bihar	8.5	-	-	11.67
5.	Chhattisgarh	90.5	-	-	166.81
6.	Gujarat	247.55	816.68	97.11	1,772.46
7.	Goa	-	-	-	0.62
8.	Haryana	-	3.9	103.39	136.33
9.	Himachal Pradesh	282.7	313.04	707.35	2,061.02
10.	Jammu & Kashmir	-	-	-	0.67
11.	Jharkhand	69	56.08	14.48	139.89
12.	Karnataka	283.88	335.89	240.34	3,860.54
13.	Kerala	-	-	-	125.11
14.	Madhya Pradesh	7.28	125.1	-	365.8

Sr. No.	Name of States/ Union territory	Fiscal 2011	Fiscal 2012	Fiscal 2013	Cumulative since 1987
15.	Maharashtra	51.27	521.05	945.25	3,226.28
16.	Manipur	-	-	-	0.46
17.	Mizoram	-	-	-	0.16
18.	Nagaland	-	-	-	0.82
19.	NCT of Delhi	-	-	-	47.63
20.	Orissa	-	103.98	-	347.17
21.	Punjab	-	10.87	-	94.19
22.	Rajasthan	138.13	90.04	753.69	1,231.52
23.	Tamil Nadu	226.56	33.59	138.3	2,350.24
24.	Uttar Pradesh	-	57.14	100.3	571.21
25.	Uttarakhand	22.25	100.96	221.15	683.31
26.	West Bengal	-	-	-	265.34
27.	Multistate Project	1,067.29	400	364	2,417.09
	TOTAL 'A'	**3,126.42**	**3,405.96**	**3,747.36**	**22,449.61**
B.	**UNION TERRITORY**				
1.	Andaman Nicobar	-	-	-	0.11
2.	Daman	-	-	-	8.13
3.	Pondicherry	-	-	-	1.38
	TOTAL 'B'	**-**	**-**	**-**	**9.62**
C.	**TOTAL 'A' + 'B'**	**3,126.42**	**3,405.96**	**3,747.36**	**22,459.23**

Loans Disbursed:

The total loans disbursed by our Company in Fiscal 2013, 2012 and 2011 were ₹ 2,125.50 crores, ₹ 1,855.04 crores and ₹ 1,224.19 crores, respectively. Since incorporation till March 31, 2013, we have disbursed loans aggregating to ₹ 11,848.79 crores. The details of loans disbursed sector-wise and state-wise during the last three Fiscals are as stated below:

Sector-wise:

(₹ in Crores)

Sr. No.	Sector	Fiscal 2011	Fiscal 2012	Fiscal 2013	Cumulative since 1987
1.	Wind Power	644.34	1,199.50	1,207.89	6,082.68
2.	Hydro Power	340.49	165.76	356.28	2,155.87
3.	Biomass Co-generation	226.28	330.92	347.94	2,428.94
4.	Energy Efficiency & Conservation	8.00	73.25	59.74	332.96
5.	Solar Energy	-	83.47	151.20	713.73
6.	Waste to Energy & Miscellaneous	5.06	2.13	2.45	134.61

State-wise:

(₹ in Crores)

Sr. No.	Name of States/ Union territory	Fiscal 2011	Fiscal 2012	Fiscal 2013	Cumulative since 1987
A.	**STATES**				
1.	Andhra Pradesh	41.87	35.23	77.88	1,230.73
2.	Assam	-	-	-	0.21
3.	Bihar	-	-	-	0.62
4.	Chhattisgarh	15	23.66	21.29	121.87
5.	Goa	-	-	-	0.22
6.	Gujarat	102.01	372.52	241.36	1162.7
7.	Haryana	-	-	1.5	6.77
8.	Himachal Pradesh	270.76	97.43	207.99	884.74
9.	Jharkhand	-	31.79	36.41	68.25
10.	Karnataka	109.77	327.86	530.78	2,848.75
11.	Kerala	-	-	-	44.53
12.	Madhya Pradesh	60.59	45.26	10.24	254.44
13.	Maharashtra	330.3	393.35	437.31	2,143.34
14.	National Capital Territory of Delhi	-	-	-	12.55
15.	Nagaland	-	-	-	0.65
16.	Orissa	4	-	103.96	231.23
17.	Punjab	-	10.3	0.54	91.35
18.	Rajasthan	180.18	114.21	266.33	733.21
19.	Tamil Nadu	107.01	401.53	89.05	1,564.84
20.	Uttar Pradesh	-	-	100.86	259.99
21.	Uttarakhand	2.7	1.9	-	135.55
22.	West Bengal	-	-	-	49.74
	TOTAL 'A'	**1,224.19**	**1,855.04**	**2,125.5**	**11,846.17**
B.	**UNION TERRITORY**				
1.	Daman	-	-	-	1.49
2.	Pondicherry	-	-	-	1.13
	TOTAL 'B'	**-**	**-**	**-**	**2.62**
C.	**TOTAL 'A' + 'B'**	**1,224.19**	**1,855.04**	**2,125.5**	**11,848.79**

Our participation in government programmes

The GoI, MNRE has initiated a number of programmes aimed at accelerating the growth and development of renewable energy projects. We have been involved in MNRE programme such as the scheme for promotion of grid interactive power generation projects based on renewable energy technologies like small hydro, biomass and wind power, rooftop PV & small solar power generation programme and Jawaharlal Nehru national solar mission.

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

Wind GBI

The MNRE has been providing incentive to grid-interactive power generation based on wind energy renewable energy source. The scheme was applicable from December 12, 2006. Our Company is an implementing agency for implementation of generation based incentives for grid interactive wind power projects.

Solar GBI

In order to give a thrust to rooftop PV and other small solar power plants connected at distribution network at voltage levels below 33 kV envisaged under Phase I of the Jawaharlal Nehru National Solar Mission ("**JNNSM**"), the MNRE launched a programme on generation based incentives. The programme is referred to as 'Rooftop PV & Small Solar Power Generation Programme'.

IREDA has been designated as 'Programme Administrator' by MNRE for administering the generation based incentive programme for rooftop PV and other small solar power plants.

JNNSM

The Jawaharlal Nehru National Solar Mission ("**Mission**") was launched on the January 11, 2010 by the Prime Minister. The Mission has set the ambitious target of deploying 20,000 MW of grid connected solar power by the year 2022 is aimed at reducing the cost of solar power generation in the country through (i) long term policy; (ii) large scale deployment goals; (iii) aggressive R&D; and (iv) domestic production of critical raw materials, components and products, as a result to achieve grid tariff parity by the year 2022. Mission will create an enabling policy framework to achieve this objective and make India a global leader in solar energy**.**

Resource mobilization

Our initial paid up equity share capital at the time of incorporation was ₹ 7,000 comprising 7 Equity Shares. As on the date of filing of the Draft Shelf Prospectus, our issued, subscribed and paid-up equity share capital is ₹ 744.60 crores. For details, see the section titled "***Capital Structure***" on page 46. In addition to the above, we fund our assets, primarily comprising loans, with borrowings of various maturities by domestic and multilateral and bilateral agencies. Our market borrowings include bonds, loans and foreign currency loans as on December 31, 2013, we had total outstanding borrowing of ₹ 5,814.27 crores, of which ₹ 2,092.23 crores was secured and ₹ 3,722.04 crores was unsecured. For details of our outstanding borrowings as on December 31, 2013, see the section titled "***Financial Indebtedness***" on page 102.

Domestic borrowings

Bonds

Taxable bonds

We issued secured, non-convertible, redeemable taxable bonds under various series typically with a maturity period of ten years from the date of allotment and bearing an interest rate ranging from 8.44% to 9.60%. These bonds were issued on private placement basis and are currently listed on the "whole sale debt market segment" on the NSE.

Term Loans

We avail secured as well as unsecured long term and short term loans from various banks and financial institutions. These loans are mostly in the nature of term loans with a maturity period ranging from 7 to 16 years and bear a fixed as well as floating interest rate ranging from 7.20 % to 10.25%.

International Borrowings

Borrowing from Multilateral and Bilateral Agencies

As on December 31, 2013, our foreign currency borrowings was ₹ 3,847.04 crores from multilateral bodies and which are either guaranteed by the Government of India. 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

Our Company has several internal policies and committees to ensure that the conduct of its business is smooth, uniform procedures are followed, service standards are consistent, adequate controls exist over the business and due procedures are followed by us.

Risk management policy

The major risks managed by us as an NBFC are as under:

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

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

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

The fundamental principles of risk management remain relevant regardless of the size and complexity of the operations of an individual institution. The level of sophistication of the risk management framework in an institution, however, needs to have a relationship to the nature, size and complexity of its activities. Accordingly, our Company's risk management policy incorporates specific prescriptions covering each of the risks it faces.

In order to protect the risks mentioned above, our Company adopted the following risk management systems:

I. Credit Risk Management:-

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

a) Credit Committee
b) Internal credit risk rating system for projects.
c) Independent external rating of projects.
d) financing guidelines and exposure norms and loan monitoring.

II. Market Risk

a) Interest Rate Risk: to monitor the interest on lending, our Company has interest rate fixing committee, who monitor the interest rate risk.

b) Forex Risk: To hedge the foreign exchange exposure, our Company has forex risk policy and as per policy, forex risk committee is empowered to take the decision related to forex risk.

c) Assets Liability Management: To manage the assets and liabilities, our Company has the Asset Liability Management Committee. In compliance with the RBI guidelines we have put in place ALCO consisting of Chairman and Managing Director, Directors and other senior officials as

members. The ALCO conducts meetings as and when required to manage the liquidity and other issues.

III. 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 for accounting and loan management through information technology system.

Corporate Social Responsibility ("CSR")

According to our Company's CSR policy, our Company aims to complement our primary business 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 has the power to enhance the CSR budget and has constituted a CSR Committee which coordinates and monitors the CSR functions of our Company. The CSR committee shall meet at least once in a quarter and the progress report of CSR programmes shall be placed before the Board on quarterly basis. During the fiscal 2013 we created a non-lapsable budget of ₹ 3.46 crores for meeting expenditure related to CSR activities.

Quality Management Certification

Our Company has been issued IS/ISO 9001:2008 certification for the quality management systems by Bureau of Indian Standards in the year 2005, ("**QMS Certification**"). The QMS Certification is valid for period of one year and is renewed thereafter. Our QMS Certification was renewed on December 29, 2013 and is valid till December 28, 2016, which is under process for renewal.

Joint Venture

Our Company entered into the memorandum of understanding dated July 14, 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 establishment of wind power estates in Madhya Pradesh. The initial paid up share capital contribution of our Company in MPWL is ₹ 0.12 crore representing 24% of the total paid up share capital of MPWL. For further details, please see section titled "***History and Certain Corporate Matters***" on page 85.

Competition

Our primary competitors are banks, financial institutions and NBFCs.

Capital Adequacy

We are subject to capital to risk asset ratio ("**CRAR**") requirements prescribed by RBI. We are currently required to maintain a minimum CRAR of 15 % as prescribed under the prudential norms of RBI based on our total capital to risk weighted assets. As of September 30, 2013 and March 31, 2013 our capital adequacy ratio computed on the basis of RBI requirements was 26.22% and 24.75% respectively, as compared to a minimum of CRAR requirement of 15% stipulated by RBI for Financial Year 2013.

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

		As at March 31,				
	As at September	**2013**	**2012**	**2011**	**2010**	**2009**

	30, 2013					
CRAR (%)	26.22	24.75	28.61	35.38	30.68	31.80
Tier I Capital (₹ in crore)	1,853.20	1,688.35	1,457.99	1,264.12	960.56	891.93

Our Business Process

We have a detailed business process in place for providing financing to specific projects and schemes for generation of energy through new and renewable sources of energy. The business process primarily begins with receiving the loan application from the applicant. Subsequent to which, the applicant is conveyed the application registration number. They are then informed to get an external credit rating (if not already done). The various departments of our company screens the documents submitted by the applicant and seeks essential additional details, if required. Based on the documents submitted an Internal rating is assigned by CRRS Cell of our Company. Once we receive external credit rating on the project, we undertake a technical and financial appraisal of the project. Once the KYC categorization by the committee has been done an approval is sought from the CMD. Upon receiving the same, a project review is conducted by the Credit Committee and subsequently sanctioned by the competent authority. Once the project has been sanctioned, our Company issues the sanction Letter to the applicant. Thereafter upon signing of the loan agreement and creation of securities as per terms of sanction, we disburse the loan to the borrower.

Intellectual Property:

Our Company is using the following logo for commercial purpose:

Our logo and name are not presently registered as trade or service marks, in any jurisdiction nor any application has been made by us for the registration of the same.

Property:

Registered Office: Our Registered Office is located at India Habitat Center, 1st Floor, East Court, Core-4A, Lodhi Road, New Delhi – 110003 and has been sub-leased from India Habitat Centre vide letter dated August 25, 1988 and subsequent increase of space allocation vide letter dated July 26, 1989.

Corporate Office: Our Corporate office is located at 3rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi – 110066 and is allotted by Housing and Urban Development Corporation Limited vide its allotment letter no. HUDCO/BCP/108D/IREDA/906 dated December 4, 2006 on "as is where is basis" to us on long term sub-lease basis.

Residential Property: Our Company also has one residential property situated at Jangpura, New Delhi. In this regard, our Company has entered into an Agreement to sell with Hindustan Prefab Limited in 1994. The government approval for transfer of the lease rights from Hindustan Prefab Limited to our Company is yet to be received.

Human Resources

It has constantly been our mission to make the environment at work more competitive and rewarding, which helps in a faster progress and growth of the organization. Our company has taken steps to enhance and augment the knowledge and skills of the workforce to achieve its targets and goals for the future. Seminars, workshops and other courses have become a part of the regular activities of the organization which helps us in the

development and growth of each and every individual at the workplace. As on December 31, 2013, the total number of employees employed by us was 131.

REGULATIONS AND POLICIES

The following is an overview of the important and principal laws, regulations and policies that are relevant to our core business. The description of laws, regulations and policies set out below are not exhaustive, and are only intended to provide general information to investors and is neither designed, nor intended to be a substitute for professional legal advice.

Introduction

Our Company is a public limited government company and operates under the aegis of and the administrative control of the Ministry of New and Renewable Energy ("**MNRE**"), GoI, being the nodal ministry of our Company. Our Company is engaged in promoting, developing and extending financial assistance for renewable energy and energy efficiency projects.

Our Company is a systemically important, non-deposit taking NBFC and is duly registered with the Department of Non- Banking Supervision, RBI vide Certificate of Registration No. 14- 000012 dated February 10, 1998 (being the original certificate) read with January 23, 2008 (being the renewed certificate).

Our Company has also been notified as a PFI under section 4A of the Companies Act, 1956 by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Government of India, vide Notification No. S.O. 843 (E). F.10/37/94-CL.V dated October 17, 1995. Our Company continues to be a PFI under the new regime of the Companies Act, 2013.

Our Company has submitted an application dated March 12, 2010 to the RBI requesting to be classified as a "Infrastructure Finance Company" ("**IFC**") in terms of Notification No. DNBS. PD. 168/03.02.089/2009-10 dated February 12, 2010. However, our Company's application is currently pending with the RBI and it is yet to receive a certificate of registration in this regard.

Set out below are the key statutory and governmental regulations which form the bedrock of the regulatory regime under which our Company carries on its core business operations and activities.

I. Companies Act, 2013

The Companies Act, 2013 has been notified by the GoI on August 30, 2013 (the "**Notification**"). Under the Notification, Section 1 of the Companies Act, 2013 has come into effect and the remaining provisions of the Companies Act, 2013 have come and shall come into force on such date(s) as the Central Government may notify. Section 1 of the Companies Act, 2013 deals with the commencement and application of the Companies Act, 2013, and amongst others, sets out the types of companies to which the Companies Act, 2013 applies. Further the Ministry of Corporate Affairs has by its notification dated September 12, 2013 (the "**September 12 Notification**") notified 98 sections of the Companies Act, 2013 to come into force from September 12, 2013. The GoI has reserved for itself the power to notify different provisions of the Act at different points of time. The substantial operative part of the legislation will be in the rules, which is 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. Further, the sections of the Companies Act, 2013 that have been notified under the September 12 Notification amongst others includes the provisions in relation to private and public companies, prospectuses, refunds of share application money, civil and criminal liability for misstatements in a prospectus, allotment of securities, buyback of securities, capital redemption reserve account, calling of extra ordinary general meeting, ordinary and special resolutions, appointment of directors, loans to directors, restrictions on powers of the Board , prohibition of insider trading, and forward dealings, foreign companies and offences under the Companies Act, 2013.

The Companies Act, 2013 has introduced various sections including those related to layering restrictions, corporate social responsibility, class actions, outbound mergers, minority exits and vesting of jurisdiction with the National Company Law Tribunal, which when enforced in its entirety, will significantly and substantially modify, repeal and replace the entire framework of law governing Indian companies including the Issuer. For

transition purposes, the Companies Act, 2013 encapsulates grandfathering provisions whereby acts done, resolutions passed, documents entered, registers maintained under the Companies Act, 1956 (unless contrary to the Companies Act, 2013) will continue to be valid under the Companies Act, 2013.

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. Department of Public Enterprises (DPE) vide its Office Memorandum No.15(3)/2007-DPE(GM) GL 99 dated April 9, 2010, had issued guidelines on Corporate Social Responsibility for Central Public Sector Enterprises. 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 March 30, 2012. 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 has the power to enhance the CSR budget and has constituted a CSR Committee which coordinates and monitors the CSR functions of our Company. The CSR committee shall meet at least once in a quarter and the progress report of CSR programmes shall be placed before the Board on quarterly basis.

II. Regulations pertaining to NBFCs

The business activities of NBFCs and PFIs, like our Company, are regulated by various RBI regulations and certain provisions of the RBI Act. The key regulations and the provisions thereof are enunciated as below:-

The Reserve Bank of India Act, 1934 (*the* ***"RBI Act")***

The RBI is entrusted with the responsibility of regulating and supervising activities of NBFCs by 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 of 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."

Section 45-I(c) of the RBI Act defines a "financial institution" as a non-banking institution carrying on as its business or part of its business, amongst other activities, the financing, whether by making loans or advances or otherwise, of any activity, other than its own. Also, section 45-I(e) of the RBI Act defines a non-banking institution as a company, corporation or cooperative society.

The RBI Act stipulates that no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration (CoR).

The RBI has clarified through a press release dated April 8, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of a company to decide its principal business. A company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and if its income from financial assets is more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

Regulatory Framework by RBI

In order to ensure adherence to the regulatory framework by NBFC-ND-SIs, 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 etc. 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 thereby require to hold a CoR, to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year. An NBFC-ND is required to obtain a CoR without authorization to accept public deposits. Further, in addition to the auditor's report under Section 227 of the Companies Act, the auditors are also required to make a separate report to the board of directors on certain matters, including compliance with the minimum CRAR.

Norms for excessive interest rates

The RBI vide its notification dated May 24, 2007 (Notification No. DNBS. PD/CC. No. 95/ 03.05.002/2006-07) and January 2, 2009 (Notification No. DNBS. 204/CGM (ASR)-2009) requested all NBFCs to employ appropriate internal principles and procedures in determining interest rates and 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.

NBFCs cannot offer interest rates higher than the ceiling rate prescribed by RBI from time to time. The present ceiling is 12.5 per cent per annum. The interest may be paid or compounded at rests not shorter than monthly rests.

Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 ("NBFC Prudential Norms")

The RBI vide its notification dated January 31, 1998 (as updated on June 30, 2006) notified the NBFC Prudential Norms. By its notification dated January 13, 2000, the RBI exempted government companies, conforming to section 617 of the Companies Act, 1956 from the applicability of certain provisions of the RBI Act relating to maintenance of liquid assets, creation of reserve funds and directions relating to acceptance of public deposits and the NBFC Prudential Norms.

Pursuant to the circular dated December 12, 2006, the RBI classified all NBFC-NDs with an asset size of ₹ 100 crore or more, including our Company, as non-deposit taking systemically important NBFCs ("NBFC-ND-SI") and proposed to bring all deposit taking and systemically important government owned NBFCs under the provisions of the NBFC Prudential Norms. All NBFC-ND-SIs were required to maintain a minimum CRAR of 10%, which was changed to 12% by March 31, 2010 and 15% by March 31, 2011. As per the RBI Master Circular dated July 1, 2013, the present minimum CRAR stipulation at 15% continues to be applicable.

Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Non-Deposit Accepting or Holding Prudential Norms")

The RBI by its notification dated February 22, 2007 (as updated on July 1,2013) notified the Non-Deposit Accepting or Holding Prudential Norms, which, amongst other requirements, prescribe guidelines on NBFC-NDs regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. A NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion over time in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Non-Deposit Accepting or Holding Prudential Norms.

In addition, 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 MoP 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.

RBI norms on NBFC- IFC

Under Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, contained in Notification No. DNBS. 193/DG(VL)-2007 dated February 22, 2007 (the " **RBI NBFC-IFC Notification**"), and as amended by the RBI upto June 30, 2013, vide a notification dated July 1, 2013, an IFC can be classified as a non- deposit taking non-banking finance company if it: a) deploys at least 75% of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ₹ 300 crore, c) has a minimum credit rating of 'A 'or equivalent of CRISIL, FITCH, CARE, ICRA or equivalent rating by any other accredited rating agencies; and d) a CRAR of 15%.(with a minimum Tier I capital of 10%).

The RBI NBFC-IFC Notification further directs the NBFC-IFC to follow the income recognition, asset reclassification and provisioning norms as laid down in the NBFC Prudential Norms, that is, recognized accounting principles shall be used for income recognition, especially with respect to non-performing assets, hire purchase assets and lease assets; all assets would be classified depending on the degree of credit weakness and extent of dependence on collateral security into standard, sub-standard, doubtful and loss assets; and that the NBFC-IFC would also be required to make adequate provision for sub-standard, doubtful and loss assets in accordance with the NBFC Prudential Norms.

Registration as an NBFC-IFC allows extension of the concentration of credit norms: (i) in lending to (a) any single borrower, by 10% of its owned fund; and (b) any single group of borrowers, by 15% of its owned fund; (ii) in lending to and investing in, (loans/investments taken together) (a) a single party, by 5% of its owned fund; and (b) a single group of parties, by 10% of its owned fund.

KYC Guidelines by RBI

The RBI vide circular DNBS(PD).CC No. 34/10.01/2003-04 dated January 6, 2004 has advised the NBFCs to follow certain customer identification procedure for opening of accounts and monitoring transactions of a suspicious nature for the purpose of reporting it to appropriate authority.

The RBI vide its Circular No. No. RBI-2004-05/371/DNBS(PD) CC/48/10.42/2004-05 dated February 21, 2005 (as updated on July 23, 2013) has advised all NBFCs to adopt all KYC norms 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. Based on the guidelines issued by the Department of Banking Operations and Development, the KYC Policy of our Company was formulated and approved by the Board in the 167th meeting held on March 9, 2007.

The RBI has also issued KYC Guidelines- Anti Money Laundering Standard vide Circular No. DNBS(PD)CC No:151/03.10.42/2009-10 dated July 1, 2009 and the same guidelines have been incorporated in the KYC policy of our Company.

Corporate Governance Norms

Pursuant to the RBI Circular No. RBI/2006-2007/385/DNBS.PD/CC 94/03.10.042/2006-07 dated May 08, 2007, (as updated on July 1, 2013) all NBFC-NDs and pursuant to the DPE official memorandum dated May 14, 2010 all central public sector enterprises are required to adhere to certain corporate governance norms including constitution of an audit committee, a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending.

Foreign Exchange Laws-External Commercial Borrowings

The current laws relating to overseas foreign currency borrowings, commonly referred to as external commercial borrowings ("**ECBs**"), by Indian companies are embodied in the Master Circular on external Commercial Borrowings and Trade Credits dated 1 July 2013 issued by RBI (the "**ECB Guidelines**") 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 prior approval from RBI, whereas the approval route refers to circumstances where prior RBI approval is mandatory before raising an ECB. The ECB Guidelines are subject to amendment from time to time.

Automatic route

Under the automatic route, recognised borrowers permitted to raise ECBs include: (i) companies in industrial sectors, infrastructure sectors and specified service sectors (i.e. hotel, hospital and software sectors); (ii) infrastructure finance companies ("**IFCs**") (except financial intermediaries such as banks, financial institutions, housing finance companies and non-banking financial companies ("**NBFCs**")); (iii) units in special economic zones; (iv) micro-finance institutions registered under the Societies Registration Act, 1860, the Indian Trust Act, 1882 or national or state level cooperative acts; (v) companies registered under Section 25 of the Companies Act, 1956; and (vi) non-government organisations engaged in micro-finance activities. Individuals, trusts and non-profit making organisations are not eligible to raise ECBs.

The foreign lenders eligible to provide ECBs include: (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 collaborators; and (vii) foreign equity holders (subject to compliance with threshold requirements).

ECB proceeds can be utilised for: (i) investment (such as the import of capital goods, new projects, modernisation or expansion of existing production units) in the real sector (i.e. the industrial sector including small and medium enterprises, infrastructure sector and specified service sectors); (ii) overseas direct investment; (iii) acquisition of shares in the Government's disinvestment programme of public sector units; (iv) lending to self-help groups or for micro-credit or micro finance; (v) payment for spectrum allocation; (vi) utilisation of ECBs by IFCs for up to 50 per cent. of their owned funds for on-lending to the infrastructure sector; (vii) capital expenditure for maintenance and operations of toll systems for roads and highways; and (viii) payment of interest during construction by companies engaged in the infrastructure sector.

ECB proceeds cannot be used for: (i) on-lending or investment in capital markets or for acquisition of a company in India by a corporate; (ii) investment in real estate; or (iii) working capital, general corporate purposes or repayment of existing Rupee loans. "Infrastructure sector" for the purposes of the ECB Guidelines is defined to include (i) transport; (ii) energy; (iii) water & sanitation; (iv) communication; and (v) social and commercial infrastructure. "Energy" sector for the purpose of this definition further includes electricity generation, transmission and distribution, oil and gas pipelines and oil/gas/liquid natural gas storage facility.

The maximum amount of ECBs which can be raised by a corporate (other than those in the service sectors) is US$750 million each financial year. Corporates in the services sector are allowed to raise ECBs up to US$200 million each financial year. The all-in-cost (which includes rate of interest, other fees and expenses in foreign currency but does not include commitment fees, pre-payment fees, payments for withholding tax in Rupees or fees payable in Rupees) ceilings for ECBs are as follows:

Average Maturity Period All-in-cost over 6 month LIBOR

ECB of 3 years and up to 5 years	350bps Average Maturity Period All-in-cost over 6 months LIBOR
ECB of more than 5 years	500bps

Approval route

All ECBs falling outside the purview of the automatic route limits are considered by the RBI under the approval route. ECBs which can be obtained with prior RBI approval include: (a) IFCs utilising ECBs beyond 50 per cent. of their owned funds for on-lending to the infrastructure sector; (b) NBFCs utilising ECBs to finance import of infrastructure equipment for leasing to infrastructure projects; and (c) take-out financing utilised for refinancing of Rupee loans by infrastructure borrowers from the domestic banks in the sea port, airport, roads, bridges and power sectors for project development.

Prevention of Money Laundering Act, 2002 (*the* ***"PMLA")***

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, and involved in, money laundering. In terms of the PMLA, every financial institution is required to maintain record of all transactions of a specified nature and value and verify and maintain the records of the identity of all its clients, in such a manner as may be prescribed. The PMLA also provides for power of summons, searches and seizures to the authorities under the PMLA.

III. ***Legislative framework for recovery of debts***

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the "Securitisation Act")

The Securitisation Act provides the powers of seize and desist to banks and financial institutions including PFIs, and grants certain special rights to them to enforce their security interests. Further, the Securitisation Act provides that a secured creditor may, in respect of non-performing loans, 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.

Recovery of Debts Due to Banks and Financial Institutions Act, 1993(the "Debts Recovery Act")

The Debts Recovery Act provides for establishment of Debt Recovery Tribunals for expeditious adjudication and recovery of debts due to any bank or PFI or to a consortium of banks and PFIs. Under the Debts Recovery Act, the procedures for recoveries of debt have been simplified and time frames have been fixed for speedy disposal of cases.

IV. Ministry of New and Renewable Energy, Government of India

The MNRE is the nodal Ministry of the GoI for all the 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. According to the Allocation of Business Rules, MNRE within its operational ambit, inter alia, encompasses our Company. 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 strategy to be adopted to achieve the goals. The Strategic Plan specifies the Specific, Measurable, Achievable, Realistic, Time-bound (SMART) targets for the period of 2011-17. The Plan proposes to generate the power from sources including Solar Power, Wind Power, Biomass Power and Small hydro Power.

The Government has provided for various sector - specific incentives and subsidies. It is in these sectors, viz. solar, wind and bio- energy, that our Company primarily carries on its financing activities.

Electricity Act, 2003 (the "Electricity Act")

The Electricity Act 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. 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.

Regulations and Policies concerning Solar Power Sector

The GoI had launched the Jawaharlal Nehru Solar Mission (JNSM) to promote the ecologically sustainable growth while addressing India's energy security challenge. The JNSM was launched on the 11th January, 2010. JNSM has set the ambitious target of deploying 20,000 MW of grid connected solar power by 2022 is aimed at reducing the cost of solar power generation in the country through (i) long term policy; (ii) large scale deployment goals; (iii) aggressive R&D; and (iv) domestic production of critical raw materials, components and products, as a result to achieve grid tariff parity by 2022. JNSM will create an enabling policy framework to achieve this objective and make India a global leader in solar energy.

Under JNSM, the Government proposed to provide funding on project basis in form of debts and incentives. Under the mission, MNRE would provide funding through a combination of 30% subsidy and 5% interest bearing loans. JNSM proposed to provide the capital subsidy of 90% of benchmark cost for the special category states viz. Sikkim, Jammu and Kashmir, Himachal Pradesh and Uttarakhand. Further, JNSM makes provision for interest subsidy for other NBFCs and Scheduled Commercial Banks which avail loans from our Company by way of refinance. Under JNSM the Government has proposed various incentives, including cash rewards and subsidies, for banks and financial institutions extending loans for purchasing solar lights and small solar off grid systems.

MNRE vide its Notification No. 31/1/2008-09-PVSE, received the sanction of ₹ 59.50 crores for the implementation of the program on "Research, Design and Development of Solar Photovoltaic Technology" during the financial year of 2013-2014.

Policies concerning Wind Energy Sector

The GoI has formulated the 'Scheme for Promotion of Grid Interactive Power Generation Project based on Wind Power' and the scheme would be implemented during the 12th Five Year Plan (2012-2017). The GoI has also envisaged a number of incentives and subsidies for the sector which include subsidized indirect interest rate of 5% on equipment which are part of wind operated electricity generators. The GoI vide its Notification No. 6/2002 dated March 01, 2002 has exempted the Wind operated electricity generator, its components and parts thereof from the application of Excise Duty. It has also exempted water pumping wind mills, wind aero-generators and battery chargers from the application of Excise Duty. Additionally, 80% accelerated depreciation has been stipulated on specified Non- conventional Renewable Energy devices/ systems in the first year of installation of projects.

Policies concerning Bio Energy Sector

The GoI through the MNRE has formulated the 'National Policy on Biofuels' with the objective of mainstreaming of biofuels and envisions a central role for Bio fuels in the energy. The scheme proposed an indicative target of 20% blending of biofuels including bio-diesel and bio-ethanol by 2017. The Government has also provided a number of incentives to investors in the sector.

Policies concerning Small Hydro Power (SHP)

MNRE has been vested with the responsibility of developing SHP projects upto 25MW station capacities. Under the 12th Five Year Plan, the objective of the MNRE is to achieve installed capacity of 7000 MW from SHP. 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 thereunder provided for area (state) specific and capacity specific limits.

National Tariff Policy, 2006 (NTP)

NTP, 2006 formulated by the Ministry of Power and published by the Government through the Notification No. 23/2/2005-R&R (Vol.III) dated January 06, 2006, requires that State Electricity Regulatory Commissions (SERCs) to fix a minimum percentage of Renewable Purchase Obligation (RPO) from the sources of the renewable energy subject to the availability of the sources in the region. It also elaborates its impact on retail tariffs and procurement by distribution companies at the preferential tariffs determined by the SERC. The NTP, after the amendment in January, 2011, provides for the 3% solar specific RPO by 2022.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on March 11, 1987 as a public limited company under the Companies Act, 1956 and received a certificate for commencement of business on March 21, 1987. Our Company was set up by GoI under the administrative control of MNRE to promote, develop and extend financial assistance for renewable energy and energy efficiency projects. Further, our Company has been notified as a 'Public Financial Institution' by the MCA, through a notification (No. 10/37/94-CL.V) dated October 18, 1995. The President of India holds 100% of the paid up equity share capital of our Company, either directly or through nominee shareholders. For more information on our Company's business activities, see "***Our Business***" on page 64.

Changes in Registered Office

The Registered Office of our Company, at the time of incorporation, was situated at 'Paryavaran Bhavan', Block B-4, 10th Floor, CGO Complex, Lodhi Road, New Delhi-11003. On June 22, 1989 the registered office of our Company was shifted to 3, Ring Road (First Floor), Kilkori, Opp. Maharani Bagh, New Delhi-110014. Subsequently, on October 31, 1994 the registered office of our Company was shifted to India Habitat Centre, East Court, Core-4A, 1st Floor, Lodhi Road, New Delhi – 110003 which is the present registered office of our Company.

Major Events

Year	Major Events
1995-96	▪ The Government notified our Company as Public Financial Institution under section 4(A) of the Companies Act, 1956
1996-97	▪ Loan agreement/s signed with Asian Development Bank for line of credit of US$100 million. ▪ Reserve Bank of India classifies our Company as Loan Company.
2004-05	▪ Awarded ISO 9001:2000 Certification by Bureau of Indian Standards for all its areas of operations with effect from January 2005
2005-06	▪ Awarded ICORE 2006 award during SESI Annual Conference
2009-10	▪ Upgraded from 'Schedule C' to 'Schedule B' Central Public Sector Enterprise. ▪ Implementation of Generation Based Incentive (GBI) for wind projects by Government of India to be passed through IREDA wherein IREDA will have an opportunity to finance the projects, partly recover the dues out of GBI which will improve profitability of IREDA. ▪ Jawaharlal Nehru National Solar Mission scheme of GoI for building Solar India wherein the off-grid connected projects for the purpose of lighting homes of the power – deprived poor implemented through our Company.
2010-11	▪ Received the Rajiv Gandhi National Quality Award for its effort and commitment to quality in 'FINANCE' Sector.

Main objects of our Company:

Our main objects, as contained in Clause III A of our Memorandum of Association, are:

1. *To operate a revolving fund for promoting and developing new and renewable and non- conventional sources of energy (NRSE).*

2. *To give financial support to specific projects and schemes for generating energy through non-conventional and renewable materials and sources.*

3. *To extend financial support to projects and schemes for generating energy through renewable/ hybrid energy systems (conventional – cum- renewables or renewables and renewables) and conserving energy and/or energy efficiency of renewables/conventional energy.*

4. *To provide financial support to manufacturers of new and renewable sources of energy systems and devices.*

5. *To provide financial assistance for leasing out or to directly lease out NRSE (New and Renewable Source of Energy) equipment to individuals and institutions.*

6. *To function as financial intermediary with the financial institutions on behalf of NRSE industries*.

7. *To undertake evaluation of the performance of the schemes for which financial assistance is granted by the Company.*

8. *To partially finance renovation and modernization of the industries engaged in manufacturing NRSE systems and devices.*

9. *To partially finance schemes aimed at revival of the NRSE systems and devices, already established.*

10. *To finance partially, in collaboration with other financial institutions, innovative projects based on NRSE by providing seed money.*

11. *To partially finance maintenance and repair of capital equipment including facilities for repair of such equipment, training of manpower employes in this area.*

12. *To partially finance surveys,studies, schemes, experiments and research activities associates with various aspects of technology in energy development and supply through new and renewable source of energy.*

13. *To promote, organize or carry on consultancy services in related activities of the Company, referred to in paras (1) to (12) above.*

14. *To assist in promoting selected pilot and demonstration projects related to the activities of the Company.*

15. *To monitor periodically the progress of projects financed by the Company.*

16. *To finance schemes/ projects for generating conserving energy, especially in rural areas.*

17. *To assist in the rapid commercialization of NRSE technologies, systems and devices.*

18. *To assist in upgradation of technologies in the Country through appropriate means including their importation.*

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through the Issue.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiaries

Our Company does not have any subsidiaries.

Our Joint Venture

Our Company entered into the memorandum of understanding dated July 14, 1994 ("**MoU**") 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 establishment of wind power estates in Madhya Pradesh. The initial paid up share capital contribution of our Company in MPWL was ₹ 12.00 lakhs representing 24% of the total paid up share capital of MPWL. In accordance with the terms of MoU, the source of income for MPWL is (a) one time service charge for development of infrastructure and for providing technical and commercial service and (b) annual/monthly charges for operation and maintenance of wind electricity generators (cost of spares and consumables shall be charged extra) and MPWL is required to operate schemes in accordance with the guidelines of MNES/MNRE.

Our Promoter

Our Promoter is the Government of India acting through the MNRE. Our Promoter along with nominees of GoI currently holds 100% of the paid-up equity share capital of our Company.

Material Agreements

Our Company has entered into a memorandum of understanding dated March 25, 2013, with the MNRE for the purpose of providing financial support to specific schemes for generating electricity and /or energy through new and renewable sources and conserving energy through energy efficiency. The support of the MNRE would be utilized in the enhancement in the equity of our Company, enabling induction of low cost funds for the sector from National Clean Energy Fund, by permitting our Company to issue (a) tax free bonds, (b) capital gains bonds and lastly to provide sovereign guarantee on concessional terms by GoI to facilitate raising of long term resources, domestic and overseas.

Other than mentioned above and the agreements entered in relation to the Issue, our Company has not entered into material agreements which are not in the ordinary course of business.

OUR MANAGEMENT

Board of Directors

The Articles of Association of our Company require us to have not less than three and not more than 12 Directors on our Board. Further, as per the Articles of Association, the President of India shall have powers to appoint, subject to the provisions of the Companies Act, 1956, chairman and 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 chairman and managing director or functional directors or director of our Company.

The following table sets out details regarding the Board, as at the date of the Draft Shelf Prospectus:

Name, Designation, DIN, Age, Nationality and Director of our Company since	Address	Other Directorships *(As on December 31, 2013)*
MR. DEBASHISH MAJUMDAR **Designation:** Chairman & Managing Director **Director on the Board Since:** June 26, 2007 **DIN:**00335535 **Nationality:** Indian **Age:** 59 Years	House no. 1085, Pocket-I, Sector-c, Vasant kunj, New Delhi, India-110070	NIL
MR. KULJIT SINGH POPLI **Designation:** Director (Technical) **Director on the Board Since**: December 04, 2007 **DIN**: 01976135 **Nationality**: Indian **Age:** 53 Years	11/1, Nehru Enclave (East), Kalkaji Extension, New Delhi, India - 110019	NIL
MR. SATISH KUMAR BHARGAVA **Designation:** Director (Finance) **Director on the Board Since**: December 26, 2012 **DIN**: 01430006 **Nationality**: Indian **Age:** 53 Years	C-134, S 1, Surya Nagar, Sector- 7, Tha. Sahibabad, Ghaziabad, Uttar Pradesh, India- 201011	NIL
DR. MOHMMAD YOUSUF KHAN **Designation:** Independent Director **Director on the Board Since:** May 22, 2012 **DIN:** 00751929 **Nationality:** Indian **Age:** 69 years	S- 378, Panchsheel Park, New Delhi, India-110017	• Zee Entertainment Enterprises Limited • Federal Bank Limited • Bharat Hotels Limited • Raheja Developers Private Limited • Unitech Corporate Parks • Chenab Valley Power Corporation Limited • ETA Star Health Insurance
DR. PRAVEEN SAXENA **Designation:** Government Nominee Director **Director on the Board Since:** August 01, 2010 **DIN:** 03199264 **Nationality:** Indian **Age:** 58 years	A-9, East Krishna Nagar, Delhi, India-110051	NIL
MR. RAVINDER PAL BATRA	C-149, South Moti Bagh,	NIL

Name, Designation, DIN, Age, Nationality and Director of our Company since	Address	Other Directorships *(As on December 31, 2013)*
Designation: Government Nominee Director **Director on the Board Since:** August 30, 2012 **DIN:** 05329566 **Nationality:** Indian **Age:** 59 years	Nanakpura, New Delhi, India-110021	

Other than mentioned above, there are no arrangement or understanding with major customers, suppliers or others pursuant to which any of the directors where selected as a director or a member of the senior management.

None of the current Directors of our Company appear on the RBI and/or the Export Credit Guarantee Corporation default list.

Brief Profiles

Mr. Debashish Majumdar, aged 59 years, is the Chairman & Managing Director of our Company. He holds a degree in bachelor of technology from Indian Institute of Technology, Delhi. He has been associated with our Company for more than 16 years. In the past, he has been associated with Bharat Heavy Electricals Limited for around 17 years and Renewable Energy Systems Limited for more than 3 years. He is also the member of the Governing Council of Centre for Wind Energy Technology, National Power Training Institute and the Bureau of Energy Efficiency. Further he holds the Presidentship of the International Association of Small Hydro Projects. The total remuneration paid to him in Fiscal 2013 was ₹ 40.70 lacs.

Mr. Kuljit Singh Popli, aged 53 years, is the Director (Technical) of our Company. He holds a degree in bachelor of technology (electrical engineering) from Birla Institute of Technology, Ranchi and a degree in bachelor of law from University of Delhi. He has been associated with our Company for more than 6 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 in Fiscal 2013 was ₹ 31.02 lacs.

Mr. Satish Kumar Bhargava, aged 53 years, is the Director (Finance) of our Company. He holds a degree in bachelor of commerce from 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 13 years. In the past, he has been associated with National Thermal Power Corporation Limited for more than 2 (two) years, HMT Limited for approximately 1 (one) year and with Central Electronics Limited for approximately 7 (seven) years. The total remuneration paid to him Fiscal 2013 was ₹ 16.55 lacs.

Dr. Mohmmad Yousuf Khan, aged 69 years, is the Independent Director of our Company. He holds a degree of bachelors in science from University of Kashmir and doctor of philosophy in business management from Burkes University, United Kingdom. He has been associated with our Company since May 22, 2012. He is also director at Zee Entertainment Enterprises Limited, Federal Bank Limited, Bharat Hotels Limited, Raheja Developers Private Limited, Unitech Corporate Parks, Chenab Valley Power Corporation Limited and ETA Star Health Insurance. Further was associated with Jammu and Kashmir Bank, Yes Bank, Steel Authority of India Limited, Lalit Hotels, Dhir India Investment PLC and Berenson and Company in the past.

Dr. Praveen Saxena, aged 58 years, is the Independent Director (Government Nominee) of our Company. He holds a degree of masters in physics and doctor of philosophy in microwave semi conductors and solar energy from the University of Delhi. He has been associated with our Company since August 1, 2010. He is advisor in charge of small hydro power program and policy and co-ordination in the Ministry of New and Renewable

Energy, Director General of National Institute of Solar Energy, Governing Council of CPRI and chairman of the Sectional committee for formulation of standards in the field of renewable energy.

Mr. Ravinder Pal Batra, aged 59 years, is the Independent Director (Government Nominee) of our Company. He holds a degree of bachelors in science (Gen) from Ramjas College, University of Delhi. He has been associated with our Company since August 30, 2012. He has worked at various Ministries including Ministry of Finance, Office of CAG of India, Ministry of Rural Development, Ministry of Labour, V.V.Giri National Labour Institute, Noida and Ministry of New and Renewable Energy. He is working as Deputy Secretary in Integrated Finance Division of MNRE.

Relationship with other Directors

No Director of our Company share any form of relationship, association or alliance with any other Director of our Company except for professional purposes for carrying out the business of our Company efficiently.

Borrowing Powers of our Directors

The aggregate value of the Bonds offered under the Draft Shelf Prospectus, together with the existing borrowings of our Company, is within the approved borrowing limits of eight times of the networth of our Company as authorised by the shareholders by way of resolution dated September 26, 2013 in accordance with Section 180(1)(c) of the Companies Act, 2013.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualifying shares in our Company. As on January 1, 2014, no director holds any Equity Shares in our Company, except Dr. Praveen Saxena, who holds one Equity Share in our Company as a nominee of the President of India.

Remuneration of our Directors

Remuneration of our Chairman & Managing Director, Mr. Debashish Majumdar

Pursuant to letter dated May 14, 2013 issued by the MNRE, following is the remuneration being paid by our Company to Mr. Debashish Majumdar:

(i) Salary of ₹ 75,370 per month w.e.f March 15, 2012 with the pay scale of ₹ 75,000-90,000 within an annual increment @ 3% of basic pay on the anniversary date of his appointment in this scale and further increments in subsequent years until the maximum of pay scale is reached. As on December 31, 2013, the basic pay payable to him is ₹ 79,970 per month.

(ii) Dearness Allowance payable in accordance with the new IDA scheme as per the official memorandum issued by DPE dated November 26, 2008 and April 2, 2009 as amended from time to time.

(iii) House Rent Allowance ("**HRA**") as the rates indicated below:-

Cities with Population	**Rate of HRA**
50 Lakhs & above	30% of Basic Pay
5 to 10 lakhs	20% of Basic Pay
Less than 5 lakhs	10% of Basic Pay

(iv) Residential accommodation and recovery of rent for the accommodation so provided are as follows:-

a) Company's own accommodation: Wherever the CPSE has built residential flats in the industrial townships or purchased residential flats in the cities, arrangements would be made by the CPSE to provide a suitable residential accommodation to him.

b) Leased Accommodation: If the CPSE either in township or is not able to provide residential accommodation out of the residential flats purchased by it in the Headquarter, suitable accommodation could be arranged by the CPSE by taking the premises on lease basis at the Headquarter of our Company. The Board of Directors may decide the size, type and locality of such accommodation as per DPE Official Memorandum dated June 5, 2003, November 26, 2008 and April 2, 2009. For the purposes of CTC, 30% of basic pay may be considered as expenditure on housing. In respect of leased accommodation arranged by our Company, rent would be recovered from him at the rate of 10% of revised basic pay from November 26, 2008 or the actual rent whichever is lower.

c) Self Lease: If he owns a house at the place of his posting and is desirous of taking his own house on self lease basis for his residential (Headquarter) purposes, the CPSE can permit him to do so provided he executes the lease deed in favour of the CPSE. The Board of Directors shall decide the size, type and locality of such accommodation.

(v) Conveyance: The Director will be entitled to the facility of staff car for private use as indicated below:-

Name of City	**Ceiling on Non-Duty Journeys**
Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad	1000 Km/Per Month
All other Cities	750 Km/Per Month

Monthly rate of recovery for non-duty journeys would be as follows*:-

Non-Air Conditioned Cars	**Rupees per month**	**Air- Conditioned cars**	**Rupees per month**
Below 16 HP	₹ 325	Below 16 HP	₹ 520
Above 16 HP	₹ 490	Above 16 HP	₹ 780

**Note: Monthly rate of recovery amount (AC/Non AC) for private use/ non-duty runs has been revised to ₹ 2,000 per month as per Office Memorandum of Department of Public Enterprises vide letter No.2(23)/11-DPE(WC)-GL-V/13 dated January 21, 2013.*

(vi) Other Allowance/perks: The Board will decide on the allowances and perks subject to maximum ceiling of 50% of the Director's basic pay.

(vii) The Director will be eligible for approved PRP. He shall also be eligible for superannuation benefit based on approved schemes as per Official Memorandum dated November 26, 2008 and April 2, 2009.

Remuneration of Mr. Kuljit Singh Popli, Director (Technical)

Pursuant to a letter issued by the MNRE dated May 14, 2013, the following is the remuneration paid by our Company to Mr. K.S.Popli:-

(i) Salary not exceeding ₹ 70,230 per month w.e.f March 15, 2012 within the pay scale of ₹ 51,300-73,000 with an annual increment @ 3% of basic pay on the anniversary date of his appointment in this scale and further increments in subsequent years until the maximum of pay scale is reached. As on December 31, 2013, the basic pay payable to him is ₹ 75,000 per month.

(ii) Dearness Allowance payable in accordance with the new IDA scheme as per the official memorandum issued by DPE dated November 26, 2008 and April 2, 2009 as amended from time to time

(iii) House Rent Allowance as the rates indicated below:

Cities with Population	**Rate of HRA**
50 Lakhs & above	30% of Basic Pay
5 to 10 lakhs	20% of Basic Pay
Less than 5 lakhs	10% of Basic Pay

(iv) Residential accommodation and recovery of rent for the accommodation so provided are as follows:-

a) Company's own accommodation: Wherever the CPSE has built residential flats in the industrial townships or purchased residential flats in the cities, arrangements would be made by the CPSE to provide a suitable residential accommodation to him.

b) Leased Accommodation: If the CPSE either in township or is not able to provide residential accommodation out of the residential flats purchased by it in the Headquarter, suitable accommodation could be arranged by the CPSE by taking the premises on lease basis at the Headquarter of our Company. The Board of Directors may decide the size, type and locality of such accommodation as per DPE Official Memorandum dated June 5, 2003, November 26, 2008 and April 2, 2009. For the purposes of CTC, 30% of basic pay may be considered as expenditure on housing.

c) Self Lease: If he owns a house at the place of his posting and is desirous of taking his own house on self lease basis for his residential (Headquarter) purposes, the CPSE can permit him to do so provided he executes the lease deed in favour of the CPSE. The Board of Directors shall decide the size, type and locality of such accommodation.

(v) Conveyance: the Director will be entitled to the facility of staff car for private use as indicated below:

Name of City	**Ceiling on Non-Duty Journeys**
Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad	1000 Km/Per Month
All other Cities	750 Km/Per Month

Monthly rate of recovery for non-duty journeys would be as follows*:

Non-Air Conditioned Cars	**Rupees per month**	**Air- Conditioned cars**	**Rupees per month**
Below 16 HP	₹ 325	Below 16 HP	₹ 520
Above 16 HP	₹ 490	Above 16 HP	₹ 780

**Note: Monthly rate of recovery amount (AC/Non AC) for private use/ non-duty runs has been revised to ₹ 2,000 per month as per Office Memorandum of Department of Public Enterprises vide letter No.2(23)/11-DPE(WC)-GL-V/13 dated January 21, 2013.*

(vi) Other Allowance/perks: The Board of Directors will decide on the allowances and perks subject to maximum ceiling of 50% of the Director's basic pay as indicated in Official Memorandum dated November 26, 2008 and April 2, 2009.

(vii) The Director will be eligible for approved performance related payments. He shall also be eligible for superannuation benefit based on approved schemes as per official memorandum dated November 26, 2008 and April 2, 2009.

Remuneration of Mr. Satish Kumar Bhargava, Director (Finance)

Pursuant to a letter issued by the MNRE dated April 10, 2013, the following is the remuneration paid by our Company to Mr. Satish Kumar Bhargava:-

(i) Salary not exceeding ₹ 65,000 per month w.e.f December 26, 2012 within the pay scale of ₹ 65,000-75,000 within an annual increment @3% of basic pay on the anniversary date of his appointment in this scale and further increments in subsequent years until the maximum of pay scale is reached. As on December 31, 2013, the basic pay payable to him is ₹ 67,339 per month.

(ii) Dearness Allowance payable in accordance with the new IDA scheme as per the Official Memorandums issued by DPE dated November 26, 2008 and April 2, 2009 as amended from time to time

(iii) House Rent Allowance as the rates indicated below:

Cities with Population	**Rate of HRA**
50 Lakhs & above	30% of Basic Pay
5 to 10 lakhs	20% of Basic Pay
Less than 5 lakhs	10% of Basic Pay

(iv) Residential accommodation and recovery of rent for the accommodation so provided are as follows:-

a) Company's own accommodation: Wherever the CPSE has built residential flats in the industrial townships or purchased residential flats in the cities, arrangements would be made by the CPSE to provide a suitable residential accommodation to him.

b) Leased Accommodation: If the CPSE either in township or is not able to provide residential accommodation out of the residential flats purchased by it in the Headquarter, suitable accommodation could be arranged by the CPSE by taking the premises on lease basis at the Headquarter of our Company. The Board of Directors may decide the size, type and locality of such accommodation as per DPE Official Memorandum dated June 5, 2003, November 26, 2008 and April 2, 2009. For the purposes of CTC, 30% of basic pay may be considered as expenditure on housing.

c) Self Lease: If he owns a house at the place of his posting and is desirous of taking his own house on self lease basis for his residential (Headquarter) purposes, the CPSE can permit him to do so provided he executes the lease deed in favour of the CPSE. The Board of Directors shall decide the size, type and locality of such accommodation.

(v) Conveyance: the Director will be entitled to the facility of staff car for private use as indicated below:

Name of City	**Ceiling on Non-Duty Journeys**
Delhi, Mumbai, Kolkata, Chennai	1000 Km/Per Month

Bengaluru, Hyderabad	750 Km/Per Month
All other Cities	750 Km/Per Month

Monthly rate of recovery for non-duty journeys would be as follows*:

Non-Air Conditioned Cars	Rupees per month	Air- Conditioned cars	Rupees per month
Below 16 HP	₹ 325	Below 16 HP	₹ 520
Above 16 HP	₹ 490	Above 16 HP	₹ 780

**Note: Monthly rate of recovery amount (AC/Non AC) for private use/ non-duty runs has been revised to ₹ 2,000 per month as per Office Memorandum of Department of Public Enterprises vide No.2(23)/11-DPE(WC)-GL-V/13 its dated January 21, 2013.*

(vi) Other Allowance/perks: The Board of Directors will decide on the allowances and perks subject to maximum ceiling of 50% of the Director's basic pay as indicated in Official Memorandum dated November 26, 2008 and April 2, 2009.

(vii) The Director will be eligible for approved performance related payments. He shall also be eligible for superannuation benefit based on approved schemes as per official memorandum dated November 26, 2008 and April 2, 2009.

Remuneration of our non-executive and independent Directors

Pursuant to the Board Resolution dated January 29, 2010 the sitting fees of part-time non-official directors of our Company was enhanced from ₹ 5,000 to ₹ 10,000 per meeting attended.

Name of the Director	Siting fee paid for board meeting in Fiscal 2013	Sitting fee for committee meeting in Fiscal 2013	Total
Dr. Mohmmad Yousuf Khan	₹ 1,20,000	₹ 30,000	₹ 1,50,000
Dr. Praveen Saxena	Nil	Nil	Nil
Mr. Ravinder Pal Batra	Nil	Nil	Nil

Changes in our Board in during the last three years

The changes in our Board in the last three years are as follows:

Name, DIN and Designation	Date of Appointment	Date of Cessation	Reason
MR. SATISH KUMAR BHARGAVA **DIN**: 01430006 **Director on the Board Since:** December 26, 2012 **Designation**: ***Director (Finance)***	December 26, 2012	-	Appointment
MR. RAVINDER PAL BATRA **DIN**: 05329566 **Director on the Board Since:** August 30, 2012 **Designation**: ***Independent Director (Government Nominee)***	August 30, 2012	-	Appointment
DR. MOHMMAD YOUSUF KHAN **DIN**: 00751929	May 22, 2012	-	Appointment

Name, DIN and Designation	Date of Appointment	Date of Cessation	Reason
Director on the Board Since: May 22, 2012 **Designation**: ***Independent Director***			
MR. AKHILESH KUMAR KAUSHIK **DIN**: 03080828 **Director on the Board Since:** March 16, 2010 **Designation**: ***Ex- officio Part time Director***	-	May 21, 2012	Cessation
MR. SIVAGAMU PAPPU REDDI **DIN**: 00335708 **Director on the Board Since:** July 25, 2005 **Designation**: ***Director (Finance)***	-	May 1, 2012	Cessation
MR. AKHILESHWAR PRASAD **DIN**: 00274125 **Director on the Board Since:** March 27, 2008 **Designation**: ***Ex- officio Part time Director***	-	March 26, 2011	Cessation
MR. RAJ KISHORE PRASAD **DIN**: 02146427 **Director on the Board Since**: March 27, 2008 **Designation:** ***Ex- officio Part time Director***	-	March 26, 2011	Cessation
PROF. SOWMYANARAYAN SADAGOPAN **DIN**: 00118285 **Director on the Board Since:** March 27, 2008 **Designation**: ***Ex- officio Part time Director***	-	March 26, 2011	Cessation

Interests of our Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested to the extent they, their relatives or the entities in which they are interested as directors, members, partners or trustees, are allotted Bonds pursuant to the Issue, if any.

Except as otherwise stated in "***Annexure A - Financial Information – Related Party Transactions***", our Company has not entered into any contract, agreement or arrangement during the two years preceding the date of the Draft Shelf Prospectus, in which the Directors are interested directly or indirectly and no payments have been made to them in respect of such contracts, agreements or arrangements.

Corporate Governance

The DPE Corporate Governance Guidelines lay down certain corporate governance norms to be adhered to by all central public sector enterprises.

The DPE Corporate Governance Guidelines require, among other things, that*:*

i. The number of functional Directors (that is, directors responsible for day to day functioning of the enterprise) should not exceed 50% of the actual strength of the Board.
ii. The number of Directors nominated by the Government should not be more than two in number.
iii. In case of CPSEs listed with the stock exchanges and where the board of directors is headed by an executive chairman, the number of independent Directors shall be at least 50% of the total strength of the board of Directors. In other cases, the number of independent Directors shall be at least one third of the total strength of the board of Directors.
iv. None of the directors should be members of more than ten committees or act as chairman of more than five committees across all companies in which they hold directorship.

As on the date of the Draft Shelf Prospectus, our Company, has three functional Directors, two Directors nominated by the Government of India, and one independent Director. Further, 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. Consequently, as on date of the Draft Shelf Prospectus, is not in compliance with the DPE Corporate Governance Guidelines, since less than 50% of the composition of its Board of Directors comprises of independent Directors.

Committees of Board of Directors

Our Board has constituted, among others, the following committees of Directors: (i) Committee of Directors, (ii) Audit Committee, (iii) Remuneration Committee, (iv) Bond Committee. The details of these committees are set forth below:

A. Committee of Directors

In terms of provisions contained in Company's Articles of Association, our Company constituted the Committee of Directors pursuant to the meeting of Board of Directors held on July 31, 2008. The Committee of Directors was re-constituted pursuant to the meeting of Board of Directors held on March 15, 2013.

The members of the Committee of Directors, as on December 31, 2013, are enlisted in the table below:-

Sr. No	Name of the Member	Nature of Directorship
1.	Mr. Debashish Majumdar	Chairman and Managing Director
2.	Mr. Kuljit Singh Popli	Director (Technical)
3.	Mr. Satish Kumar Bhargava	Director (Finance)
4.	Dr. Praveen Saxena	Government Nominee Director

Terms of Reference

The terms of reference of the Committee of Directors are as follows:-

(i) To consider sanction of loans for projects as per delegation.
(ii) To consider reschedulement, proposals and other issues relating thereto for projects carrying our Company's loan upto ₹ 20 crores.
(iii) To consider one time settlement, proposals and other issues relating thereto for projects carrying our Company's loan upto ₹ 20 crores.
(iv) To consider changes in means of finance, site guarantees, validity and other terms and conditions of loans in respect of projects which are within the ambit of Committee of Directors.

B. Audit committee

In compliance with the provisions of Section 292A of the Companies Act, 1956, and DPE Guidelines on Corporate Governance, our Company constituted the Audit Committee which was re-constituted pursuant to the meeting of Board of Directors held on July 12, 2012.

The Audit Committee comprises the following members:

Sr. No	Name of the Member	Nature of Directorship
1.	Dr. Mohmmad Yousuf Khan	Independent Director
2.	Mr. Kuljit Singh Popli	Director (Technical)

3.	Dr. Praveen Saxena	Government Nominee Director

Terms of Reference

i) To appoint internal auditors and fix payment of fees;
ii) To discuss the scope of work of the internal auditors and review/modify the same;
iii) To discuss with the auditors periodically about the internal control system, progress of the work and compliance/action taken by our Company;
iv) To discuss the observations of the Statutory Auditors, Internal Auditors, action taken by our Company and review the same;
v) To review the half yearly and annual financial statements before submission to the Board;
vi) To review the Internal Audit Reports and action taken/compliance report thereon, internal control systems and all matters of financial management having direct impact on the functioning of our Company;
vii) To review of our Company's Financial and Risk Management Policy; and
viii) To investigate into the matters referred to the committee by the Board.

C. Remuneration Committee

Our Company constituted Remuneration Committee pursuant to Board meeting held on July 27, 2009 to decide the performance related payment for employees of our Company. The Remuneration Committee was reconstituted pursuant to the resolution of the Board of Directors dated January 18, 2013.

The members of the Remuneration Committee are as follows:-

Sr. No	Name of the Member	Nature of Directorship
1.	Dr. Mohmmad Yousuf Khan	Independent Director
2.	Mr. Ravinder Pal Batra	Government Nominee Director
3.	Dr. Praveen Saxena	Government Nominee Director

D. Bond Committee

The constitution and the terms of reference of the Bond Committee are contained in the resolution of the Board of Directors dated December 23, 2013.

The members of the Bond Committee are as follows:-

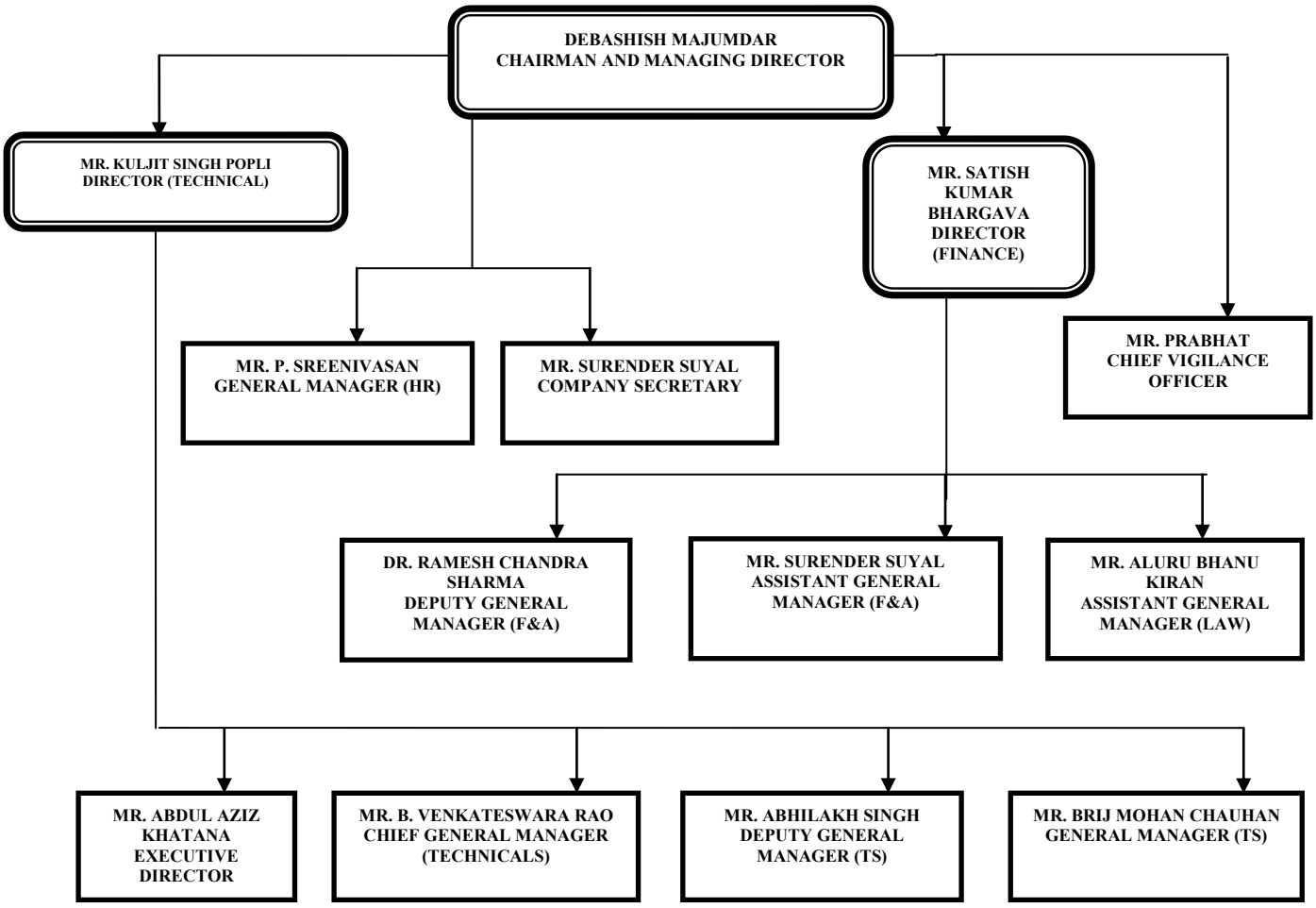
Sr. No	Name of the Member	Nature of Directorship
1.	Mr. Debashish Majumdar	Chairman and Managing Director
2.	Mr. Kuljit Singh Popli	Director (Technical)
3.	Mr. Satish Kumar Bhargava	Director (Finance)

Terms of Reference

The terms of the reference of the Bond Committee are as follows:-

i) to determine the number of bonds to be issued, timing, nature, type, pricing, commission, closure and other terms of issue.
ii) to approve the draft shelf prospectus and tranche prospectus, abridge prospectus, allotment of bonds, filing application with sebi, compliances made with the stock exchanges and other matters related to the issue.

Organization chart



Brief Profile of the Key Managerial Personnel of our Company

Mr. Abdul Aziz Khatana, aged 58 years, is the Executive Director of our Company. He holds degree in bachelor of engineering (electrical) from the University of Kashmir and master of technology in power systems from IIT, Delhi and he also holds degree in masters of business administration, diploma in management and completed CNOC (ten modules) from Indira Gandhi National Open University, Delhi. He has been associated with our Company for approximately 13 years. He has been associated with Power Finance Corporation Limited in the past.

Mr. B. Venkateswara Rao aged 56 years, is the Chief General Manager (Technical Services) / Principal Coordinator of our Company. He holds a degree in mechanical, marine engineering from Andhra University and master's degree in mechanical engineering with heat, power and refrigeration engineering from IIT, Mumbai. He has been associated with our Company for approximately 16 years. He has been associated with Tata Hydro Electric Power Supply Company Limited, The Andhra Valley Power Supply Company Limited, The Tata Power Company Limited, Best and Crompton Engineers Limited, Andhra Pradesh Industrial and Technical

Consultancy Organisation Limited.

Mr. Brij Mohan Chauhan aged 54 years, is the General Manager (Technical Services) of our Company. He holds a degree in bachelors of science (electrical engineering) from University of Delhi. He has been associated with our Company for approximately 19 years. He has been associated with National Scheduled Castes and Scheduled Tribes Finance and Development Corporation and Oriental Bank of Commerce in the past.

Abhilakh Singh aged 54 years, is the Deputy General Manager (Technical Services) of our Company. He holds a degree in bachelors of technology in electrical engineering from IIT, Delhi and master of science in consultancy management from the Birla Institute of Technology and Science and he also holds diploma in management from Indira Gandhi National Open University. He has been associated with our Company for approximately 20 years. He has been associated with Mazgaon Dock Limited and Electronics Test and Development Centre (Government of India) in the past.

Dr. Ramesh Chandra Sharma aged 49 years, is the Deputy General Manager (Finance and Accounts) of our Company. He holds a degree in bachelors of commerce and masters of commerce from University of Rajasthan and degree of Cost and Works Accountant from ICWAI. He has been associated with our Company for approximately 16 years. He has been associated with National Mineral Development Corporation Limited, Nathpa Jhakri Power Corporation Limited, Neyveli Lignite Corporation Limited and Rex Rubber Products in the past.

Mr. Surender Suyal, aged 50 years, is the Assistant General Manager (Finance) and Company Secretary of our Company. He holds a degree of bachelor of commerce from University of Delhi and is a member of Institute of cost Accountant of India and a member of Institute of Company Secretaries of India. He has been associated with our Company for approximately 17 years. He has been associated with Hindustan Copper Limited and National Hydroelectric Power Corporation Limited in the past.

Mr. Aluru Bhanu Kiran aged 51 years, is the Assistant General Manager (Law) of our Company. He holds degree in bachelor of commerce and degree of bachelor of law from Sri Venkateswara University. He has been associated with our Company for approximately 13 years. He has been associated with United Bank of India in the past.

Mr. P. Sreenivasan, aged 50 years, is the General Manager (Human Resources) of our Company. He holds a degree of bachelor of science from University of Madras, master of arts from Bharathidasan University, diploma in Labour Law from Annamalai University, diploma in training and development from Indian society for training and development, post graduate diploma in management from all India management association. He has joined our Company on December 6, 2013. He has been associated with Madras Industrial Linings Limited and various Public Sector Undertakings such as Power Grid Corporation of India Limited, Airport Authority of India and Neyveli Lignite Corporation Limited in the past.

Mr. Prabhat, aged 44 years, is the Chief Vigilance Officer of our Company. He has been associated with our Company since August 16, 2012.

Shareholding of key managerial personnel

None of our key managerial personnel holds any Equity Shares of our Company.

Interest of Key Managerial Personnel

Except as stated in **"*Annexure A - Financial Information – Related Party Transactions*"**, and to the extent of remuneration or benefits to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business, our Company's key managerial personnel do not have any other interest in our Company. The key managerial personnel may also be deemed to be interested in our Company to the extent they or any of their relatives are allotted Bonds pursuant to the Issue, if any.

Payment or Benefit to Officers of our Company

On retirement, our employees are entitled to superannuation benefits. No officer or other employee of our Company is entitled to any benefit on termination of employment in our Company, other than statutory benefits such as provident fund and gratuity in accordance with applicable laws.

STOCK MARKET DATA FOR OUR SECURITIES

The Equity Shares of our Company are not listed on any Stock Exchanges. Hence no stock market data is available for the Equity Shares. As of date of filing of the Draft Shelf Prospectus, our Company has not listed any bonds by way of public issue. The stock market data for listed non convertible debentures issued by our Company listed issued on private placement basis on the Wholesale Debt Market of the NSE is as under:

Issue description	Security type	ISIN	Security	Issue name	Trade date	No. of Trades	Traded Volume	Maximum price	Minimum price
IREDA 9.60% 2019 (S-I)	ID	INE202E07039	IRED19	9.60%	-	-	-	-	-
IREDA 8.85% 2020 (S-II)	ID	INE202E07047	IRED20	8.85%	-	-	-	-	-
IREDA 8.87% 2020 (S-III-A)	ID	INE202E07054	IRED20	8.87%	November 2, 2010	1	5.00	100.37	100.37
IREDA 9.02% 2025 (S-III-B)	ID	INE202E07062	IRED25	9.02%	-	-	-	-	-
IREDA 9.49% 2022 (SR-IV)	PT	INE202E07070	IRED22	9.49%	July 27,2012	1	5.00	100.92	100.92
					August 2, 2012	1	5.00	100.91	100.91
IREDA 8.44% 2023 (S-VA)	PT	INE202E07088	IRED23	8.44%	June 18, 2013	1	10.00	101.19	101.19
					June 21, 2013	1	50.00	100.19	100.19
IREDA 8.49% 2028 (S-VB)	PT	INE202E07096	IRED28	8.49%	-	-	-	-	-

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's significant outstanding secured and unsecured borrowings as at December 31, 2013 together with a brief description of certain significant terms of such financing arrangements. For more information, see "***Annexure A – Financial Information***".

1. The statement of outstanding long term secured loans availed by our Company as at December 31, 2013 is provided below:

Sr. No.	Name of lender	Loan documents	Amount sanctioned (₹ in crores)	Amount outstanding as of December 31, 2013 (₹ in crores)	Tenure	Rate of interest (per annum) as on December 31, 2013	Repayment Date/Schedule	Security
1.	Bank of Baroda	Term loan agreement dated July 13, 1997	451.40*	103.18	25 years including 5 year moratorium period	Base Lending rate i.e. 10.25% p.a.	Repayment in 40 semi-annual instalments starting January 15, 2002 till July 15, 2021	Charge, lien or set-off over the U.S. $ term deposits
2.	Oriental Bank of Commerce III	Term loan agreement dated September 16, 2004	100.00	14.05	13 years including three years moratorium period	7.20 % p.a. (fixed)	Repayable in 10 annual instalments in ten years after initial moratorium of three years	First pari-passu hypothecation charge on book debts of our Company
3.	Dena Bank	Loan Agreement dated March 19, 2013	100.00	Nil**	10 years with two years moratorium period	Base Rate-10.25% p.a. . The ROI is with reset after every 2 years	Repayment to be made in 10 years within 32 quarterly instalments of ₹ 3,12,50,000 each after moratorium period of 2 years	First pari-passu charge on book debts.
4.	Union Bank of India	General Term Loan –II Agreement dated June 14, 2011	200.00	200	10 years including three years moratorium period	10.25%	Repayment on quarterly basis in 27 instalments of ₹ 7.143 crores each and 1 instalment of ₹ 7.139 crores	First pari-passu charge on book debts of our Company
5.	Asian Development Bank	Loan Agreement dated April 23, 1997	US$100 million	USD$27.68 million	25 years	6 Monthly Libor + 0.60%	Repayment on half yearly basis in 40 instalments starting from January 15, 2002	Creation of charge on book debts on pari-passu basis and gaurantee by GoI.
6.	Small Industrial Development Bank of India	Loan agreement dated December 16, 2009	200	200	10 years	10.25%.	Repayable in a single instalment of ₹ 200 crore at the end of 10 years from the date of first disbursement.	A first pari passu charge on the book debts and receivables.

***** *The rupee term loan availed from Bank of Baroda is against the dollar denominated facility availed from Asian Development Bank which is deposited with Bank of Baroda, London. The exchange rate of repayment will be the rate at which the loan is sanctioned by the Bank of Baroda in INR against the dollar deposit with bank of Baroda, London.*

***Company is yet to avail loan sanctioned by Dena Bank*

2. The statement of outstanding long term unsecured loans availed by our Company as at December 31, 2013 is provided below:

Sr. No.	Name of lender	Loan documents	Amount sanctioned	Amount outstanding as of December 31, 2013	Tenure	Rate of interest (per annum) as on December 31, 2013	Repayment Date/Schedule
1.	Nordic Investment Bank	Loan Agreement dated March	USD 50 million	USD 39.29 million	10 years	6 monthly LIBOR + 1.45%	Repayment of disbursed principal amount of each

Sr. No.	Name of lender	Loan documents	Amount sanctioned	Amount outstanding as of December 31, 2013	Tenure	Rate of interest (per annum) as on December 31, 2013	Repayment Date/Schedule
		30, 2009					tranche in substantially equal, consecutive, semi annual instalments commencing on the payment date falling on or nearest to the date three years from the date of the relevant loan proposal and ending on the payment date falling on or near to the date ten years after the disbursement of such tranche.
2.	KREDITANSTALT FUR WIEDERAUFBAU, Frankfurt am Main*	Loan Agreement dated July 15, 1999	DM 120,000,000 (Portion I- DM 70,000,000 (EUR – 35.79 million)	EUR 30.51 million	40 years	0.75% p.a. for Portion I	Repayment of Portion I amount in 60 half yearly instalments starting from December 30, 2009 till December 30, 2039
		Loan Agreement dated December 11, 2008	EUR 50 million	EUR 41.43 million	12 years	3.31% p.a.	Repayment on half yearly basis in 16 instalments of Euro 2,858,000 each & 1 instalment of Euro 4,272,000
		Loan Agreement dated October 8, 2009	EUR 19.97 million	EUR 18.86 million	40 years	0.75% p.a.	Repayment on half yearly basis starting from June 30, 2020 in 9 instalments of Euro 332,000 each & 51 instalments of Euro 333,000 each
		Loan Agreement dated March 7, 2011	EUR 200 million	EUR 48.57 million	11 years	2.60% p.a.	Repayment on half yearly basis starting from June 30, 2014 in 16 Installments of Euro 11,111,000 each & 2 installment of Euro 11,112,000 each
6.	International Bank for Reconstruction and Development (IBRD)*	Loan Agreement dated August 11, 2000	USD 80 million (availed USD 54 million only)	USD 28.94 million	20 years	LIBOR plus 26 weeks spread	Repayment on half yearly basis in 30 instalments starting from December 15, 2005
7.	Agence Francaise De Developpement (AFD)*	Credit Facility Agreement dated December 10, 2010	EUR 70,000,000	EUR 69.96 million	21 Years	6 monthly Euribor	Repayment in 30 equal half yearly instalments starting from July 31, 2016 and the last instalment shall be due and payable on January 31, 2031.
8.	Japan International Corporation Agency*	Loan Agreement dated June 16, 2011	¥ 30,000,, million	¥ 26,627.42 million	30 years	0.55% p.a.	Repayment of ¥ 731,720,000 on June 20, 2021 and on half yearly basis starting

Sr. No.	Name of lender	Loan documents	Amount sanctioned	Amount outstanding as of December 31, 2013	Tenure	Rate of interest (per annum) as on December 31, 2013	Repayment Date/Schedule
							from December 20, 2021 in 40 instalments of ¥ 731,707,000 each
9.	Government of India (International Development Association - II (IDA))	Development Credit Agreement dated August 11, 2000 between IDA and Government of India	U.S. $ 50 million	USD 45.63 million	35 Years including 10 years moratorium	0.75%	Repayment on half yearly basis, 20 instalments of USD 625,000 and 30 instalments of USD 125000 starting from October 15, 2010. Payable in INR at current rate of exchange.

***** *Guaranteed by the Government of India*

3. The statement of outstanding long term bonds in the form of non-convertible debentures issued by our Company through private placement as at December 31, 2013 is provided below:

Sr. No.	Debenture series/ Coupon Rate/ Date of redemption	Documents	Date of Allotment	Number of Debentures issued	Amount	Security	Credit Ratings
1.	Series I, Non-convertible taxable 9.60% bonds (ISIN INE202E07039), redeemable at par on February 24, 2019	Debenture trust deed/ Information memorandum	June 13, 2009	1,000	₹ 100 Crores	Negative lien on book debts of the company, both present and future.	Rating by CARE- CARE AAA(SO)
2.	Series II, Non-convertible taxable 8.85% bonds (ISIN INE202E07047), redeemable at par on January 14, 2020	Debenture trust deed/ Information memorandum	April 13, 2010	1,500	₹ 150 Crores	Negative lien on book debts of the company, both present and future.	Rating by CARE- CARE AAA(SO) Rating by Brickwork- BWR AAA(SO)
3.	Series III, Series A Non-convertible taxable 8.87% bonds (ISIN INE202E07054), redeemable at par on September 24, 2020 Series III, Series B Non-convertible taxable 9.02% bonds (ISIN INE202E07062), redeemable at par on September 24, 2025	Debenture trust deed/ Information memorandum	December 22, 2010	4,000	Series A- ₹ 150 Crores Series B- ₹ 250 Crores	Negative lien on book debts of the company, both present and future.	Rating by CARE- CARE AAA(SO) Rating by Brickwork- BWR AAA(SO)
4.	Series IV, non-convertible taxable 9.49% bonds (ISIN INE202E07070), redeemable at par on June 4, 2022	Debenture trust deed/ Information memorandum	August 23, 2012	3,000	₹ 300 Crores	Negative lien on book debts of the company, both present and future.	Rating by CARE- CARE AAA(SO) Rating by Brickwork- BWR AAA(SO)
5.	Series V-A (ISIN INE202E07088) , 3000 bonds for a 10 year tenure at the rate 8.44% p.a. and Series V-B (ISIN INE202E07096) 2000 bonds for a 15 year tenure at the rate of 8.49%	Debenture trust deed/ Information memorandum	July 22, 2013	5,000	Series A- ₹ 300 Crores Series B- ₹ 200 Crores	Negative lien on book debts of the company, both present and future.	Rating by CARE- CARE AAA(SO) Rating by Brickwork- BWR AAA(SO)

4. Corporate/Counter guarantees Provided by our Company as on December 31, 2013

Lender to whose favour	Guarantee	Name of the borrower	Amount of the	Validity

the guarantee is extended	documentation		guarantee (₹ in crore)	
Tadas Wind Energy Limited ("**TWEL**")	Guarantee facility agreement dated September 18, 2013 between Wind World (India) Limited and the Company	M/s. Wind World India Limited ("**WWIL**")	138.28	Valid upto March 31, 2014 with a provision for extension upto December 31, 2014 at the request of TWEL or WWIL

5. **Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities**

As at the date of the Draft Shelf Prospectus, there has been no default in payment of interest and principal of any kind of term loans, debt security and other indebtedness including any corporate guarantees issued by our Company in the past five years.

Other than as disclosed in the Draft Shelf Prospectus, our Company does not have any outstanding corporate guarantees or commercial paper as on December 31, 2013.

Apart from the indebtedness mentioned above and in "***Annexure A - Financial Information***", our Company does not have any other borrowings.

SECTION V – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION

Save and except mentioned below, our Company and/or Directors are not involved in any legal proceedings pending before Debt Recovery Tribunal and under the SARFAESI Act, 2002 and/or NI Act for an amount aggregating to ₹ 1 crore or above filed by or against our Company and/or Directors, suits, civil or criminal legal proceedings, including disputed tax liabilities of any nature, failure to meet statutory dues, institutional dues, dues towards instrument holders including holders of debentures and bonds, and no such proceedings are threatened which may have, or have had, a material adverse effect on our business, operations, properties or financial condition. Further, no criminal prosecution has been launched against our Company and/or Directors for alleged offences under the enactments specified in Part I of Schedule XIII to the Companies Act, 1956.

Further, neither our Company nor persons in control of our Company have been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

A. LEGAL PROCEEDINGS FILED BY/AGAINST OUR COMPANY

a.) Legal proceedings filed by our Company and are pending for adjudication:

1. Our Company has filed an original application no. 231 of 2013 before the Debt Recovery Tribunal-I, Delhi on December 3, 2013 against M/s Shri Venkateswara Sponge & Power (P) Limited ("**VSPL**") and Shri Pradeep Bhardwaj, Smt. Asha Devi Bhardwaj, M/s Maa Chhinamastika Sponge Iron (P) Limited, M/s Maa Chinnamastika Coke Industries (P) Limited, M/s Ashadeep Aquaculture (P) Limited, M/s Akansha Electronics (P) Limited, M/s Rajath Commercial (P) Limited, M/s Transeem Commercial (P) Limited and Andhra Bank, (VSPL and others collectively referred herein as "**Defendants**") seeking recovery of ₹ 2.21 crores alongwith additional interest as liquidated damages and other charges thereon at the compounded interest rate with quarterly rests from contractual rates till payment and or realisation in full from the Defendants and sale of property mortgaged as security in favour of our Company on account of default in repayment of loan availed by VSPL for setting up a 15MW captive power plant utilizing waste heat recovery boiler and fluidized bed combustion boiler at Merlapaka village, Industrial Estate near Srikalahasti Chitoor district, Andhra Pradesh. The Debt Recovery Tribunal-I, Delhi has issued notice to the Defendants, while granting adinterim orders. The matter is pending hearing.

2. Our Company has filed the original application no. 8/2007 before the Debt Recovery Tribunal-I at New Delhi on January 9, 2007 against M/s Sri Satyanarayana Power (P) Limited ("**SSPL**") and Shri Satyanarayana Rao, Shri T. Konda Reddy, Shri A.Venkat Reddy, M/s PACE IT Solutions Private Limited and Shri B. Nanjappa, (SSPL and others collectively referred herein as "**Defendants**") for the recovery of ₹ 9.95 crores with interest at contractual from date of filing the application till date of decree and onwards until date of realisation from the Defendants and sale of hypothecated assets created as security in favour of our Company on account of default in repayment of loan availed by SSPL for setting up a 4MW Biomass based project at Brahmanpally village, Atmakurmandal, Warangal district, Andhra Pradesh. The matter is still pending hearing.

3. Our Company has filed the original application no. 184 of 2012 before the Debt Recovery Tribunal-I at New Delhi on October 10, 2012 against M/s Sree Suryachandra Synergetics India (P) Limited ("**SSIPL**"), Shri D. Rajashekhar, Shri G.V. Rama Rao and Smt. P. Sobha (SSIPL and others collectively referred herein as "**Defendants**") for the recovery from the Defendants of ₹ 11.38 crores (including interest outstanding on the loan of ₹ 6.30 crores sanctioned by our Company on April 6, 1999) along with further additional interest as liquidated damages and other charges thereon at the compounded interest rate with quarterly rests from contractual rates till payment and/or realisation in full from the date of the application and sale of assets created as security in favour of our Company. The aforesaid application has been filed by our Company on account of default in repayment of loan availed by the SSIPL for setting up of 1.70 MW Mini Hydel Scheme at Ongole Branch Canal at

Prakasham district, Andhra Pradesh. The Defendants have not filed any written statement and the matter is still pending hearing.

4. Our Company has filed the original application no. 198 of 2012 before the Debt Recovery Tribunal-I at New Delhi on October 10, 2012 against M/s Sree Suryachandra Synergetics India (P) Limited ("**SSIPL**"), Shri D. Rajashekhar, Shri G.V. Rama Rao and Smt. P. Sobha (SSIPL and others collectively referred herein as "**Defendants**") for the recovery from the Defendants of ₹ 11.26 crores (including interest outstanding on the loan of ₹ 6.40 crores sanctioned by our Company on April 1, 1999) along with further additional interest as liquidated damages and other charges thereon at the compounded interest rate with quarterly rests from contractual rates till payment and or realisation in full with effect from October 11, 2012 and sale of assets created as security in favour of our Company. The aforesaid application has been filed by our Company on account of default in repayment of loan availed by SSIPL for setting up of 1.70 MW Mini Hydel Scheme at Ongole Branch Canal at Prakasham district, Andhra Pradesh. The Defendants have not filed any written statement and the matter is still pending final disposal and hearing.

5. Our Company has filed the original application no.114 of 2004 before the Debt Recovery Tribunal-I at New Delhi on October 14, 2004 against M/s New Horizon Sugar Mills Limited ("**NHSML**"), Shri V. Kannan, Shri V. Baskaran, Shri S. Subramanian, Smt. K. Usha, Smt. B. Bhavani, M/s Arunachalam Sugar Mills Limited, M/s PNL Exports Limited and Indian Bank (NHSML and others collectively referred herein as "**Defendants**") for the recovery of ₹ 20.03 crores with further interest and liquidated damages from the Defendants and sale of movable and immovable properties charged in favour of our Company on account of default in repayment of loans availed by the Defendants for lease financing of energy efficient equipments to be installed at M/s. Arunachalam Sugar Mills Limited at Arunachalam Nagar, Malapabadi village, Thiruvannamalai district, Tamil Nadu. The Defendants have not filed any written statement and the matter is still pending hearing.

6. Our Company has filed the original application no. 09 of 2010 before the Debt Recovery Tribunal-I at New Delhi on February 11, 2010 against M/s Model Chit Corporation Limited ("**MCCL**"), Shri A Krishna Murthy, Shri K P Sastry, Smt. Surya Prabha, Smt. A. Rama Devi, Smt. Sarita Adusumilli, Shri VSRP Adusumilli and Shri M. Srinivas (MCCL and others collectively referred herein as "**Defendants**") for the recovery of ₹ 2.33 crores with further interest and liquidated damages from the Defendants, invocation of rights of our Company on shares pledged as security including the right of sale of shares pledged and sale of movable and immovable properties charged in favour of our Company on account of default in repayment of loan availed by MCCL for installation/distribution of 35 Nos of 1 Kwp Grid Interactive Solar PV power plants in various parts of India under SPV Market Development programme of World Bank. The Defendants have not filed any written statement and the matter is still pending hearing.

7. Our Company has filed the original application no. 13/2012 before the Debt Recovery Tribunal-I at New Delhi on January 27, 2012 against M/s. Ocha Pine Fuel Private Limited ("**OPFPL**"), Shri Amarnath Danush and Smt. Sarla Devi Dhanush (OPFPL and others collectively referred herein as "**Defendants**") for the recovery of ₹ 1.17 crores due as on January 26, 2012 with further interest and liquidated damages from the Defendants, sale of movable and immovable properties of OPFPL charged in favour of our Company and immovable properties of Shri Amarnath Danush on account of default in repayment of loan availed by the OPFPL for setting up 1.50 Mt/Hr Briquetting Project at Plot No. 16-19, Phase-II, Village Ghorab, Industrial Area, Nagrota Bagwan, tehsil & District Kangra, Himachal Pradesh. The Defendants have not filed any written statement and the matter is still pending hearing.

b.) Legal proceedings against our Company:

1. M/s Videocon Leasing and Industrial Finance Limited ("**Petitioner**") has filed a contempt petition no. 408 of 2013 on April 23, 2013 under Section 12 of the Contempt of Court Act, 1971 before the Delhi High Court against our Company's directors Debashish Majumdar, K. S. Popli and S. K. Bhargava, ("**Respondents**") seeking initiation of contempt proceedings against the Respondents for the offence of

contempt of court alleged to have committed by them of order dated February 10, 2010. The contempt petition has been filed by the Petitioner alleging that the Respondents have not refunded the excess amount fully. The matter is pending hearing.

2. Mrs. S Indira ("**Applicant**") filed an interim application no. 404/2009 and OA 665 /2000 in RC No.210 /02 on July 30, 2009 before the Debt Recovery Tribunal –I, New Delhi against our Company and the Recovery Officer ("**Defendants**") seeking compensation amounting to ₹ 1.5 crores alleging wrongful sale of property owned by the Applicant by the Defendants pursuant to the order of the Recovery Officer dated May 10, 2007. The Applicant has also filed criminal OP. NO. 29409/2006, before the Honourable High Court of Madras. The matter is pending for hearing.

3. M/s Vamshi Industries Limited ("**Petitioner**") filed a securitization application dated November 18, 2013 under Section 17(1) of the SARFAESI Act, 2002 before the Debt Recovery Tribunal, Hyderabad against our Company seeking grant of interim stay in connection with sale of properties at Hyderabad owned by the Petitioner and to declare "Public Notice Inviting Sealed Tender Cum Auction Notice" published by our Company for the proposed auctioning of the scheduled properties as null and void alleging that our Company has not complied with the procedures under the SARFAESI Act, 2002 for auctioning of the scheduled property. Our Company has initiated auctioning of the said properties under SARFAESI Act, 2002 due to default in repayment of loan amount aggregating to ₹ 12.35 crores availed by the Petitioner from our Company for the purpose of for establishing 4MW Bio Mass based Power Project. In the meantime, UCO Bank has also filed an original application bearing application no. 258 of 2012 against Vamshi Industries Limited and others including our Company for the recovery of dues from Vamshi Industries Limited. Our Company has been impleaded as a party to the application on the ground that our Company has first charge over the fixed assets secured in favour of UCO Bank by the Petitioner. However, UCO Bank has not sought for any relief against our Company. Both the matters are pending hearing.

B. LEGAL PROCEEDINGS INVOLVING COMPANY WHERE FINAL ORDER/ DECREES PASSED INFAVOUR OF OUR COMPANY AND ARE PENDING AT THE STAGE OF RECOVERY.

Sr.No	Name of the Party	Original Application No. and date of order	Amount Involved *(₹ in crores)*
1	M/s. GSL India Limited & Others	O.A. No. 72/2004 Date of order: September 29, 2010	22.9
2	M/s. SPV Power & Others	O.A. No. 39/2003 Date of order: November 20, 2009	1.10
3	M/s. SPV Power & Others	O.A. No. 63/2003 Date of order: January 9, 2013	1.52
4	M/s. Model Chit Corporation Limited & Others	O.A. No. 07/2010 Date of order: June 21, 2012	1.99
5	M/s. Arunachalam Sugar Mills Limited & Others	O.A. No. 113/2004 Date of order: July 21, 2012	9.18
6	M/s. Arunachalam Sugar Mills Limited & Others	O.A. No. 114/2004 Date of order: June 21, 2012	62.88
7	M/s. Zen Global Finance Limited &	O.A. No. 236/2000	1.58

Sr.No	Name of the Party	Original Application No. and date of order	Amount Involved *(₹ in crores)*
	Others	Date of order: January 15, 2009	
8	M/s. Zen Global Finance Limited & Others	O.A. No. 237/2000 Date of order: June 19, 2003	10.08
9	M/s. Raunaq Finance Limited & Others	O.A. No. 139/2002 Date of order: November 29, 2010	2.67
10	M/s. Vijayshree Chemicals (India) Limited & others	O.A. No. 189/2001 Date of order: February 23, 2009	4.66
11	M/s. NEPC Agro Foods Limited & others	O.A. No. 169/1999 Date of order: April 6, 2004	4.36
12	M/s. Enbee Infrastructure Limited & others	O.A. No. 10/2003 Date of order: June 2, 2010	1.34
13	M/s. Consumer Awareness & Research Society & others	O.A. No. 21/2008 Date of order: March 31, 2010	1.29
14	M/s. Andhra Pradesh Power Projects Limited & others	O.A. No. 194/2002 Date of order: July 19, 2010	7.03
15	M/s. Mahakrishna Financial Services Limited & others	O.A. No. 665/2000 Date of order: May 9, 2002	1.15
16	M/s. Silical Metallurgical Limited & others	O.A. No. 173/2001 Date of order: March 9, 2009	15.20
17	M/s. Solar Tech India Limited & others	O.A. No. 262/1999 Date of order: May 19, 2006	1.73

C. LEGAL PROCEEDINGS FILED BY OUR COMPANY UNDER THE NI ACT, 1881

Our Company has filed various complaints before the Court of Chief Metropolitan Magistrate/ Metropolitan Magistrates, New Delhi under Section 138 read with Section 141 and 142 of the NI Act, 1881 against the dishonour of cheques issued by the borrowers for payment of loan availed by the borrower from our Company. Besides the said complaints, our Company initiates regular recovery steps like filing recovery cases before DRT and/or taking action under SARFAESI Act, 2002. The details of pending criminal complaints under NI Act, 1881 where the cheque amount aggregating to ₹ 1 crore or more are yet to be realised by our Company and recovery action under DRT Act or SARFAESI has not been initiated, are as under

1. Our Company has filed various complaints before the Court of Additional Chief Metropolitan Magistrate/ Metropolitan Magistrates, New Delhi under Section 138 read with Section 141 and 142 of the Negotiable Instruments Act, 1881 against M/s Sri Saikrupa Sugar & Allied Industries, Shri. Rajkumar Sudamaro Dhamdere, Shri Vikram Babanrao Pachpute and Shri. Kranti Rajkuma

Dhamdhere ("**Respondent(s)**") in connection with dishonour of cheque(s) bearing no. 185221 dated March 28, 2013 for ₹ 3 crores and bearing no. 843165 dated March 31, 2013 for ₹ 6.65 crores, issued by the Respondent(s) as a part payment for satisfaction of the loan amount aggregating to ₹ 121.03 crores availed by the Respondent(s) from our Company for establishment of coogeneration project at Village Hiradgaon, Taluk Shrigonda, District Ahmednagar. Our Company has sought for the payment of the amounts by the Respondent(s) covered by the said dishonoured cheques.

2. Our Company has filed complaint before the Court of Chief Metropolitan Magistrate, New Delhi under Section 138 read with Section 141 and 142 of the Negotiable Instruments Act, 1881 against M/s Jamkhandi Sugars Limited, Shri. S. B. Nyamagouda and Shri. Subbaraya Dhayanandhan ("**Respondent(s)**") in connection with dishonour of cheque bearing no. 052031 dated June 30, 2013 for ₹ 4.80 crores issued by the Respondent(s) as a part payment for satisfaction of the loan amount aggregating to ₹ 84.76 crores availed by the Respondent(s) from our Company for establishment of 27 mw Bagasse based co-generation project (project no. 1948) at Nad KD, Taluk Indi District Bijapur, Karnataka. Our Company has sought for the payment of the amounts by the Respondent(s) covered by the said dishonoured cheques.

D. SARFAESI PROCEEDINGS under the SARFAESI Act, 2002

Below is the list of SARFAESI proceedings initiated under SARFAESI Act:

Sr. No.	Name of the borrower	Particulars and Status
1.	Bhagyanagar Solvent Extractions Private Limited	Notice dated June 8, 2012 issued under 13(2) of SARFAESI Act by our Company to the borrower in connection with recovery of ₹ 33.81 crores along with interest and additional interest by way of liquidated damages due to the borrower. The borrower had availed loan amounting to ₹ 16.95 crores from our Company for setting up 6MW biomass based power project at Village, Hegasanahalli, Deosugurhobli, Taluka, Raichur, Karnataka. Pursuant to the order of Hon'ble High court of Andhra Pradesh, the borrower has been ordered to wound up.
2.	M/s. NIDO Energy Systems Private Limited	Notice dated August 28, 2013 issued under 13(2) of SARFAESI Act by our Company to the borrower in connection with recovery of ₹ 11.74 crores along with interest and additional interest by way of liquidated damages due to our Company. The borrower was sanctioned loan amounting to ₹ 55 crores from our Company for setting up 10 MW PEIN small hydro project near BOA-SIMLA Village, Raga Block, Lower Subansiri District, Arunachal Pradesh.
3.	M/s. Shree Kedarnath Sugar and Agro Products Limited	Notice dated May 28, 2012 issued under 13(2) of SARFAESI Act by Syndicate Bank on behalf of our Company to the borrower in connection with recovery of ₹ 25.68 crores along with interest and additional interest by way of liquidated damages due to our Company along with amount dues to Syndicate Bank, Central Bank of India, Andhra Bank, Indian Overseas Bank and IFCI. The borrower had availed loan amounting to ₹ 24.55 crores from our Company.
4.	Noble Distilleries Power (P) Limited	Notice dated September 24, 2012 issued under 13(2) of SARFAESI Act by our Company on behalf of our Company to the borrower in connection with recovery of ₹

Sr. No.	Name of the borrower	Particulars and Status
		17.83 crores along with interest and additional interest by way of liquidated damages due to our Company. The borrower was sanctioned loan amounting to ₹ 21.30 crores from our Company for setting up of 8 MW Captive Power Plant utilising waste heat recovery and fludized bed combustion at Sirivar Village, Bellary District, Karnataka.

E. PROCEEDINGS UNDER BOARD FOR INDUSTRIAL AND FINANCIAL RECONTRUCTION SCHEME

1. Kay Power and Paper Limited ("**KPPL**") was declared as a sick industry on January 4, 2007 under the provisions of SICA, 1985 by the order of the BIFR and appointed our Company as operating agency to submit a scheme for revival of KPPL. The total loan outstanding payable to our Company as at March 31, 2013 was ₹ 12.17 crores. Our Company, as operating agency appointed by BIFR, has prepared a copy of revised draft rehabilitation scheme on August 8, 2013 pursuant to the directions of BIFR dated August 27, 2012. The matter is currently pending.

2. Selco International Limited ("**SIL**") availed of loan amounting to ₹ 2 crores from our Company for setting up of 210 TPD Municipal Solid Waste based Pelletization project at Village Gandamguda, Tehsil Rajendranagar, Disctrict Rangareddy, Andhra Pradesh. SIL defaulted in repayment of dues outstanding amounting to ₹ 1.44 crores calculated upto June 30, 2012 along with further interest, liquidated damage and other monies due and payable to our Company. SIL vide letter dated September 12, 2012 proposed one time settlement of the dues outstanding to our Company. SIL has filed a letter with BIFR dated February 25, 2013 under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 and served a letter dated May 3, 2013 to our Company intimating referral by SIL to BIFR.

F. LEGAL PROCEEDINGS FILED BY THE EMPLOYEES AGAINST THE COMPANY

1. Shri Ishwar Lal, ex. assistant grade-I, ex- employee of our Company filed the case, I. D. No. 495/ 1991, before the Labour Court, Kakardooma, Delhi challenging the termination order passed by our Company. The appointment of Shri Ishwar Lal was terminated on the ground of allegedly submitting the fake community certificate. The matter is pending for disposal before the Labour Court, Kakardooma, Delhi.

2. Mr. Jairaj Solanki has filed the writ petition no. 5803 of 2013 before the Hon'ble High Court of Delhi challenging the order dated March 22, 2013 passed by our Company by which Mr. Solanki was removed from his post of driver cum attendant grade-III/NB-3 level on the grounds of misconduct. The said order of our Company was upheld by the appellate body by its order dated July 16, 2013. Mr. Jairaj Solanki has challenged both the orders before the Hon'ble High Court of Delhi and sought reinstatement with full back wages and benefits under the law. The matter is presently pending before the Hon'ble High Court of Delhi for disposal.

3. A certain ex-employee of our Company ("**Petitioner**") has filed the writ petition no. 13195 of 2009 before the High Court of Delhi against our Company, Chief General Manager of our Company, Director (Finance) of our Company and Secretary, Ministry of Non Conventional Energy Sources ("**Respondents**"), challenging the orders passed by the Appellate Disciplinary Authority of our Company removing her from the post of executive secretary grade-I on the grounds of misconduct. The writ petition was filed on the grounds that the alleged misconduct by the Petitioner was an act of self defence against sexual harassment by a employee of our Company. The Petitioner has sought for the quashing of orders dated March 18, 2009, June 9, 2009, June 16, 2009 and September 25, 2009 passed by the Disciplinary Authority and Appellate Disciplinary Authority of our Company removing her from her services on the grounds of alleged misconduct mentioned above. The Petitioner has also

sought for issue of directions to the Respondents for reinstatement of the Petitioner in continuity of service along with consequential benefits. The matter is presently pending before the Hon'ble High Court of Delhi for disposal.

4. Shri Ashish John Ekka ("**Petitioner**") filed a writ petition under Article 226 of the Constitution of India before the High Court of Delhi on September 6, 2013 against Union of India, MNRE and Director (Finance) of our Company challenging our Company's letter dated July 31, 2013 rejecting Petitioner's letter dated June 20, 2013 to join the services of our Company. The Petitioner was appointed to the post of engineer trainee on September 28, 2011, however on the alleged ground of serious illness, the Petitioner was unable to complete his stipulated training period. Therefore, upon regaining fitness, the Petitioner submitted his joining letter, which was rejected by our Company. The Petitioner seeks to set aside the letter dated July 31, 2013 and to issue a writ of Mandamus directing our Company to accept the joining of the Petitioner. The matter is still pending hearing and disposal.

G. INCOME TAX PROCEEDINGS

1. Commissioner of Income Tax has preferred an appeal under Section 260A of the Income Tax Act before the High Court, New Delhi against the orders dated August 8, 2008, December 2, 2008, January 30, 2009 and February 10, 2009 of the Income Tax Appellate Tribunal (passed during the assessment years 1998-1999, 1999- 2000, 2000-2001 and 2001-02 & 2002-03) ("**Orders**"), seeking to settle the questions relating to the classification of certain income (mainly in the nature of deposits, interest on staff loan, interest on Government securities, service charges for handling UNDP programme, miscellaneous income, profit on sale of fixed assets, difference in exchange rate, commitment fee and charges, application fee and MNES service charges) to be chargeable under the head of "business income" or "income from other sources" and whether income of our Company is exempt under Section 10(23G) of the Income Tax Act. The Court order passed on October 21, 2011 held that the findings of the Orders are unclear and directed for fresh decision by the Tribunal. The matter is still pending.

2. The Deputy Commissioner of Income Tax (Circle 11(1)), New Delhi has filed an appeal bearing no. 551 of 2008 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on February 13, 2008 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated December 14, 2007 (which analysed the assessment order passed for the assessment year 2003-2004 by the Assistant Commissioner of Income Tax on December 30, 2005 under section 143(3) of Income Tax Act.) seeking to set aside the Order on the ground that Commissioner of Income Tax (Appeals) has wrongly assessed the deductions of ₹ 14.38 crores under Section 10(23G) of the Income Tax Act. The matter is still pending.

3. The Deputy Commissioner of Income Tax (LTU), New Delhi has filed an appeal bearing no. 1110 of 2010 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on March 11, 2010 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated January 14, 2010 (which analysed the assessment order passed Deputy Commissioner of Income Tax on December 12, 2008 under section 143(3) read with section 263 of Income Tax Act.) seeking to set aside the Order on the ground that Commissioner of Income Tax (Appeals) has wrongly assessed the income of our Company for assessment year 2003-2004 which was derived from providing long terms finance and therefore is entitled to deductions under Section 36(1)(viii) of the Income Tax Act. The matter is still pending.

4. Our Company has filed an appeal bearing no. 987 of 2008 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on March 10, 2008 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated December 14, 2007 (which analysed the assessment order passed by the Assistant Commissioner of Income Tax on December 30, 2005 under section 143(3) of Income Tax Act.) seeking to set aside the Order on the ground that Commissioner of Income Tax (Appeals) has wrongly confirmed the disallowance of expenditure and has wrongly classified ₹ 24.63 crores as income taxable as 'income from other sources' for assessment year 2003-2004, in addition, Commissioner of Income Tax (Appeals) has wrongly rejected the method of

computing exemption under section 10 (23G) and that a revised return with a valid acknowledge no. 1155001478 was duly filed within the statutory time prescribed under the Income Tax Act. The matter is still pending.

5. Our Company has filed an appeal bearing no. 1183 of 2010 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on March 15, 2010 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated January 14, 2010 (which analysed the assessment order passed Deputy Commissioner of Income Tax on December 12, 2008 under section 143(3) read with section 263 of Income Tax Act.) seeking to set aside the Order on the ground that Commissioner of Income Tax (Appeals) has wrongly decreased the deduction under Section 36(1)(viia)(c) of Income Tax Act from ₹ 1.79 crores to ₹ 0.94 crores resulting in disallowance of ₹ 0.86 crores for assessment year 2003-04 and that the filing fees of ₹ 0.64 crores was not a capital expenditure but was a revenue expenditure therefore was eligible to be allowed. The matter is still pending.

6. The Deputy Commissioner of Income Tax (Circle 11(1)), New Delhi has filed an appeal bearing no. 552 of 2008 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on February 13, 2008 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated December 14, 2007 seeking to set aside the Order and restore the assessment order dated December 27, 2006 on the grounds that Commissioner of Income Tax (Appeals) has wrongly allowed deduction of ₹ 19.13 crores under Section 36(1)(viii) of Income Tax Act and exemption of ₹ 14.74 crores under Section 10(23G) of the Income Tax Act in connection with the assessment year 2004-2005. The matter is still pending.

7. Our Company has also filed an appeal bearing no. 988 of 2005 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on March 10, 2008 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated December 14, 2007 seeking to set aside the Order on the grounds that Commissioner of Income Tax (Appeals) has wrongly confirmed the disallowance of expenditure and has wrongly classified ₹ 24.96 crores as income taxable as 'income from other sources' for assessment year 2004-2005, in addition, Commissioner of Income Tax (Appeals) has wrongly rejected the method of computing exemption under section 10 (23G) and has wrongly computed the deductions under Section 36(1)(viia)(c) at ₹ 1.82 crores and that a revised return with a valid acknowledge no. 1155001847 was duly filed. The matter is still pending.

8. The Assistant Commissioner of Income Tax (LTU), New Delhi has filed an appeal bearing no. 465 of 2011 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on January 20, 2011 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated October 12, 2010 seeking to set aside the Order on the grounds that Commissioner of Income Tax (Appeals) has wrongly allowed depreciation of ₹ 0.11 crores and deductions of ₹ 2.67 crores under Section 10(23G) of the Income Tax Act and ₹ 27.00 crores under Section 36(1)(viii) of the Income Tax Act and has wrongly classified ₹ 27.56 crores as income taxable as 'business income' instead of 'income from other sources' for assessment year 2005-06. The matter is still pending.

9. The Assistant Commissioner of Income Tax (LTU), New Delhi has filed an appeal bearing no. 4747 of 2010 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on October 20, 2010 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order)**") dated August 31, 2010 seeking to set aside the Order on the grounds that Commissioner of Income Tax (Appeals) has wrongly allowed depreciation of ₹ 0.10 crores and deductions of ₹ 5.01 crores under Section 10(23G) of the Income Tax Act and ₹ 22.13 crores under Section 36(1)(viii) of the Income Tax Act and has wrongly classified ₹ 56.24 crores as income taxable as 'business income' instead of 'income from other sources' for assessment year 2006-07. The matter is still pending.

10. Our Company has also filed an appeal bearing no. 4724 of 2010 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on October 25, 2010 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated August 31, 2010 seeking to set

aside the Order on the ground that Commissioner of Income Tax (Appeals) has wrongly computed deduction of ₹ 1.08 crores instead of ₹ 2.78 crores under Section 36(1)(viiia)(c) of the Income Tax Act for assessment year 2006-07. The matter is still pending.

11. The Assistant Commissioner of Income Tax (LTU), New Delhi has filed an appeal bearing no. 1333 of 2011 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on March 10, 2011 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated January 7, 2011 seeking to set aside the Order on the grounds that Commissioner of Income Tax (Appeals) has wrongly allowed depreciation of ₹ 0.10 crore and deductions of ₹ 26.00 crores under Section 36(1)(viii) of the Income Tax Act and has wrongly classified ₹ 66.44 crores as income taxable as 'business income' instead of 'income from other sources' for assessment year 2007-08. The matter is still pending.

12. The Assistant Commissioner of Income Tax (LTU), New Delhi has filed an appeal bearing no. 4671 of 2012 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on August 28, 2012 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated July 2, 2012 seeking to set aside the Order on the grounds that Commissioner of Income Tax (Appeals) has wrongly allowed depreciation and deductions under Section 36(1)(viii) of the Income Tax Act and has wrongly classified certain taxable income as "business income" instead of "income from other sources" for assessment year 2008-09. The matter is still pending.

13. Our Company has also filed an appeal bearing no. 4685 of 2012 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on August 24, 2012 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated July 2, 2012 seeking to set aside the Order on the ground that Commissioner of Income Tax (Appeals) has wrongly decreased the deduction under Section 36(1)(viia)(c) of Income Tax Act from ₹ 4.83 crores to ₹ 2.97 crores resulting in disallowance of ₹ 1.86 crores for assessment year 2008-09. The matter is still pending.

14. The Assistant Commissioner of Income Tax (LTU), New Delhi has filed an appeal bearing no. 4672 of 2012 under Rule 47(1) of the Income Tax Rules before the Income Tax Appellate Tribunal, New Delhi on August 28, 2012 against the order passed by the Commissioner of Income Tax (Appeals) ("**Order**") dated July 2, 2012 seeking to set aside the Order on the grounds that Commissioner of Income Tax (Appeals) has wrongly allowed depreciation and deduction under Section 36(1)(viii) of the Income Tax Act and has wrongly classified certain taxable income as "business income" instead of "income from other sources" for assessment year 2009-10. The matter is still pending.

15. Our Company has filed an appeal bearing no. 26 of 2013 under Rule 45 of the Income Tax Rules before the Commissioner of Income Tax (Appeals) on March 6, 2013 against the assessment order passed by Deputy Commissioner of Income Tax, (LTU) ("**Order**") dated January 31, 2013 seeking to add and amend the grounds of appeal on the grounds that Deputy Commissioner of Income Tax has wrongly classified income of ₹ 23.22 crores as "Income from other sources" instead of "Business Income" and has wrongly disallowed depreciation of ₹ 0.69 crore and deductions of ₹ 29.53 crores under Section 36(1)(viii) of the Income Tax Act for assessment year 2010-11 and on additional grounds that Deputy Commissioner of Income Tax has wrongly charged interest under Section 234B and 234D of the Income Tax Act and initiation of penalty proceedings under Section 271(1)(c) of the Income Tax Act. The matter is still pending.

MATERIAL DEVELOPMENTS

Material Developments since the date of the latest balance sheet

There have not arisen, since the date of the last financial information disclosed in the Draft Shelf Prospectus, any circumstances which materially and adversely affect or are likely to affect our performance, profitability or prospects, within the next 12 months.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The CBDT, Department of Revenue, Ministry of Finance, Government of India has, vide the Notification No. 61/2013/F.No.178/37/2013-(ITA.I) dated August 8, 2013, authorised our Company to issue Bonds aggregating to ₹ 1,000 crores. Our Company proposes to raise ₹ 1,000 crores* through a public issue of Bonds in one or more tranches, prior to March 31, 2014.

** In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also, at its discretion, raise funds through issue of Bonds on a private placement basis in one or more tranches during the process of the present Issue, for an amount not exceeding ₹ 300 crores, i.e. upto 30% of the allocated limit for raising funds through the issue of Bonds during the Fiscal 2014, wherein suitable amounts shall be earmarked for subscription by Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure, provided that in the event of any non-response, our Company shall be free to offer the un-subscribed amount through book building route under private placement in domestic market.. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹ 1,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall get reduced by such amount raised.*

The Board of Directors have, pursuant to a resolution dated August 29, 2013, approved the Issue of the tax free secured redeemable non-convertible bonds in the nature of debentures, by public issue(s) and/or on private placements(s) basis in India to eligible investors, in one or more tranches, in the aggregate amount of up to ₹ 1,000 crores during Fiscal 2014, as allocated in the CBDT Notification, provided that the aggregate amount raised through private placement(s) of Bonds shall not exceed ₹ 300 crores (being 30% of the overall allocated limit for issuance of the Bonds, under the CBDT Notification) during Fiscal 2014 and the aggregate amount raised through public issue(s) of the Bonds shall not exceed the Shelf Limit.

Eligibility to make the Issue

Our Company and persons in control of our Company have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Consents

Consents in writing of the Directors, Company Secretary and Compliance Officer , Chief Financial Officer (i.e. Director (Finance)), Auditors, Escrow Collection Bank(s), Bankers to the Company, Lead Managers, Consortium Members, Registrar to the Issue, Credit Rating Agencies, Debenture Trustee and Legal Advisors to the Issue, in their respective capacities, have been obtained and will be filed along with a copy of each Tranche Prospectus(es) with the RoC.

Our Company has appointed SBICAP Trustee Company Limited as Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to our Company for its appointment which is enclosed as Annexure C.

Expert Opinion

Except the letters dated November 19, 2013, November 22, 2013 and December 31, 2013 issued by Brickwork and letters dated November 20, 2013, November 27, 2013 and December 31, 2013 issued by CARE, in respect of the credit rating of the Issue and the auditor's report dated December 24, 2013 and statement of tax benefits dated January 9, 2014 issued by M/s. Gianender & Associates, Auditors of our Company, our Company has not obtained any expert opinions.

Minimum Subscription

For information, see "***Terms of the Issue – Minimum Subscription***" on page 130.

No Reservation or Discount

Pursuant to the CBDT Notification, at least 70% of the allocated limit for raising funds through tax free bonds during Fiscal 2014 shall be raised through public issue, of which 40% shall be earmarked towards investors from Category IV. There is no discount being offered in the Issue, to any category of Investors.

Common Form of Transfer

There will be a common form of transfer for Bonds held in physical form and relevant provisions of the Companies Act, 1956 and the Companies Act, 2013 and other applicable laws will be duly complied with in respect of all transfers of the Bonds and registration thereof. The transfer of Bonds in demat form will be done in accordance with the procedure/rules prescribed by the Depositories and Depository Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Dividend

The details of dividend declared by our Company is as mentioned below:

Fiscal Year	Total Dividend Declared (₹ in crores)	Rate of Dividend	Dividend Distribution Tax (₹ in crores)
2012-2013	27.50	3.93%	4.67
2011-2012	25.00	3.91%	4.06
2010-2011	20.00	3.39%	3.24

Previous Public or Rights Issues by our Company during last five years

Our Company has not undertaken any public or rights issue of any securities since incorporation.

Commission or Brokerage on Previous Public Issues

Since there was no offering of any of its securities through public issue(s) since incorporation, there was no requirement on our Company to pay any commission or brokerage.

Change in auditors of our Company during last three years

Name	Address	Date of Cessation	Auditor of the Issuer since	Remarks
M/s. Gianender & Associates *Chartered Accountants*	Site No 21, Plot No. 6, Geeta Mandir Marg, New Rajinder Nagar, New Delhi-110060	Not Applicable	FY 2010-11	Nil
M/s. S.C Vasudeva & Co *Chartered Accountants*	B-41, Panchsheel Enclave, New Delhi-110017	Appointed by CAG till Fiscal 2009-10	FY 2009-10	Nil

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Utilisation of Issue Proceeds

For information, see "***Issue Procedure - Utilisation of Issue Proceeds***" on page 173.

Track record of past public issues handled by the Lead Managers

Details of the track record of the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, has been disclosed on the respective websites of the Lead Managers. The track record of past issues handled by Karvy, AK Capital, and RR Investors are available at www.karvy.com, www.akcapindia.com and www.rrfcl.com, respectively.

Listing

For information, see "***Terms of the Issue – Listing***" on page 127.

Disclaimer clause of BSE

[●]

Disclaimer clause of NSE

[●]

Disclaimer clause of RBI

Our Company is having valid certificate of registration dated January 23, 2000 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, RBI does not accept any responsibility or guarantee about the present position as to financial soundness of our Company or correctness of any of the statements or representations made or opinions expressed by our Company and for repayment of deposits or discharge of liabilities by our Company.

Disclaimer in Respect of Jurisdiction

The Issue is being made in India, to Investors from Category I, Category II, Category III and Category IV. The Draft Shelf Prospectus, Shelf Prospectus and the respective Tranche Prospectus will not, however constitute an offer to sell or an invitation to subscribe for the Bonds offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Shelf Prospectus and the respective Tranche Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Statement by the Board:

(i) All monies received pursuant to each Tranche Issue shall be transferred to a separate bank account other than the bank account referred to in section 40(3) of the Companies Act, 2013;

(ii) Details of all monies utilised out of each Tranche Issue shall be disclosed under an appropriate separate head in the Company's Balance Sheet, indicating the purpose for which such monies were utilised; and

(iii) Details of all unutilised monies out of each Tranche Issue, if any, shall be disclosed under an appropriate separate head in the Company's Balance Sheet, indicating the form in which such unutilised monies have been invested.

Mechanism for redressal of investor grievances

Link Intime India Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue, quoting all relevant details including the full name of the sole/first Applicant, Application Form number, Applicant's Depository Participant ("**DP**") ID, Client ID and Permanent Account Number ("**PAN**"), number of

Bonds applied for, date of the Application Form, name and address of the Syndicate Member or Trading Member of the Stock Exchange or Designated Branch of the SCSB, as the case may be, where the Application was submitted, and cheque/draft number and issuing bank thereof, or with respect to ASBA Applications, the ASBA Account number in which an amount equivalent to the Application Amount was blocked. Applicants may contact the Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application Amounts or refund or credit of Bonds in the respective beneficiary accounts, as the case may be. Grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Grievances relating to the Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

All grievances arising out of applications for the Bonds made through trading members may be addressed directly to the relevant stock exchanges.

SECTION VI – OFFER INFORMATION

ISSUE STRUCTURE

The CBDT has, by the CBDT Notification, authorised our Company to raise the Bonds aggregating to ₹ 1,000.00 crores. Our Company proposes to raise ₹ 1,000 crores* through a public issue of the Bonds in one or more tranches prior to March 31, 2014.

* *In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also, at its discretion, raise funds through issue of Bonds on a private placement basis in one or more tranches during the process of the present Issue, for an amount not exceeding ₹300 crores, i.e. upto 30% of the allocated limit for raising funds through the issue of Bonds during the Fiscal 2014, wherein suitable amounts shall be earmarked for subscription by Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure, provided that in the event of any non-response, our Company shall be free to offer the un-subscribed amount through book building route under private placement in domestic market. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹1,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall get reduced by such amount raised.*

The Issue has been authorized by the Board of Directors pursuant to resolution dated August 29, 2013.

The following are the key terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in "Terms of the Issue" on page 125.

The key common terms and conditions of the Bonds are as follows:

Particulars	Terms and Conditions
Security Name	See the section titled "Terms and Conditions in Connection with the Bonds" on page 123.
Issuer	Indian Renewable Energy Development Agency Limited
Type of instrument	Tax free secured redeemable non convertible bonds of face value of ₹ 1,000 each, in the nature of debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act.
Nature of instrument	Secured, redeemable and non convertible Bonds
Seniority	The claims of the Bondholders shall be superior to the claims of any unsecured creditors of our Company and subject to applicable statutory and/or regulatory requirements, rank pari passu inter se to the claims of other secured creditors of our Company having the same security.
Mode of issue	Public issue
Eligible Investors	Please refer to the section titled "*Issue Procedure- Who can apply*" on page 147
Listing	The Bonds shall be listed on the BSE and NSE within 12 Working Days from the Issue Closure Date.
Designated Stock Exchange	BSE Limited
Credit Rating of the instrument	BWR AAA (SO) [pronounced BWR Triple A (Structured Obligation)] (Outlook: Stable)" by Brickwork and "CARE AAA (SO) [Triple A (Structured Obligation)]" by CARE. These credit ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by assigning rating agencies and should be evaluated independently of any other ratings. For the rationale for these ratings, see Annexure B.
Issue size	As specified in the relevant Tranche Prospectus with aggregate issuance amount in all Tranche Prospectus taken together, not exceeding the Shelf Limit.
Option to retain over subscription	As specified in the relevant Tranche Prospectuses.
Objects of the Issue	See the section titled "Objects of the Issue" on page 49
Details of utilisation of proceeds	See the section titled "Objects of the Issue" on page 49
Coupon rate	See the section titled "Terms of the Issue – Interest" on page 130
Step up/ step down coupon rates	Not Applicable

Particulars	Terms and Conditions
Coupon payment frequency	Annual
Coupon payment dates	As specified in the relevant Tranche Prospectus(es)
Coupon type	Fixed
Coupon Reset Process	Not Applicable
Default interest rate	See the section titled "Terms of the Issue – Events of Default" on page 141
Day count basis	Actual/actual
Interest on Application Amounts	See the section titled "Terms of the Issue – Interest on Application Amounts" on page 131
Tenor	10 years, 15 years and 20 years from the Deemed Date of Allotment
Redemption Dates	For Tranche [●] Series [●], the date, falling 10 years from the Deemed Date of Allotment; for Tranche [●] Series [●], the date falling 15 years from the Deemed Date of Allotment; and for Tranche [●] Series [●], the date falling 20 years from the Deemed Date of Allotment
Redemption Amount	Repayment of the face value amount of Bonds plus any interest at the applicable coupon/ interest rate that may have accrued on the Maturity Date/Redemption Date
Redemption Premium /Discount	Not Applicable
Issue Price (in ₹)	1,000 per Bond
Face Value (in ₹)	1,000 per Bond
Minimum application size	As specified in the Tranche Prospectus for a particular Series of Bonds. The minimum number of Bonds per Application Form will be calculated on the basis of the total number of Bonds applied for under each such Application Form and not on the basis of any specific option.
Issue opening date	As specified in the Tranche Prospectus.
Issue closing date	As specified in the Tranche Prospectus. The Issue shall remain open for subscription from 10:00 a.m. till 5:00 pm (Indian Standard Time) for the period mentioned above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure is published on or before the day of such early date of closure through advertisement/s in atleast one leading national daily newspaper with wide circulation.
Pay-in date	Application Date. Full Application Amount with the Application Form, except ASBA Applications. See "Issue Procedure – Payment Instructions" on page 155
Deemed Date of Allotment	The date on which, the Board of Directors or Bond Committee approves the Allotment of Bonds for each Tranche Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified for each Tranche Issue by Tranche Prospectus(es)) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
Issuance mode of the Instrument	In dematerialised form or in physical form as specified by the Applicant in the Application Form[#]
Trading mode of the Instrument	In dematerialised form only
Settlement mode of the Instrument	Through various available modes as detailed in the section titled "Issue Procedure – Payment Instructions" on page 155
Depository	NSDL and CDSL
Working Day Convention	See the section titled "Terms of the Issue – Effect of holidays on payments" on page 133
Record Date	Date falling 15 days prior to the relevant Interest Payment Date on which interest amount or the Maturity Date/Redemption Date on which the Maturity Amount is due and payable under the relevant Tranche Prospectus. In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date
Security	The Bonds proposed to be issued are secured by a floating first pari-passu charge on present and future receivables of our Company to the extent of amount mobilized under the Issue. Our Company reserves the right to create first pari-passu charge on

Particulars	Terms and Conditions
	present and future receivables for its present and future financial requirements.
Transaction Documents	The Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es) read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other security documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Escrow Agreement, the Memorandum of Understanding with the Registrar, Consortium Agreement and the Issue Agreement with the Lead Managers.
Security Cover	Atleast 100% of the outstanding Bonds at any point of time
Conditions Precedent to Disbursement	The conditions precedent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Condition Subsequent to Disbursement	The conditions subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of Default	Please refer to the chapter titled "*Terms of the Issue - Events of Default*" on page 141
Provisions related to Cross Default Clause	Please refer to the chapter titled "*Terms of the Issue*" on page 125
Role and Responsibilities of Debenture Trustee	Please refer to the chapter titled "*Terms of the Issue - Debenture Trustee*" on page 143.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between our Company and the Bondholders will be subject to the jurisdiction of competent courts in New Delhi.
Lead Mangers	Karvy, AK Capital and RR Investors
Registrar	Link Intime India Private Limited
Debenture Trustee	SBICAP Trustee Company Limited

*# In terms of Regulation 4(2) (d) of the SEBI Debt Regulations, our Company will make the public issue of the Bonds in the dematerialized form. However, in terms of Section 8(1) of the Depositories Act, 1996 ("Depositories Act") our Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form***.**

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names appearing in the demat account are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of Bonds pursuant to the Issue.

For further details, see the section titled "Issue Procedure" on page 146.

TERMS AND CONDITIONS IN CONNECTION WITH THE BONDS

Nature of the Bonds

The Bonds being issued are in form of tax free secured redeemable non convertible bonds in the nature of debentures of face value of ₹ 1,000 each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, to be issued by Company in terms of the Draft Shelf Prospectus, the Shelf Prospectus and the respective Tranche Prospectus(es).

The terms of each Series of Bonds are set out below:

Options	Series of Bonds*		
	For Category I, II & III#		
	Tranche [●] Series [●]	Tranche [●] Series [●]	Tranche [●] Series [●]
Coupon Rate (%) p.a.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Annualised Yield (%)	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Options	For Category IV#		
	Tranche [●] Series [●]	Tranche [●] Series [●]	Tranche [●] Series [●]
Coupon Rate (%) p.a.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Annualised Yield (%)	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
For Category I, II,III & IV#			
Tenor	10 years	15 years	20 years
Redemption Date	10 years from the Deemed Date of Allotment.	15 years from the Deemed Date of Allotment.	20 years from the Deemed Date of Allotment.
Redemption Amount (₹/ Bond)	Repayment of the face value amount of Bonds plus any interest at the applicable coupon/ interest rate that may have accrued on the Maturity Date/Redemption Date	Repayment of the face value amount of Bonds plus any interest at the applicable coupon/ interest rate that may have accrued on the Maturity Date/Redemption Date	Repayment of the face value amount of Bonds plus any interest at the applicable coupon/ interest rate that may have accrued on the Maturity Date/Redemption Date
Frequency of interest payment	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Minimum Application size	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
In multiples of	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.	As specified in the Tranche Prospectus for a particular series of Bonds.
Face Value (₹/ Bond)	₹ 1,000.	₹ 1,000.	₹ 1,000.
Issue Price (₹/ Bond)	₹ 1,000.	₹ 1,000.	₹ 1,000.
Modes of interest payment	Through various available modes.**	Through various available modes.**	Through various available modes.**
Put and call option	None.	None.	None.

* *Our Company shall Allot Bonds of Tranche [●] Series [●]/Tranche[●] Series [●] (depending upon the category of Applicants) for all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of Bonds.*

** *For various modes of interest payment, see the section titled "Terms of the Issue – Modes of Payment" on page 139.*

\# *In pursuance of the CBDT Notification, and for avoidance of doubt, it is clarified that,:*

(i) The coupon rates indicated under the Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●] Bonds shall be payable only on the Bonds allotted to Category IV investors in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under Category IV.

(ii) In case the Bonds allotted under Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●]are transferred by Category IV investors to investors falling under Categories I, Category II or Category III, the coupon rate on such Bonds shall stand at par with coupon rate applicable for Tranche [●] Series [●], the Tranche [●] Series[●]and the Tranche [●] Series [●], respectively.

(iii) If the Bonds allotted under Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●]are sold/ transferred by Category IV investors to other investors falling under Category IV as on the Record Date, the coupon rates on such Bonds shall remain unchanged.

(iv) The Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●]and the Tranche [●] Series [●]shall continue to carry the specified interest rate if on the Record Date, such Bonds are held by Category IV Investors;

(v) If on any Record Date, the original Category IV Allottees/ transferee(s) hold the Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●],Tranche [●] Series [●],Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●]for an aggregate face value amount of over ₹ 10 lakhs, then the coupon rate applicable to such Category IV Allottees/transferee(s) on Bonds under Tranche [●] Series [●], Tranche [●] Series[●] and Tranche [●] Series [●] shall stand at par with coupon rates applicable for Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●], respectively;

(vi) Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●] and Tranche [●]Series [●] shall carry coupon rates indicated above until the maturity of the respective Series of Bonds irrespective of Category of holder(s) of such Bonds;

(vii) For the purpose of classification and verification of status of Category IV Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the relevant Tranche Issue shall be clubbed and taken together on the basis of PAN.

Terms of Payment

The entire face value per Bond is payable on Application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of Bonds applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of Bonds than applied for, the Company shall refund to the Applicant the excess amount paid on Application, in accordance with the terms of the respective tranche prospectus.

TERMS OF THE ISSUE

The Bonds being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, applicable regulations of the Companies Act, 2013, the Companies Act, 1956, the Income Tax Act, the CBDT Notification, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es), the Application Form, the terms and conditions of the debenture trustee agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the Bonds.

1. **Authority for the Issue**

The CBDT has, by virtue of power conferred upon it under section 10(15)(iv)(h) of the Income Tax Act, has issued the CBDT Notification authorising our Company to issue the said Bonds up to an aggregate amount of ₹ 1,000.00 crores during Fiscal 2014.

The Board, at the meeting held on August 29, 2013, approved the Issue of the tax free, secured, redeemable, non-convertible bonds in the nature of debentures, by public issue(s) and/or on private placements(s) basis in accordance with CBDT Notification for an aggregate amount up to ₹ 1,000 Crores during Fiscal 2014.

Our Company shall issue the Bonds up to an aggregate amount of ₹ 1,000 crores* through this Issue during Fiscal 2014.

* *In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also, at its discretion, raise funds through issue of Bonds on a private placement basis in one or more tranches during the process of the present Issue, for an amount not exceeding ₹ 300 crores, i.e. upto 30% of the allocated limit for raising funds through the issue of Bonds during the Fiscal 2014, wherein suitable amounts shall be earmarked for subscription by Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure, provided that in the event of any non-response, our Company shall be free to offer the un-subscribed amount through book building route under private placement in domestic market. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹ 1,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall get reduced by such amount raised.*

2. **Issue and status of Bonds**

2.1. Public issue of tax free secured, redeemable, non-convertible bonds of face value of ₹ 1,000 each in the nature of debentures, having benefits under section 10(15) (iv) (h) of the Income Tax Act, aggregating up to ₹ 1,000.00 crores* in one or more tranches in Fiscal 2014.

* *In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also, at its discretion, raise funds through issue of Bonds on a private placement basis in one or more tranches during the process of the present Issue, for an amount not exceeding ₹ 300 crores, i.e. upto 30% of the allocated limit for raising funds through the issue of Bonds during the Fiscal 2014, wherein suitable amounts shall be earmarked for subscription by Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure, provided that in the event of any non-response, our Company shall be free to offer the un-subscribed amount through book building route under private placement in domestic market.. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹ 1,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall get reduced by such amount raised.*

2.2. The Bonds shall be secured pursuant to a Debenture Trust Deed and underlying security documents. The Bondholders are entitled to the benefit of the Debenture Trust Deed and are bound by and are deemed to have notice of all the provisions of the Debenture Trust Deed.

2.3. The Bonds are proposed to be secured by a floating first pari-passu charge on present and future

receivables of our Company to the extent of amount mobilized under the Issue. Our Company reserves the right to create first pari-passu charge on present and future receivables for its present and future financial requirements.

2.4. The claims of the Bond holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

3. **Form, face value, title and listing etc.**

3.1.1. **Form of Allotment**

The Allotment of the Bonds shall be in a dematerialized form or in physical form as specified by the Applicant in the Application Form. Our Company has made depository arrangements with CDSL and NSDL for the issuance of the Bonds in dematerialized form, pursuant to the tripartite agreement dated April 29, 2009 among our Company, the Registrar and CDSL and the tripartite agreement dated June 7, 2002 among our Company, the Registrar and NSDL (collectively **"Tripartite Agreements"**).

Our Company shall take necessary steps to credit the Depository Participant account of the Applicants with the number of Bonds allotted in dematerialized form. The Bondholders holding the Bonds in dematerialised form shall deal with the Bonds in accordance with the provisions of the Depositories Act, and/or rules as notified by the Depositories from time to time.

3.1.2. The Bondholders may rematerialize the Bonds issued in dematerialised form, at any time after Allotment, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

3.1.3. In case of Bonds held in physical form, whether on Allotment or on rematerialization of Bonds allotted in dematerialised form, our Company will issue one certificate for each Series of Bonds to the Bondholder for the aggregate amount of the Bonds that are held by such Bondholder (each such certificate, a "**Consolidated Bond Certificate**"). In respect of the Consolidated Bond Certificate(s), our Company will, on receipt of a request from the Bondholder within 30 Working Days of such request, split such Consolidated Bond Certificate(s) into smaller denominations in accordance with the applicable regulations/rules/act, subject to a minimum denomination of one Bond. No fees will be charged for splitting any Consolidated Bond Certificate(s) and any stamp duty, if payable, will be paid by the Bondholder. The request to split a Consolidated Bond Certificate shall be accompanied by the original Consolidated Bond Certificate(s) which will, on issuance of the split Consolidated Bond Certificate(s), be cancelled by our Company.

3.1.4. **Manner of allotment**

3.1.4.1 Allotment of the Bonds will be in physical or in dematerialised form as specified by the Applicant in the Application Form, our Company will take requisite steps to credit the demat accounts of all Bondholders who have applied for the Bonds in dematerialised form within 12 Working Days from the Issue Closure Date.

3.1.4.2 Our Company will also issue Letters of Allotment to all Bondholders who have applied for the Bonds in physical form within 12 Working Days from the Issue Closure Date. Subsequent to the payment of the consolidated stamp duty on the Bonds, and upon the issuance of the order from the Collector evidencing the payment of such consolidated stamp duty, our Company and the Registrar shall dispatch Consolidated Bond Certificates to all Bondholders holding Letters of Allotment (in terms of the Register of Bondholders as maintained by the Registrar), no later than three months from the date of Allotment (in accordance with section 113 of the Companies Act, 1956). Upon receipt by Bondholders of such Consolidated Bond Certificates as dispatched by the Registrar and our Company, the Letters of Allotment shall stand cancelled without any further action. Prospective Bondholders should note that once Consolidated Bond Certificates have been duly dispatched to all Bondholders who had applied for

Bonds in physical form, our Company shall stand discharged of any liabilities arising out of any fraudulent transfer of the Bonds purported to be effected through Letters of Allotment.

3.2. **Face Value**

The face value of each Bond is ₹ 1,000.

3.3. **Title**

3.3.1 In case of:

i) the Bond held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and

ii) the Bond held in physical form, the person for the time being appearing in the Register of Bondholders (as defined below) as Bondholder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such persons the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated Bond Certificate issued in respect of the Bonds and no person will be liable for so treating the Bondholder.

3.3.2 No transfer of title of a Bond will be valid unless and until entered on the Register of Bondholders or the register of beneficial owners, maintained by the Depositories and/or our Company or the Registrar to the Issue prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Bondholders maintained by the Depositories and /or our Company and/or the Registrar to the Issue, as the case may be. In such cases, claims, if any, by the purchasers of the Bonds will need to be settled with the seller of the Bonds and not with our Company or the Registrar to the Issue.

3.4. **Listing**

The Bonds will be listed on the Stock Exchanges i.e. BSE and NSE.

3.5. **Market Lot**

Allotment of the Bonds will be in physical or in dematerialised form as specified by the Applicant in the Application Form. In terms of the SEBI Debt Regulations, the trading of the Bonds shall be in dematerialised form only. Since, the trading of Bonds is in dematerialized form, the tradable lot for the Bonds is one Bond ("**Market Lot**").

3.6. **Procedure for rematerialisation of Bonds**

Bondholders who wish to hold the Bonds in physical form, after having opted for Allotment in dematerialised form may do so by submitting a request to their Depository Participant, in accordance with the applicable procedure stipulated by the Depository Participant.

3.7. **Procedure for dematerialisation of Bonds**

Bondholders who have been allotted Bonds in physical form and wish to hold the Bonds in dematerialized form may do so by submitting his or her request to his or her Depository Participant in accordance with the applicable procedure stipulated by the Depository Participant.

4. Transfer of the Bonds, issue of Consolidated Bond Certificates, etc.

4.1. Register of Bondholders

Our Company shall maintain at its registered office or such other place, as permitted by section 152A of the Companies Act, 1956 a register of Bondholders containing such particulars of the legal owners of the Bonds. Further, the register of beneficial owners maintained by Depositories for any Bond in dematerialised form under Section 11 of the Depositories Act shall also be deemed to be a register of Bondholders for this purpose.

4.2. Transfers

4.2.1 *Transfer of Bonds held in dematerialised form:*

In respect of Bonds held in the dematerialised form, transfers of the Bonds may be effected, only through the Depositories where such Bonds are held, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time. The Bondholder shall give delivery instructions containing details of the prospective purchaser's Depository Participant's account to his Depository Participant. If a prospective purchaser does not have a Depository Participant account, the Bondholder may rematerialize his or her Bonds and transfer them in a manner as specified in 4.2.2 below.

4.2.2 *Transfer of Bonds in physical form:*

The Bonds may be transferred in a manner as may be prescribed by our Company for the registration of transfer of Bonds. Purchasers of Bonds are advised to send the Consolidated Bond Certificate to our Company or to such persons as may be notified by our Company from time to time. If a purchaser of the Bonds in physical form intends to hold the Bonds in dematerialised form, the Bonds may be dematerialized by the purchaser through his or her Depository Participant in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

The payment of stamp duty on transfer of Bonds as well as the execution of instrument of transfer as required under Section 108 of the Companies Act, 1956 has been exempted by Government of India's Notification No. GSR 1294(E) dated December 17, 1986. Our Company will register the transfer of Bonds, provided the Bond Certificate with the details of name, address, occupation, if any, and signature of the transferee on the reverse of the Bond Certificate is delivered to the address of the Registrar mentioned herein, by registered post or by hand delivery. No stamp duty is payable under the said notification on such transfers. Our Company shall on being satisfied and subject to the provisions of the Articles of Association register the transfer of such Bonds in its books.

The Investor(s) should ensure that the transfer formalities are completed prior to the Record Date, failing which the interest and/or Maturity Amount for the Bonds shall be paid to the person whose name appears in the Register of Bondholders maintained by the Depositories. In such cases, any claims shall be settled inter se between the parties and no claim or action shall be brought against our Company or the Lead Managers or the Registrar to the Issue.

4.3. Formalities free of charge

Registration of a transfer of Bonds and issuance of new Consolidated Bond Certificates will be effected without charge by or on behalf of our Company, but on payment (or the giving of such indemnity as our Company may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, and our Company being satisfied that the requirements concerning transfers of Bonds, have been complied with.

4.4 **Debenture Redemption Reserve ("DRR")**

Pursuant to Regulation 16 of the SEBI Debt Regulations and section 117C of the Companies Act, 1956, any company that intends to issue debentures needs to create a DRR to which adequate amounts shall be credited out of the profits of our Company until the redemption of the debentures. Further, the MCA has, through its circular dated February 11, 2013, specified that public financial institutions shall create a DRR to the extent of 25% of the value of the debentures issued through public issue. Accordingly, our Company shall create DRR of 25% of the value of Bonds issued and allotted in terms of the Tranche Prospectus(es), or such a percentage as may be required under the applicable law as amended from time to time, for the redemption of the Bonds. Our Company shall credit adequate amounts to the DRR from its profits every year until the Bonds are redeemed. The amounts credited to the DRR shall not be utilized by our Company for any purpose other than for the redemption of the Bonds.

5. **Application Amount**

The Bonds are being issued at par and full amount of face value per Bond is payable on application. In case of ASBA Applicants, the full amount of face value of Bonds applied for will be blocked in the relevant ASBA Account maintained with the SCSB. Eligible Applicants can apply for any amount of the Bonds subject to a minimum application size, as specified in the Tranche Prospectus(es) across any of the Series(s) or a combination thereof. The Applicants will be allotted the Bonds in accordance with the Basis of Allotment.

6. **Deemed Date of Allotment**

The date on which, the Board of Directors or Bond Committee approves the Allotment of Bonds for each Tranche Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified for each Tranche Issue by Tranche Prospectus(es)) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.

7. **Subscription**

7.1. **Period of Subscription**

The Issue shall remain open for the period mentioned below:

Issue Opens on	As specified in the Tranche Prospectus
Issue Closes on	As specified in the Tranche Prospectus

The Issue shall remain open for subscription from 10 a.m. to 5p.m. (Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before such early date of closure or the Tranche Issue Closing Date, as applicable, through advertisement(s) in atleast one leading national daily newspaper with wide circulation. For further details please refer to "***General Information – Issue Programme***" on page 45.

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges during the Issue Period mentioned above, on all Working Days, i.e., between Monday and Friday, both inclusive, barring public holidays: (i) by the Syndicate Members or Trading Members of the Stock Exchange(s), as the case may be, at the centres mentioned in the Application Form through the non-ASBA mode, or (ii) in case of ASBA Applications, (a) directly by Designated Branches of SCSBs or (b) by the centres of the Syndicate Members or Trading Members of the

Stock Exchange(s), as the case may be, only at the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) ("**Specified Cities**"), except that on the Tranche Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m (Indian Standard Time) or such extended time as may be permitted by the Stock exchanges (after taking into account the total number of Applications received up to the closure of timings for acceptance of Application Forms as stated herein). Applicants may also make their Applications through Direct Online Applications using the online payment facility offered through the Stock Exchange(s) during the Issue Period, subject to such online payment facility being made available by the Stock Exchange(s) prior to the date of filing of the respective Tranche Prospectus(es) by our Company with RoC.

Due to limitation of time available for uploading Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue.

Neither our Company, nor the Syndicate Members or Trading Members of the Stock Exchanges shall be liable for any failure in uploading Applications due to failure in any software/hardware system or otherwise.

7.2. Underwriting

The Issue is not underwritten

7.3. Minimum Subscription

Under the SEBI Debt Regulations, our Company may stipulate a minimum subscription amount which it seeks to raise. Our Company has decided to set no minimum subscription for the Issue.

8. Interest

8.1. Interest

For Bondholders falling under Category I, II and III, the Bonds under Tranche [●] Series [●], the Tranche [●] Series [●] and the Tranche [●] Series [●] shall carry interest at the coupon rate of [●]% p.a., [●]% p.a. and [●]% p.a., respectively, payable annually from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. The effective yield to Category I, II and III Bondholders would be [●]% p.a., [●]% p.a. and [●]% p.a. for the Bonds under Tranche [●] Series [●], Tranche [●] Series [●] and Tranche [●] Series [●] respectively.

For Bondholders falling under Category IV, the Bonds under Tranche [●] Series [●], the Tranche [●] Series [●] and the Tranche [●] Series [●] shall carry interest at the coupon rate of [●]% p.a., [●]% p.a. and [●]% p.a., respectively, payable annually from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. The effective yield to Category IV Bondholders would be [●]% p.a., [●]% p.a. and [●]% p.a. for the Bonds under Tranche [●] Series [●], Tranche [●] Series [●] and Tranche [●] Series [●] respectively.

The coupon rates indicated under the Tranche [●] Series [●] Bonds, the Tranche [●] Series [●] Bonds and the Tranche [●] Series [●] Bonds shall be payable only on the Bonds allotted to Category IV investors in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under Category IV.

In case the Bonds allotted under the Tranche [●] Series [●] Bonds, the Tranche [●] Series [●] Bonds and the Tranche [●] Series [●] Bonds are transferred by Category IV investors to investors from falling under Categories I, Category II and or Category III, the coupon rate on such Bonds shall stand at par with coupon rate applicable on the for Tranche [●] Series [●] Bonds, the Tranche [●] Series [●] Bonds and the Tranche [●] Series [●] Bonds, respectively.

If the Bonds allotted under Tranche [●] Series [●], the Tranche [●] Series [●]and the Tranche [●] Series [●] are sold/ transferred by Category IV investors to other investors falling under Category IV as on the Record Date, the coupon rates on such Bonds shall remain unchanged.

The Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●] and the Tranche [●] Series [●] shall continue to carry the specified coupon rate if on the Record Date, such Bonds are held by Category IV Investors;

If on any Record Date, the original Category IV Allottees/ transferee(s) hold the Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●],Tranche [●] Series [●],Tranche [●] Series [●], the Tranche [●] Series [●] and the Tranche [●] Series [●] for an aggregate face value amount of over ₹ 10 lakhs, then the coupon rate applicable to such Category IV Allottees/transferee(s) on Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●] and Tranche [●] Series [●] shall stand at par with coupon rates applicable on the for Tranche [●] Series [●], the Tranche [●] Series [●] and the Tranche [●] Series [●], respectively;

Bonds allotted under Tranche [●] Series [●], Tranche [●] Series [●] and Tranche [●] Series [●] shall carry coupon rates indicated above until the maturity of the respective Series of Bonds irrespective of Category of holder(s) of such Bonds;

For the purpose of classification and verification of status of Category IV Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the relevant Tranche Issue shall be clubbed and taken together on the basis of PAN.

8.2. **Day count convention**

Interest on the Bonds shall be computed on an actual/ actual basis for the broken period, if any. Consequently, interest shall be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. However, where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.

8.3. **Interest on Application Amounts**

8.3.1. **Interest on application monies received which are used towards allotment of Bonds**

Our Company shall pay interest on Application Amounts against which Bonds are Allotted to Applicants (except for ASBA Applicants) pursuant to the Issue, subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, from the date of realization of the Application Amount through cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment, at the rate as specified in the Tranche Prospectus. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts against which Bonds are Allotted from three Working Days from the date of upload of each Application on the electronic bidding platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment, at the aforementioned rate.

A tax deduction certificate will be issued for the amount of income tax so deducted.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the applicants. Alternatively, interest warrants will be dispatched along with the Letter(s) of Allotment at the sole risk of the applicant, to the sole/first applicant.

8.3.2. **Interest on application monies received which are liable to be refunded**

Our Company shall pay interest on Application Amounts which is liable to be refunded to the Applicants (other than Application Amounts received after the Issue Closure Date, and ASBA Applicants) pursuant to the Issue, subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, from the date of realization of the Application Amount through cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment, at the rate as specified in the Tranche Prospectus. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts which is liable to be refunded to the Applicants from three Days from the date of upload of each Application on the electronic bidding platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment, at the aforementioned rate. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched/credited (in case of electronic payment) along with the letter(s) of refund at the sole risk of the Applicant, to the sole/first Applicant.

A tax deduction certificate will be issued for the amount of income tax so deducted.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid Applications or Applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant. See the section titled "***Issue Procedure - Rejection of Applications***" on page 168.

9. **Redemption**

9.1. The face value of the Bonds will be redeemed at par, on the respective Maturity Dates of each of the Bond Series.

9.2. **Procedure for Redemption by Bondholders**

The procedure for redemption is set out below:

9.2.1. ***Bonds held in electronic form:***

No action is required on the part of Bondholders at the time of maturity of the Bonds.

9.2.2. ***Bonds held in physical form:***

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by our Company on the Record Date fixed for the purpose of redemption. However, our Company may require the Bond Certificate(s), duly discharged by the sole holder or all the joint-holders (signed on the reverse of the Consolidated Bond Certificate(s)) to be surrendered for redemption on Maturity Date and sent by the Bondholders by registered post with acknowledgment due or by hand delivery to the Registrar to the Issue or our Company or to such persons at such addresses as may be notified by our Company from time to time. Bondholders may be requested to surrender the Bond Certificate(s) in the manner stated above, not more than three months and not less than one month prior to the Maturity Date so as to facilitate timely payment. Our Company shall stand discharged of any liabilities arising out of any fraudulent transfer of the Bonds or non-registration of transfer of Bonds with our Company.

10. **Payments**

10.1. **Payment of Interest on Bonds**

Payment of interest on the Bonds will be made to those Bondholders whose name appears first in the Register of Bondholders maintained by the Depositories and/or our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date.

10.2. **Record Date**

The record date for the payment of interest or the Maturity Amount shall be the date falling 15 days prior to the relevant Interest Payment Date on which interest amount or the Maturity Date/Redemption Date on which the Maturity Amount is due and payable under the relevant Tranche Prospectus. In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date in case of redemption of Bonds, the trading in the Bonds shall remain suspended between the record date and the date of redemption.

10.3. **Effect of holidays on payments**

If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon/Interest Payment Date. If the Redemption Date/Maturity Date (also being the last Coupon/Interest Payment Date) of any Series of the Bonds falls on a day that is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the Bonds until but excluding the date of such payment.

Illustration of cash-flows: To demonstrate the day count convention, please see the following table below, which describes the cash-flow in terms of interest payment and payment of Redemption Amount per Bond for all Categories of Bondholders.

Company Name	Indian Renewable Energy Development Agency Limited
Face Value	₹ 1,000
Issue Date/Date of Allotment	[●]
Redemption	120, 180 and 240 months from [●]
Coupon Rate	[●]
Frequency of the Interest payment with specified dates	Annual starting from [●]
Day Count Convention	Actual/Actual

Series	Cash flow	Date of Interest/redemption date	No of days in Coupon/maturity period	Amount (₹)
Category I				
Tranche [●] Series [●] Bonds	First Coupon	**[●]**	**[●]**	**[●]**
	Second Coupon	**[●]**	**[●]**	**[●]**
	Third Coupon	**[●]**	**[●]**	**[●]**
	Fourth Coupon	**[●]**	**[●]**	**[●]**
	Fifth Coupon	**[●]**	**[●]**	**[●]**
	Sixth Coupon	**[●]**	**[●]**	**[●]**
	Seventh Coupon	**[●]**	**[●]**	**[●]**
	Eighth Coupon	**[●]**	**[●]**	**[●]**

Series	Cash flow	Date of Interest/redemption date	No of days in Coupon/maturity period	Amount (₹)
	Ninth Coupon	[●]	[●]	[●]
	Tenth Coupon	[●]	[●]	[●]
Tranche [●] Series [●] Bonds	First Coupon	[●]	[●]	[●]
	Second Coupon	[●]	[●]	[●]
	Third Coupon	[●]	[●]	[●]
	Fourth Coupon	[●]	[●]	[●]
	Fifth Coupon	[●]	[●]	[●]
	Sixth Coupon	[●]	[●]	[●]
	Seventh Coupon	[●]	[●]	[●]
	Eighth Coupon	[●]	[●]	[●]
	Ninth Coupon	[●]	[●]	[●]
	Tenth Coupon	[●]	[●]	[●]
	Eleventh Coupon	[●]	[●]	[●]
	Twelfth Coupon	[●]	[●]	[●]
	Thirteenth Coupon	[●]	[●]	[●]
	Fourteenth Coupon	[●]	[●]	[●]
	Maturity	[●]	[●]	[●]
Tranche [●] Series [●] Bonds	First Coupon	[●]	[●]	[●]
	Second Coupon	[●]	[●]	[●]
	Third Coupon	[●]	[●]	[●]
	Fourth Coupon	[●]	[●]	[●]
	Fifth Coupon	[●]	[●]	[●]
	Sixth Coupon	[●]	[●]	[●]
	Seventh Coupon	[●]	[●]	[●]
	Eighth Coupon	[●]	[●]	[●]
	Ninth Coupon	[●]	[●]	[●]
	Tenth Coupon	[●]	[●]	[●]
	Eleventh Coupon	[●]	[●]	[●]
	Twelfth Coupon	[●]	[●]	[●]
	Thirteenth Coupon	[●]	[●]	[●]
	Fourteenth Coupon	[●]	[●]	[●]
	Fifteenth Coupon	[●]	[●]	[●]
	Sixteenth Coupon	[●]	[●]	[●]
	Seventeenth Coupon	[●]	[●]	[●]
	Eighteenth Coupon	[●]	[●]	[●]

Series	Cash flow	Date of Interest/redemption date	No of days in Coupon/maturity period	Amount (₹)
	Nineteenth Coupon	**[●]**	**[●]**	**[●]**
	Maturity Coupon	**[●]**	**[●]**	**[●]**
Category II				
Tranche [●] Series [●] Bonds	First Coupon	**[●]**	**[●]**	**[●]**
	Second Coupon	**[●]**	**[●]**	**[●]**
	Third Coupon	**[●]**	**[●]**	**[●]**
	Fourth Coupon	**[●]**	**[●]**	**[●]**
	Fifth Coupon	**[●]**	**[●]**	**[●]**
	Sixth Coupon	**[●]**	**[●]**	**[●]**
	Seventh Coupon	**[●]**	**[●]**	**[●]**
	Eighth Coupon	**[●]**	**[●]**	**[●]**
	Ninth Coupon	**[●]**	**[●]**	**[●]**
	Tenth Coupon	**[●]**	**[●]**	**[●]**
Tranche [●] Series [●] Bonds	First Coupon	**[●]**	**[●]**	**[●]**
	Second Coupon	**[●]**	**[●]**	**[●]**
	Third Coupon	**[●]**	**[●]**	**[●]**
	Fourth Coupon	**[●]**	**[●]**	**[●]**
	Fifth Coupon	**[●]**	**[●]**	**[●]**
	Sixth Coupon	**[●]**	**[●]**	**[●]**
	Seventh Coupon	**[●]**	**[●]**	**[●]**
	Eighth Coupon	**[●]**	**[●]**	**[●]**
	Ninth Coupon	**[●]**	**[●]**	**[●]**
	Tenth Coupon	**[●]**	**[●]**	**[●]**
	Eleventh Coupon	**[●]**	**[●]**	**[●]**
	Twelfth Coupon	**[●]**	**[●]**	**[●]**
	Thirteenth Coupon	**[●]**	**[●]**	**[●]**
	Fourteenth Coupon	**[●]**	**[●]**	**[●]**
	Maturity	**[●]**	**[●]**	**[●]**
Tranche [●] Series [●] Bonds	First Coupon	**[●]**	**[●]**	**[●]**
	Second Coupon	**[●]**	**[●]**	**[●]**
	Third Coupon	**[●]**	**[●]**	**[●]**
	Fourth Coupon	**[●]**	**[●]**	**[●]**
	Fifth Coupon	**[●]**	**[●]**	**[●]**
	Sixth Coupon	**[●]**	**[●]**	**[●]**
	Seventh Coupon	**[●]**	**[●]**	**[●]**
	Eighth Coupon	**[●]**	**[●]**	**[●]**
	Ninth Coupon	**[●]**	**[●]**	**[●]**
	Tenth Coupon	**[●]**	**[●]**	**[●]**
	Eleventh	**[●]**	**[●]**	**[●]**

Series	Cash flow	Date of Interest/redemption date	No of days in Coupon/maturity period	Amount (₹)
	Coupon			
	Twelfth Coupon	[●]	[●]	[●]
	Thirteenth Coupon	[●]	[●]	[●]
	Fourteenth Coupon	[●]	[●]	[●]
	Fifteenth Coupon	[●]	[●]	[●]
	Sixteenth Coupon	[●]	[●]	[●]
	Seventeenth Coupon	[●]	[●]	[●]
	Eighteenth Coupon	[●]	[●]	[●]
	Nineteenth Coupon	[●]	[●]	[●]
	Maturity Coupon	[●]	[●]	[●]
Category III				
	First Coupon	[●]	[●]	[●]
	Second Coupon	[●]	[●]	[●]
	Third Coupon	[●]	[●]	[●]
	Fourth Coupon	[●]	[●]	[●]
	Fifth Coupon	[●]	[●]	[●]
	Sixth Coupon	[●]	[●]	[●]
	Seventh Coupon	[●]	[●]	[●]
	Eighth Coupon	[●]	[●]	[●]
	Ninth Coupon	[●]	[●]	[●]
	Tenth Coupon	[●]	[●]	[●]
	First Coupon	[●]	[●]	[●]
	Second Coupon	[●]	[●]	[●]
	Third Coupon	[●]	[●]	[●]
	Fourth Coupon	[●]	[●]	[●]
	Fifth Coupon	[●]	[●]	[●]
	Sixth Coupon	[●]	[●]	[●]
	Seventh Coupon	[●]	[●]	[●]
	Eighth Coupon	[●]	[●]	[●]
	Ninth Coupon	[●]	[●]	[●]
	Tenth Coupon	[●]	[●]	[●]
	Eleventh Coupon	[●]	[●]	[●]
	Twelfth Coupon	[●]	[●]	[●]
	Thirteenth Coupon	[●]	[●]	[●]
	Fourteenth	[●]	[●]	[●]

Series	Cash flow	Date of Interest/redemption date	No of days in Coupon/maturity period	Amount (₹)
	Coupon			
	Maturity	[●]	[●]	[●]
	First Coupon	[●]	[●]	[●]
	Second Coupon	[●]	[●]	[●]
	Third Coupon	[●]	[●]	[●]
	Fourth Coupon	[●]	[●]	[●]
	Fifth Coupon	[●]	[●]	[●]
	Sixth Coupon	[●]	[●]	[●]
	Seventh Coupon	[●]	[●]	[●]
	Eighth Coupon	[●]	[●]	[●]
	Ninth Coupon	[●]	[●]	[●]
	Tenth Coupon	[●]	[●]	[●]
	Eleventh Coupon	[●]	[●]	[●]
	Twelfth Coupon	[●]	[●]	[●]
	Thirteenth Coupon	[●]	[●]	[●]
	Fourteenth Coupon	[●]	[●]	[●]
	Fifteenth Coupon	[●]	[●]	[●]
	Sixteenth Coupon	[●]	[●]	[●]
	Seventeenth Coupon	[●]	[●]	[●]
	Eighteenth Coupon	[●]	[●]	[●]
	Nineteenth Coupon	[●]	[●]	[●]
	Maturity Coupon	[●]	[●]	[●]
Category IV				
	First Coupon	[●]	[●]	[●]
	Second Coupon	[●]	[●]	[●]
	Third Coupon	[●]	[●]	[●]
	Fourth Coupon	[●]	[●]	[●]
	Fifth Coupon	[●]	[●]	[●]
	Sixth Coupon	[●]	[●]	[●]
	Seventh Coupon	[●]	[●]	[●]
	Eighth Coupon	[●]	[●]	[●]
	Ninth Coupon	[●]	[●]	[●]
	Tenth Coupon	[●]	[●]	[●]
	First Coupon	[●]	[●]	[●]
	Second Coupon	[●]	[●]	[●]
	Third Coupon	[●]	[●]	[●]

Series	Cash flow	Date of Interest/redemption date	No of days in Coupon/maturity period	Amount (₹)
	Fourth Coupon	[●]	[●]	[●]
	Fifth Coupon	[●]	[●]	[●]
	Sixth Coupon	[●]	[●]	[●]
	Seventh Coupon	[●]	[●]	[●]
	Eighth Coupon	[●]	[●]	[●]
	Ninth Coupon	[●]	[●]	[●]
	Tenth Coupon	[●]	[●]	[●]
	Eleventh Coupon	[●]	[●]	[●]
	Twelfth Coupon	[●]	[●]	[●]
	Thirteenth Coupon	[●]	[●]	[●]
	Fourteenth Coupon	[●]	[●]	[●]
	Maturity	[●]	[●]	[●]
	First Coupon	[●]	[●]	[●]
	Second Coupon	[●]	[●]	[●]
	Third Coupon	[●]	[●]	[●]
	Fourth Coupon	[●]	[●]	[●]
	Fifth Coupon	[●]	[●]	[●]
	Sixth Coupon	[●]	[●]	[●]
	Seventh Coupon	[●]	[●]	[●]
	Eighth Coupon	[●]	[●]	[●]
	Ninth Coupon	[●]	[●]	[●]
	Tenth Coupon	[●]	[●]	[●]
	Eleventh Coupon	[●]	[●]	[●]
	Twelfth Coupon	[●]	[●]	[●]
	Thirteenth Coupon	[●]	[●]	[●]
	Fourteenth Coupon	[●]	[●]	[●]
	Fifteenth Coupon	[●]	[●]	[●]
	Sixteenth Coupon	[●]	[●]	[●]
	Seventeenth Coupon	[●]	[●]	[●]
	Eighteenth Coupon	[●]	[●]	[●]
	Nineteenth Coupon	[●]	[●]	[●]
	Maturity Coupon	[●]	[●]	[●]

Working Day Convention:

All days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881

10.4. Whilst our Company will use the electronic mode for making payments, where facilities for electronic mode of payments are not available to the Bondholder or where the information provided by the Applicant is insufficient or incomplete, our Company proposes to use other modes of payment to make payments to the Bondholders, including through the dispatch of cheques through courier, or registered post to the address provided by the Bondholder and appearing in the Register of Bondholders maintained by the Depositories and/or our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date. Our Company shall pay interest as specified in the Tranche Prospectus, over and above the coupon rate of the relevant Bonds, in the event that such payments are delayed beyond a period of eight days after our Company becomes liable to pay such amounts (except if such delays are on account of delay in postal channels of the country).

10.5. Our Company's liability to the Bondholders including for payment or otherwise shall stand extinguished from the Maturity Date or on dispatch of the amounts paid by way of principal and/or interest to the Bondholders. Further, our Company will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.

11. **Manner and Mode of Payment**

11.1. **Manner of Payment:**

All payments to be made by our Company to the Bondholders shall be made in any of the following manners:

11.1.1. ***For Bonds applied or held in electronic form:***

The bank details will be obtained from the Depositories for payments. Investors who have applied or who are holding the Bond in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of the payments to investors at their sole risk and neither the Syndicate Members, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s), SCSBs, Registrar to the Issue, Stock Exchanges nor our Company shall have any responsibility and undertake any liability for such delays on part of the investors.

11.1.2. ***For Bonds held in physical form***

The bank details will be obtained from the Registrar to the Issue for effecting payments.

11.2. **Modes of Payment**

The mode of interest/ refund (except for refunds to ASBA Applicants)/ redemption payments shall be undertaken in the following order of preference:

11.2.1. ***Direct Credit***

Applicants having bank accounts with the Refund Banks, as per Demographic Details received from the Depositories, will be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Banks for the same would be borne by our Company.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

11.2.2. ***NECS***

Through NECS for Applicants having an account at any of the centres notified by the RBI. This mode of payment will be subject to availability of complete bank account details including the Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf, from the Depositories.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

11.2.3. ***Real Time Gross Settlement ("RTGS")***

Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2,00,000 (Rupees Two Lakh only), have the option to receive refund through Real Time Gross Settlement ("**RTGS**") provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the applicant's bank receiving the credit would be borne by the Applicant.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

11.2.4. ***National Electronic Fund Transfer ("NEFT")***

Payment of refund shall be undertaken through NEFT wherever the Applicants' bank branch is NEFT enabled and has been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Applicants have registered their MICR number and their bank account number while opening and operating the beneficiary account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrar to the Issue. In the event NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed in this section.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

11.2.5. ***Cheques or demand drafts***

By cheques or demand drafts made in the name of the Bondholders whose names appear in the Register of Bondholders as maintained by our Company and/or as provided by the Depositories. All cheques or demand drafts as the case may be, shall be sent by registered/speed post/courier at the Bondholder's sole risk.

11.3. **Printing of bank particulars**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be provided for printing on the orders/warrants. Applications without these details are liable to be rejected. However, in relation to Applications for dematerialised Bonds, these particulars will be taken directly from the Depositories. In case of Bonds held in physical

form either on account of rematerialisation or transfer, the Bondholders are advised to submit their bank account details with the Registrar to the Issue before the Record Date, failing which the amounts will be dispatched to the postal address of the Bondholders. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

12. **Special Tax Benefits**

For the details of tax benefits, see the section titled "***Statement of Tax Benefits***" on page 51.

13. **Taxation**

The Bonds are tax free in nature and the interest on the Bonds will not form part of the total income. For further details, see the section titled "***Statement of Tax Benefits***" on page 51.

14. **Security**

The Bonds proposed to be issued are secured by a floating first pari-passu charge on present and future receivables of our Company to the extent of amount mobilized under the Issue. Our Company reserves the right to create first pari-passu charge on present and future receivables for its present and future financial requirements.

15**. Events of default**

15.1. The Debenture Trustee at its discretion may, or if so requested in writing by the holders of not less than 75% in principal amount of the Bonds then outstanding or if so directed by a Special Resolution shall (subject to being indemnified and/or secured by the Bondholders to its satisfaction), give notice to our Company specifying that the Bonds and/or any particular Series of Bonds, in whole but not in part are and have become due and repayable at the early redemption amount on such date as may be specified in such notice, among other things, if any of the events listed in 15.2 below occur.

15.2. The complete list of events of default shall be as specified in the Debenture Trust Deed.

15.3. The early redemption amount payable on the occurrence of an event of default shall be as detailed in the Debenture Trust Deed.

15.4. If an event of default occurs which is continuing, the Debenture Trustee may with the consent of the Bondholders, obtained in accordance with the provisions of the Debenture Trust Deed, and with a prior written notice to our Company, take action in terms of the Debenture Trust Deed.

15.5. In case of default in the redemption of Bonds, in addition to the payment of interest and all other monies payable hereunder on the respective due dates, our Company shall also pay interest on the defaulted amounts.

16. **Bondholders' rights, nomination, etc.**

16.1. **Rights of Bondholders**

Some of the significant rights available to the Bondholders are as follows:

a) The Bonds shall not, except as provided in the Companies Act, 1956, confer on Bondholders any rights or privileges available to members of our Company including the right to receive notices or annual reports of, or to attend and / or vote, at the Company's general meeting(s). However, if any resolution affecting the rights of the Bondholders is to be placed before the shareholders, such resolution will first be placed before the concerned registered Bondholders for their consideration. In terms of Section 219(2) of the Companies Act, 1956, Bondholders shall be entitled to a copy of

the balance sheet and of every document required by law to be annexed or attached thereto, including the profit and loss account and the auditors' report, on a specific request made to our Company.

b) The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with the consent in writing of the Bondholders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a special resolution passed at a meeting of the concerned Bondholders. However, in the event that such consent or special resolution pertains to modify or vary the terms and conditions governing the Bonds, such consent or resolution shall not be operative against our Company in the event that such consent or resolution is not acceptable to our Company.

c) The registered Bondholder or in case of joint-holders, the person whose name stands first in the Register of Bondholders shall be entitled to vote in respect of such Bonds, either by being present in person or, where proxies are permitted, by proxy, at any meeting of the concerned Bondholders summoned for such purpose and every such Bondholder shall be entitled to one vote on a show of hands and on a poll, his or her voting rights shall be in proportion to the outstanding nominal value of Bonds held by him or her on every resolution placed before such meeting of the Bondholders.

d) Bonds may be rolled over with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a Special Resolution passed at a meeting of the concerned Bondholders after providing at least 21 days prior notice for such roll-over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Bonds of all the Bondholders, who have not given their positive consent to the roll-over.

The above rights of Bondholders are merely indicative. The final rights of the Bondholders will be as per the terms of the Draft Shelf Prospectus, Shelf Prospectus, respective Tranche Prospectus(es) and Debenture Trust Deed to be executed by our Company with the Debenture Trustee.

Special Resolution for the purpose of this section is a resolution passed at a meeting of Bondholders of at least three-fourths of the outstanding amount of the Bonds, present and voting.

16.2. **Succession**

Where Bonds are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Bondholder(s) in accordance with the applicable laws. It will be sufficient for our Company to delete the name of the deceased Bondholder after obtaining satisfactory evidence of his death, provided that a third person may call on our Company to register his name as successor of the deceased Bondholder after obtaining evidence such as probate of a will for the purpose of proving his title to the Bonds. In the event of demise of the sole or first holder of the Bonds, our Company will recognize the executors or administrator of the deceased Bondholders, or the holder of the succession certificate or other legal representative as having title to the Bonds only if such executor or administrator obtains and produces probate of will or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The Board of Directors of our Company in their absolute discretion may, in any case, dispense with production of probate of will or letter of administration or succession certificate or other legal representation.

16.3. **Nomination Facility to Bondholder**

16.3.1. The sole Bondholder or first Bondholder, along with other joint Bondholders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Bond. A person, being a nominee, becoming entitled to the Bond by reason of the death of the Bondholders, shall be entitled to the same rights to which he will be entitled if he were the registered holder of the Bond. Where the nominee is a

minor, the Bondholders may make a nomination to appoint any person to become entitled to the Bond(s), in the event of his death, during the minority. A nomination shall stand rescinded on sale of a Bond by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the Bondholders. Fresh nominations can be made only in the prescribed form available on request at our Company's administrative office or at such other addresses as may be notified by our Company.

16.3.2. The Bondholders are advised to provide the specimen signature of the nominee to our Company to expedite the transmission of the Bond(s) to the nominee in the event of demise of the Bondholders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

16.3.3. Any person who becomes a nominee under any applicable laws shall on the production of such evidence as may be required by our Company's Board, Bond Committee or Committee of Directors, or the Chairman and Managing Director, as the case may be, elect either:

(a) to register himself or herself as the holder of the Bonds; or

(b) to make such transfer of the Bonds, as the deceased holder could have made.

16.3.4. Notwithstanding anything stated above, Applicants who are allotted bonds in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bondholder will prevail. If the Bondholders require changing their nomination, they are requested to inform their respective Depository Participant. For Applicants who opt to hold the Bonds in physical form, the Applicants are require to fill in the details for 'nominees' as provided in the Application Form.

16.3.5. Further, our Company's Board, Bond Committee or Committee of Directors or the Chairman and Managing Director, as the case may be, may at any time give notice requiring any nominee of the deceased holder to choose either to be registered himself or herself or to transfer the Bonds, and if the notice is not complied with, within a period of 90 days, our Company's Board, Bond Committee or Committee of Directors or the Chairman and Managing Director, as the case may be, may thereafter withhold payment of all interests or other monies payable in respect of the Bonds, until the requirements of the notice have been complied with.

17. Debenture Trustee

17.1. Our Company has appointed SBICAP Trustee Company Limited to act as the Trustee for the Bondholders. SBICAP Trustee Company Limited has by its letter dated January 6, 2014, given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Bonds issued, pursuant to this Issue pursuant to Regulation 4(4) of the SEBI Debt Regulations. Our Company intends to enter into a Debenture Trust Deed with the Debenture Trustee within three months from Issue Closing Date, the terms of which will govern the appointment and functioning of the Debenture Trustee and shall specify the powers, authorities and obligations of the Debenture Trustee. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Bondholders the principal amount on the Bonds on the relevant Maturity Date and also that it will pay the interest due on Bonds on the rate specified under the respective Tranche Prospectus(es) under which allotment has been made.

17.2. The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. Any payment made by our Company

to the Debenture Trustee on behalf of the Bondholders shall discharge our Company *pro tanto* to the Bondholders. All the rights and remedies of the Bondholders shall vest in and shall be exercised by the Debenture Trustee without reference to the Bondholders. No Bondholder shall be entitled to proceed directly against our Company unless the Debenture Trustee, having become so bound to proceed, failed to do so.

17.3. The Debenture Trustee will protect the interest of the Bondholders in the event of default by our Company in regard to timely payment of interest and repayment of principal and they will take necessary action at our Company's cost. Further, the Debenture Trustee shall ensure that the assets of our Company are sufficient to discharge the principal amount at all time under this Issue.

18. **Miscellaneous**

18.1. **Loan against Bonds**

The Bonds can be pledged or hypothecated for obtaining loans from lending institutions in accordance with the lending policies of the concerned institutions.

18.2. **Lien**

Our Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Bondholder or deposits held in the account of the Bondholder, whether in single name or joint name, to the extent of all outstanding dues by the Bondholder to our Company.

18.3. **Lien on pledge of Bonds**

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of Bonds if such pledge of Bond is accepted by any bank, institution or others for any loan provided to the Bondholder against pledge of such Bonds as part of the funding.

18.4. **Joint-holders**

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to applicable laws.

18.5. **Sharing of information**

Our Company may, at its option, use its own, as well as exchange, share or part with any financial or other information about the Bondholders available with our Company and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither our Company nor its affiliates nor their agents shall be liable for use of the aforesaid information.

18.6. **Notices**

All notices to the Bondholders required to be given by our Company or the Trustee shall be published in at least one national daily newspaper having wide circulation and/or, will be sent by post/courier to the registered Bondholders from time to time.

18.7. **Issue of duplicate Consolidated Bond Certificate(s)**

If any Consolidated Bond Certificate is mutilated or defaced it may be replaced by our Company against the surrender of such Consolidated Bond Certificates, provided that where the Consolidated Bond Certificates are mutilated or defaced, they will be replaced only if the certificate numbers and the distinctive numbers are legible.

If any Consolidated Bond Certificate is destroyed, stolen or lost then on production of proof thereof to the Issuer's satisfaction and on furnishing such indemnity/security and/or documents as it may deem adequate, duplicate Consolidated Bond Certificate(s) shall be issued.

The above requirement may be modified from time to time as per applicable law and practice.

18.8. **Future borrowings**

Our Company shall be entitled at any time in the future during the term of the Bonds or thereafter to borrow or raise loans or create encumbrances or avail of financial assistance in any form, and also to issue promissory notes or bonds or any other securities in any form, manner, ranking and denomination whatsoever and to any eligible persons whatsoever and to change its capital structure including through the issue of shares of any class, on such terms and conditions as our Company may deem appropriate, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, subject to the applicable statutory and/or regulatory requirements.

18.9. **Jurisdiction**

The Bonds, the Trust Deed and other relevant documents shall be governed by and construed in accordance with the laws of India. For the purpose of this Issue and any matter related to or ancillary to the Issue the Courts of New Delhi, India shall have exclusive jurisdiction.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involves application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

ASBA Applicants should note that they may submit their ASBA Applications to the Syndicate Members or Trading Members only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Syndicate Members or Trading Members (at the application centres of the Syndicate Members will be mentioned in the Application Form) or make online Applications using the online payment gateway of the Stock Exchanges.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable law or as specified in the Draft Shelf Prospectus.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("Debt Application Circular"). In terms of the Debt Application Circular SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility ("Direct Online Application Mechanism"). The following Issue procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by the Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

In accordance with SEBI exemption letter bearing no. IMD/DOF-1/BM/VA/OW/33900/2013 it has been clarified that in terms of Section 8 (1) of the Depositories Act, our Company may issue Bonds in physical form to those investors who wish to subscribe in physical form.

Applicants are accordingly advised to carefully read the Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectuses, the Application Form and the Abridged Prospectus in relation to any proposed investment in the Bonds. Our Company, the Registrar to the Issue and the Lead Managers shall not be liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date thereof.

The Syndicate Members and our Company shall not be responsible or liable for any errors or omissions on the part of trading members in connection with the responsibility of Trading Members in relation to collection and upload of Applications in this issue on the electronic application platform provided by the relevant stock exchanges. Further the relevant stock exchanges will be responsible for addressing investor grievances arising from applications through Trading Members.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I*

- Public Financial Institutions, scheduled commercial banks, state industrial development corporations, which are authorised to invest in the Bonds;
- Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds;
- Insurance companies registered with the IRDA;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India;
- Indian multilateral and bilateral development financial institutions;
- Mutual funds registered with SEBI; and
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.

Category II*

- Companies within the meaning of section 2(20) of the Companies Act 2013;
- Statutory bodies/corporations[*];
- Cooperative banks;
- Public/ private/ religious trusts;
- Limited Liability Partnerships;
- Regional rural banks;
- societies registered under the applicable laws in India;
- Partnership firms in the name of partners; and
- Any other domestic legal entities/ persons as may be permissible under the CBDT Notification and authorised to invest in the Bonds in terms of applicable laws.

[*] *The MCA has, through its circular (General Circular No. 06/2013) dated March 14, 2013, clarified that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act, 1956.*

Category III

The following Investors applying for an amount aggregating to more than ₹ 10 lakhs in the each Tranche Issue:

- Resident Indian individuals; and
- Hindu Undivided Families through the Karta.

Category IV

The following Investors applying for an amount aggregating to up to and including ₹ 10 lakhs in the each Tranche Issue:

- Resident Indian individuals; and
- Hindu Undivided Families through the Karta.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Shelf Prospectus.

How to apply?

Availability of the Abridged Prospectus and Application Forms

Please note that there is a single Application Form for ASBA Applicants as well as non-ASBA Applicants.

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus and Tranche Prospectus (for a particular Tranche Issue) together with Application Forms may be obtained from Registered Office of our Company, the Lead Managers, the Consortium Members and the Designated Branches of the SCSBs. Additionally the Shelf Prospectus and Tranche Prospectus (for a particular Tranche Issue) and the Application Forms will be available for download on the website of the Stock Exchanges at www.nseindia.com and www.bseindia.com, the websites of the Lead Managers at www.karvy.com, www.akcapindia.com and www.rrfinance.com/www.rrfcl.com respectively, SEBI and SCSBs.

Electronic Application Forms will be available on the websites of the Stock Exchanges and the members of the Consortium. A hyperlink to the website of the relevant stock exchanges for this facility will be provided on the website of the Lead Managers and the SCSBs. A unique application number will be generated for every Application Form downloaded from the websites of the Stock Exchanges as well as members of the Consortium. In addition, online beneficiary account portals may provide a facility of submitting Application Forms online to their account holders. Trading Members of the Stock Exchanges may also download electronic Application Forms from the websites of the Stock Exchanges.

Trading Members can download Application Forms from the website of the Stock Exchanges. Further, Application Forms will also be provided to Trading Members at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Shelf Prospectus, relevant Tranche Prospectus(es) and Application Form can be obtained from the Company's Registered and Corporate Office, as well as offices of the Lead Managers.

Methods of Application

An eligible investor desirous of applying in the Issue can make Applications by one of the following methods:

1. Applications through the ASBA process; and

2. Non-ASBA Applications.

Note – *Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. In the event that the Stock Exchanges put in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online*

Application Mechanism prior to the Issue Opening Date, we shall offer eligible investors desirous of applying in the Issue the option to make Applications through the Direct Online Application Mechanism.

If such systems, infrastructures or processes are put in place by the relevant Stock Exchanges prior to the filing of the Shelf Prospectus or the respective Tranche Prospectus(es), the methods and procedure for relating to the Direct Online Application Mechanism shall be suitably updated in the Shelf Prospectus or the respective Tranche Prospectus(es), as the case may be. However, if such systems, infrastructures or processes are put in place by the relevant Stock Exchanges after filing of the Shelf Prospectus and the respective Tranche Prospectus(es) but prior to the Issue Opening Date, the methods and procedure for relating to the Direct Online Application Mechanism shall be widely disseminated by us through a public notice in a reputed national daily newspaper.

Applications through the ASBA process

Please note that application through ASBA is optional for all categories of Applicants.

Applicants who wish to apply through the ASBA process by filling in physical Application Form will have to select the ASBA mechanism in Application Form and provide necessary details. Applicants can submit their Applications through the ASBA process by submitting the Application Forms to the Designated Branch of the SCSB with whom the ASBA Account is maintained or through the Syndicate Members or Trading Members (ASBA Applications through the Syndicate Members and Trading Members shall hereinafter be referred to as the "**Syndicate ASBA**"), prior to or on the Issue Closing Date. **ASBA Applications through the Syndicate Members and Trading Members is permitted only at the Syndicate ASBA Application Locations** (**Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat**). Kindly note that Application Forms submitted by ASBA Applicants to the Syndicate Members and the Trading Members at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Syndicate Members or the Trading Members to deposit the Application Form (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

Syndicate Members and Trading Members shall, upon receipt of Application Forms from ASBA Applicants, upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

ASBA Applications in electronic mode will only be available with such SCSBs who provide such an electronic facility. In case of ASBA Applications in such electronic form, the ASBA Applicant shall submit the Application Form with instruction to block the Application Amount either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA Account held with SCSB, as would be made available by the concerned SCSB.

In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB. The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the bidding platform of the stock exchange(s). If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the bidding platform of the stock exchange(s). If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the bidding platform of the stock exchange(s). The Designated Branch of the SCSBs shall stamp the Application Form.

Our Company, Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by SCSBs and Trading Members, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been

blocked in the relevant ASBA Account. Further, all grievances against Trading Members in relation to the Issue should be made by Applicants directly to the relevant Stock Exchanges.

ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Syndicate Members or Trading Members of the stock exchange(s) at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the stock exchange(s) at least one day prior to the Issue Opening Date. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the abridged Prospectus is made available on their websites.
(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Syndicate Members or Trading Members of the stock exchange(s), as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to "***General Information***" on page 38 of the Draft Shelf Prospectus.

In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Syndicate Members or Trading Members of the stock exchange(s), as the case maybe, if not, the same shall be rejected. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs, if not, the same are liable to be rejected.

Please note that you cannot apply for the Bonds through the ASBA process if you wish to be Allotted the Bonds in physical form.

Non-ASBA Applications

(i) ***Non- ASBA Applications for Allotment of the Bonds in dematerialised form***

Applicants must use the Application Form, which will be serially numbered, bearing the stamp of the relevant Syndicate Members or Trading Member of the stock exchange(s), as the case may be, from whom such Application Form is obtained. Applicants may submit duly filled in Application Forms either in physical or downloaded Application Forms to the Syndicate Members or the Trading Members accompanied by account payee cheques/ demand drafts prior to or on the Issue Closing Date. The Syndicate Members and Trading Members shall, upload the non-ASBA Application on the online platform of the relevant stock exchanges, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant should preserve this and should provide the same for any grievances relating to their Applications.

Upon uploading the Application on the online platform of the Stock Exchanges, the Syndicate Members and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application details to the Registrar. The Syndicate Members / Trading Members are requested to note that all payment instruments are required to be banked with only the banking branches of the Escrow Collection Banks, details of which will be available at the websites of the Stock Exchanges (at www.nseindia.com and www.bseindia.com). Accordingly, Applicants are requested to note that they must submit Application Forms to Trading Members who are located in towns/ cities which have at least one banking branch of the Escrow Collection Banks. The Registrar shall match the Application details as received from the online platform of the Stock Exchanges with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of the Stock Exchanges will prevail. Upon Allotment, the Registrar will credit the Bonds in the demat accounts of the successful Applicants as mentioned in the Application Form.

Please note that neither our Company, nor the Syndicate Members, nor the Registrar shall be responsible for redressal of any grievances that Applicants may have in regard to the non-ASBA Applications made to the Trading Members, including, without limitation, relating to non-upload of the Applications data. All grievances against Trading Members in relation to the Issue should be made by Applicants to the relevant Stock Exchanges.

(ii) ***Non- ASBA Applications for Allotment of the Bonds in physical form***

Applicants can also apply for Allotment of the Bonds in physical form by submitting duly filled in Application Forms to the Syndicate Members or the Trading Members, along with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified in the sections titled "Issue Procedure – Applications by various Applicant Categories" and "Issue Procedure - Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form" at pages 152 and 165, respectively. The Syndicate Members and Trading Members shall, upon submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the online platform of the relevant stock exchanges, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant shall preserve this and should provide the same for any queries relating to non-Allotment of Bonds in the Issue.

Upon uploading of the Application details, the Syndicate Members and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application Form and the KYC documents to the Registrar. The Registrar shall check the KYC documents submitted and match Application details as received from the online platform of the Stock Exchanges with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of the Stock Exchanges will prevail. The Syndicate Members / Trading Members are requested to note that all Applications are required to be banked with only the banking branches of Escrow Collection Banks, details of which will be available at the websites of the Stock Exchanges (at www.nseindia.com and www.bseindia.com). Accordingly, Applicants are requested to note that they must submit Application Forms to Trading Members who are located in towns/ cities which have at least one banking branch of the Escrow Collection Banks. Upon Allotment, the Registrar will dispatch Bond Certificates to the successful Applicants to their addresses as provided in the Application Form. **Please note that, in the event that KYC documents of an Applicant are not in order, the Registrar will withhold the dispatch of Bond Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar at the earliest.**

Please note that in such an event, any delay by the Applicant to provide complete KYC documents to the Registrar will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Syndicate Members, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the Bond Certificates are withheld by the Registrar. Further, our Company will not be liable for any delays in payment of interest on the Bonds allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the Bonds.

The Syndicate Members or Trading Members are also required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardians, at the time of acceptance of the Application Forms.

Please note that allotment of Bonds in physical form can be done only if Applicant does not hold any Demat account.

To supplement the foregoing, the mode and manner of Application and submission of Application Forms is

illustrated in the following chart.

Mode of Application	To whom the Application Form has to be submitted
ASBA Applications	(i) to the Syndicate Members only at the Syndicate ASBA Application Locations; or (ii) to the Designated Branches of the SCSBs where the ASBA Account is maintained; **or** (iii) to Trading Members only at the Syndicate ASBA Application Locations.
Non- ASBA Applications	(i) to the Syndicate Members; or (ii) to Trading Members.

Application Size

Applications are required to be for a minimum of such Bonds and multiples of such Bonds thereafter as specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

A mutual fund scheme cannot invest more than 15.00% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20.00% of the NAV of the scheme with the prior approval of the board of trustees and the board of asset management company.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Applications Forms by a mutual fund registered with SEBI for Allotment of the Bonds in physical form must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Commercial Banks, Co Operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co Operative Banks and Regional Rural Banks can apply in this Issue based upon their own investment limits and approvals. Applications by them for Allotment of the Bonds in physical form must be accompanied by certified true copies of(i) any Act/rules under which such Applicant is incorporate (ii) certificate of registration/incorporation (iii) a resolution of the board of directors of such Applicant authorising investments; and (iv) specimen signature authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

In case of Applications for Allotment of the Bonds in physical form made by an Insurance Company, a certified

copy of its certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, for Allotment of the Bonds in physical form must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof. Alternative Investment Funds applying for Allotment of the Bonds shall at all time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, as amended.

Applications by Public Financial Institutions authorized to invest in the Bonds

Applications by Public Financial Institutions for Allotment of the Bonds in physical form must be accompanied by certified true copies of (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, Limited Liability Partnerships and bodies corporate registered under applicable laws in India

Applications made by companies, Limited Liability Partnerships and bodies corporate for Allotment of the Bonds in physical form must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; (iii) Certificate of registration; and (iv) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds and pension funds which are authorized to invest in the Bonds

Applications by provident funds and pension funds which are authorised to invest in the Bonds, for Allotment of the Bonds in physical form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Fund

Application made by National Invest Fund for Allotment of the Bonds in physical form must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

Applications made by a trust, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must be accompanied by a (i) certified true copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof; and (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Further, any trusts applying for Bonds must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in bonds, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in bonds, and (c) applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applications cannot be made by:

a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
b) Persons Resident Outside India and Foreign Nationals (including Non Resident Indians, Foreign Institutional Investors and Qualified Foreign Investors);
c) Overseas Corporate Bodies;
d) Indian Venture Capital Funds;
e) Foreign Venture Capital Investors;
f) Persons ineligible to contract under applicable statutory/ regulatory requirements; and
g) Any category of investor other than the Investors mentioned under Categories I, II, III and IV.

In case of Applications for Allotment of the Bonds in dematerialised form, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Syndicate Members, SCSBs or the Trading Members, as the case may be.

Nothing in the Draft Shelf Prospectus constitutes an offer of Bonds for sale in the United States or any other jurisdiction where it is unlawful to do so. The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state of the United States or other jurisdiction and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. The Draft Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments and implementing measures thereto, (the "Prospectus Directive")) has been or will be made in respect of the Issue or otherwise in respect of the Bonds, in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the Bonds.

Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the bonds and the information contained in the Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus.

Applications for Allotment of Bonds in the dematerialised form

As per the provisions of the Depositories Act, the Bonds can be held in dematerialised form, i.e., they shall be fungible and be represented by a statement issued through electronic mode. In this context, the Tripartite Agreements have been executed between Company, the Registrar to the Issue and the respective Depositories (CDSL/NSDL) for offering depository option to the Bondholders, for issue and holding the Bonds in dematerialized form.

a) All Applicants can seek Allotment in dematerialised mode or in physical form. Applications made for receiving Allotment in the dematerialised form without relevant details of his or her depository account are liable to be rejected.
b) An Applicant applying for the Bonds must have at least one beneficiary account with either of the Depository Participants of either of the Depositories, prior to making the Application.
c) The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) in the Application Form.
d) Allotment to an Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
e) Names in the Application Form should be identical to those appearing in the account details in the Depositories. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depositories.
f) If incomplete or incorrect details are given under the heading 'Applicant's Depository Account Details', in the Application Form, it is liable to be rejected.
g) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with his or her Depository Participant.
h) Bonds in electronic form can be traded only on the stock exchange having electronic connectivity with the Depositories. BSE and NSE, where the Bonds are proposed to be listed have electronic connectivity with the Depositories.
i) The trading of the Bonds shall be in dematerialised form only.

Payment instructions

Payment mechanism for ASBA Applicants

An ASBA Applicant shall specify details of the ASBA Account in the Application Form. ASBA Applications submitted to the Syndicate Members or Trading Members of the Stock Exchange(s) at the Specified Cities will be uploaded onto the electronic platform of the Stock Exchange(s) and deposited with the relevant branch of the SCSB at the specified city named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be (A list of such branches is available at *http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries*). The relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Syndicate Members or Trading Members of the Stock Exchange(s), as the case may be, at the Specified Cities or to the Designated Branches of SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount will remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount to the Public Issue Account(s), or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved and upon receipt of intimation from the Registrar, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. In the event of Allotment of a lesser number of Bonds than applied for, the excess amount paid on Application shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Issue Closing Date.

Payment mechanism for non ASBA Applicants

The Issuer shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

The Escrow Collection Banks will act in terms of the tranche prospectus(es) and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until the creation of security for the Bonds. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of the Bonds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account maintained with the Bankers to the Issue, provided that the sums received in respect of the Issue will be kept in the Escrow Account and the Issuer will have access to such funds only after creation of security for the Bonds. The amount representing the Applications that have been rejected shall be transferred to the Refund Account. Payments of refund to the Applicants shall be made from the Refund Account are per the terms of the Escrow Agreement and the relevant Tranche Prospectus(es).

Accordingly, the Issuer shall open and maintain the escrow account with the Escrow Collection Bank(s) in connection with all application monies received from the Applicant, ("**Escrow Account**"). All application monies received from the Applicants shall be deposited in the Escrow Account maintained with each Escrow Collection Bank. Upon creation of security as disclosed in the Debenture Trust Deed, the Escrow Collection Bank(s) shall transfer the monies from the Escrow Accounts to the Public Issue Account.

Payment into Escrow Account

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

a) The payment instruments from all resident Applicants shall be payable into the Escrow Accounts drawn in favour of "[●]".
b) All Applicants would be required to pay the full Application Amount for the number of Bonds applied for, at the time of the submission of the Application Form.
c) The Applicants shall, with the submission of the Application Form, draw a payment instrument for the full Application Amount in favour of the Escrow Account and submit the same to Bankers to the Issue. If the payment is not made favouring the Escrow Account along with the Application Form, the Application shall be rejected.
d) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.
e) The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants until the Designated Date.
f) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement, the Shelf Prospectus and the respective Tranche Prospectus(es) into the Public Issue Account. The Escrow Collection Bank shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted Bonds to the Refund Accounts.

Please note that Applications accompanied by Application Amounts in cash/ stock invest/ money orders/ postal orders will not be accepted.

Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Issuer, the Lead Managers, the Escrow Collection Banks and the Registrar to facilitate collections from the Applicants.

The Escrow Collection Banks will act in terms of the Shelf Prospectus, the respective Tranche Prospectus(es) and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein. It is mandatory for our Company to keep the proceeds of the Issue in an escrow account until the documents for creation of security as stated in the Shelf Prospectus are executed.

Submission of Application Forms

All Application Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the designated collection banks during the Issue Period.

No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection banks will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

Applications shall be deemed to have been received by us only when submitted to Bankers to the Issue at their designated branches as detailed above and not otherwise.

Additional information for Applicants

1. Application Forms submitted by Applicants (except for Applicants applying for the Bonds in physical form) whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked (for ASBA Applicants)/ payable (for non-ASBA Applicants) on the submission of Application Form. However, the collection centre of the Syndicate Members or the SCSB or the Trading Member, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the

Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Syndicate Member / Trading Member or the relevant Designated Branch, they are liable to be rejected.

Applicants are advised not to submit Application Forms directly to Escrow Collection Banks (unless such Escrow Collection Bank is also an SCSB) and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI Debt Regulations. Material updates, if any, between the date of filing of the respective Tranche Prospectus with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

In accordance with Section 30 of the Companies Act, 2013, where an advertisement of any prospectus of a company is published in any manner, it shall be necessary to specify therein the contents of its memorandum as regards the objects, the liability of members and the amount of share capital of the company, and the names of the signatories to the memorandum and the number of shares subscribed for by them, and its capital structure.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the respective Tranche Prospectus(es) and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Syndicate Members, or the Trading Members, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such Bonds and in multiples of such Bonds thereafter as specified in the respective Tranche Prospectus(es).

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications can be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form)

(f) Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. Applications can be in single or joint names (not exceeding three names).

(f) If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the DP account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

(g) Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Syndicate Members at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the Bonds.

(h) ASBA Applicants utilising physical Application Forms must ensure that the Application Forms are completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the respective Tranche Prospectus(es) and in the Application Form.

(i) If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(j) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(k) Applications for all the Series of the Bonds may be made in a single Application Form only.

(l) All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form, choosing either the ASBA or Non-ASBA mechanism.

(m) ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch; otherwise the Application is liable to be rejected.

(n) It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.

(o) Where minor applicant is applying through guardian, it shall be mandatory to mention the PAN of the minor in the Application.

We shall Allot Bonds under Tranche [●] Series [●]/ Tranche[●] Series [●] (depending upon the category of Applicants) to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of Bonds applied for.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE BONDS IN DEMATERIALISED FORM SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM ARE EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF PERSON WHOSE NAME APPEARS FIRST IN THE DEPOSITORY ACCOUNT AND SIGNATURE OF ONLY THIS PERSON WOULD BE REQUIRED IN THE APPLICATION FORM. THIS APPLICANT WOULD BE DEEMED TO HAVE SIGNED ON BEHALF OF JOINT HOLDERS AND WOULD BE REQUIRED TO GIVE CONFIRMATION TO THIS EFFECT IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds (for non-ASBA Applicants), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the

Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Syndicate Members nor the Trading Members, nor the Registrar, nor the Escrow Collection Banks, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants applying for Allotment of the Bonds in dematerialized form may note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Syndicate Members, the Trading Members or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, and the Syndicate Members shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar except in relation to the Issue.

By signing the Application Form, Applicants applying for the Bonds in dematerialised form would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Escrow Collection Banks, Registrar nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the relevant Tranche Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund orders/Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

(a) The Syndicate Members, SCSBs and Trading Members will register the Applications using the on-line facilities of the Stock Exchanges. The Lead Managers, our Company, and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Trading Members, (ii) the Applications uploaded by the SCSBs and the Trading Members, (iii) the Applications accepted but not uploaded by the SCSBs or the Trading Members, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) with respect to ASBA Applications accepted and uploaded by the Syndicate Members at the Syndicate ASBA Application Locations for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Syndicate Members, Trading Members and their

authorised agents and the SCSBs during the Issue Period. On the Issue Closing Date, the Syndicate Members, Trading Members and the Designated Branches shall upload Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Syndicate Members and Trading Members on a regular basis. Applicants are cautioned that a high inflow of Applications on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for Allotment.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the Bonds, as available on the website of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, SCSBs, the Syndicate Members and Trading Members, as the case may be, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Series(s) of Bonds applied, Application Amounts, details of payment instruments (for non – ASBA Applications) and any other details that may be prescribed by the online uploading platform of the relevant stock exchanges.

(e) A system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the TRS from the SCSBs, the Syndicate Members or the Trading Members, as the case may be. The registration of the Applications by the SCSBs, the Syndicate Members or Trading Members does not guarantee that the Bonds shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the relevant Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the relevant Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Shelf Prospectus; nor does it warrant that the Bonds will be listed or will continue to be listed on the Stock Exchanges.

(g) In case of apparent data entry error by either the Syndicate Members or the Trading Members, in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Stock Exchanges.

(h) Only Applications that are uploaded on the online system of the relevant Stock Exchanges shall be considered for Allotment.

General Instructions

Do's

- **Check if you are eligible to apply as per the terms of the Shelf Prospectus, relevant Tranche Prospectus(es), Abridged Prospectus and applicable law;**

- **Read all the instructions carefully and complete the Application Form;**

- If the Allotment of the Bonds is sought in dematerialized form, ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

- Applications are required to be in single or joint names (not more than three);

- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;

- Ensure that Applications are submitted to the Syndicate Members, Trading Members or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date;

- Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Syndicate Members or a Trading Members of the Stock Exchanges, as the case may be;

- Ensure that the Applicant's names (for Applications for the Bonds in dematerialised form) given in the Application Form is exactly in the same order as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form for ASBA Applications;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. In case of Applications for Allotment in physical form, Applicants should submit a self-certified copy of their PAN card as part of the KYC documents. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

- Ensure that the Demographic Details (for Applications for the Bonds in dematerialised form) as provided in the Application Form are updated, true and correct in all respects;

- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;

- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the Bonds;

- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- Applicants (other than ASBA Applicants) are requested to write their names and Application number on the reverse of the instruments by which the payments are made;

- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

- Tick the Series of Bonds in the Application Form that you wish to apply for.

Don'ts

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, by money order, postal order, stock invest;
- Do not send the Application Forms by post; instead submit the same to the Syndicate Members and Trading Members or the SCSBs (as the case may be) only;
- Do not submit Application Forms directly to the Escrow Collection Banks (unless such Escrow Collection Bank is also an SCSB), the Issuer, or to the Registrar to the Issue;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not fill up the Application Form such that the Bonds applied for exceeds the Issue size and/or investment limit or maximum number of Bonds that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the Bonds under applicable law or your relevant constitutional documents or otherwise;
- Do not make an Application of the Bonds on multiple copies taken of a single Application Form.
- Do not submit the Application Forms without the Application Amount for number of Bonds applied for; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Additional instructions specific for ASBA Applicants

Do's

- Before submitting the physical Application Form with the Syndicate Member at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Syndicate Members at the Syndicate ASBA Application Locations and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or Trading Members;
- For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or the Syndicate Members or Trading Members.
- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;

- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Syndicate Members at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;

- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned Syndicate Member, or the Trading Member, as the case may be, for the submission of the Application Form.

- In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications

Don'ts

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA process;

- Do not submit the Application Form with a Syndicate Member at a location other than the Syndicate ASBA Application Locations;

- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch or a Syndicate Member at the Syndicate ASBA Application Locations, or a Trading Member, as the case may be; and

- Do not submit more than five Application Forms per ASBA Account.

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Syndicate Members or the Trading Members of the Stock Exchange(s), as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Syndicate Members or the Trading Members of the Stock Exchange, as the case may be, only at the Specified Cities. On the Issue Closing Date the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and not later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event if a large number of Applications are received on the Issue Closing Date, there may be some Applications which may not uploaded due to lack of sufficient time for uploading. Any such Applications which are not uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Syndicate Members or Trading Members of the Stock Exchange(s) shall be liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise.

Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form

Any Applicant who wishes to subscribe to the Bonds in physical form shall undertake the following steps:

- **Please complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide the Depository Participant details in the Application Form.** The requirement for providing Depository Participant details shall be mandatory only for the Applicants who wish to subscribe to the Bonds in dematerialised form.

- Please provide the following documents along with the Application Form:

  (a) Self-attested copy of the PAN card;
  (b) Self-attested copy of your proof of residence. Any of the following documents shall be considered as a verifiable proof of residence:

    - ration card issued by the GoI; or
    - valid driving license issued by any transport authority of the Republic of India; or
    - electricity bill (not older than three months); or
    - landline telephone bill (not older than three months); or
    - valid passport issued by the GoI; or
    - voter's identity card issued by the GoI; or
    - passbook or latest bank statement issued by a bank operating in India; or
    - registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill; or
    - AADHAR letter.

- Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited.

  In absence of the cancelled cheque, our Company may reject the Application or it may consider the bank details as given on the Application Form at its sole discretion. In such case our Company, Lead Managers and Registrar shall not be liable for any delays/ errors in payment of refund and/ or interest.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the Bonds in physical form, which are not accompanied with the aforestated documents, may be rejected at the sole discretion of our Company.

In relation to the issuance of the Bonds in physical form, please note the following:

1. An Applicant has the option to seek Allotment of Bonds in either dematerialised or physical mode. No partial Application for the Bonds shall be permitted and is liable to be rejected.

2. In case of Bonds that are being issued in physical form, our Company will issue one certificate to the holders of the Bonds for the aggregate amount of the Bonds for each of the Series of Bonds that are applied for (each such certificate a "**Consolidated Bond Certificate**").

3. **Any Applicant who provides the Depository Participant details in the Application Form shall be Allotted the Bonds in dematerialised form only. Such Applicant shall not be Allotted the Bonds in physical form.**

4. Our Company shall dispatch the Consolidated Bond Certificate to the address of the Applicant provided in the Application Form.

All terms and conditions disclosed in relation to the Bonds held in physical form pursuant to rematerialisation shall be applicable *mutatis mutandis* to the Bonds issued in physical form.

Consolidated list of documents required for various categories

For the sake of simplicity we hereby provide the details of documents required to be submitted by various categories of Applicants (who have applied for Allotment of the Bonds in dematerialised form) while submitting the Application Form:

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
Public financial institutions, commercial banks, cooperative banks and regional rural banks authorized to invest in the Bonds, companies within the meaning of Section 2(20) of the Companies Act, 2013, and bodies corporate registered under the applicable laws in India and authorized to invest in the Bonds; Limited Liability Partnerships; Indian multilateral and bilateral development financial institutions, Alternative Investment Funds and state industrial development corporations, companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the Bonds	The Application must be accompanied by certified true copies of: • Any Act/ Rules under which they are incorporated • Board Resolution authorizing investments • Specimen signature of authorized person
Insurance companies registered with the IRDA	The Application must be accompanied by certified copies of • Any Act/Rules under which they are incorporated • Registration documents (i.e. IRDA registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Provident Funds, Pension Funds and National Investment Fund	The Application must be accompanied by certified true copies of: • Any Act/Rules under which they are incorporated • Board Resolution authorizing investments • Specimen signature of authorized person
Mutual Funds	The Application must be also accompanied by certified true copies of: • SEBI registration Certificate and trust deed (SEBI Registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Applicants through a power of attorney under Category II	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney or the relevant resolution or authority, as the case may be • A certified copy of the memorandum of association and articles of association and/or bye laws and/or charter documents, as applicable,

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
	must be lodged along with the Application Form. • Specimen signature of power of attorney holder/authorized signatory as per the relevant resolution.
Resident Indian individuals under Categories III and IV	N.A.
HUF through the Karta under Categories III and IV	The Application must be also accompanied by certified true copies of: • Self-attested copy of PAN card of HUF. • Bank details of HUF i.e. copy of passbook/bank statement/cancelled cheque indicating HUF status of the applicant. • Self-attested copy of proof of Address of karta, identity proof of karta.
Power of Attorney under Category II and Category III	• The Application must be also accompanied by certified true copies of the power of attorney has to be lodge with the Application Form
Trusts	The Application must be also accompanied by certified true copies of: • The registered instrument for creation of such trust. • A power of attorney, if any, in favour of one or more trustees thereof. • Such other documents evidencing registration thereof under applicable statutory/regulatory requirements

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see the section titled "Issue Procedure – Methods of Application" at page 148.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be assumed to have given confirmation to this effect in the Application Form.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the Bonds for the same or different Series of Bonds, subject to a minimum Application size as mentioned in the relevant Tranche Prospectus. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same Applicant belonging to Category IV aggregating to a value exceeding ₹ 10,00,000 shall be grouped in Category III, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his

individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be a multiple Application.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the Bonds in dematerialised form. In this context:

(i) Tripartite Agreements dated April 29, 2009 and June 7, 2002, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) It may be noted that Bonds in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. Each of the Stock Exchanges has connectivity with NSDL and CDSL.

(iii) Interest or other benefits with respect to the Bonds held in dematerialised form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(iv) The trading of the Bonds shall be in dematerialized form only.

For further information relating to Applications for Allotment of the Bonds in dematerialised form, see the sections titled "Issue Procedure – Methods of Application" and "Issue Procedure – General Instructions" on pages 148 and 161, respectively.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Compliance Officer as well as the contact persons of our Company/ Lead Managers or the Registrar in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of Allotment Advice/ credit of Bonds in depository's beneficiary account/ refund orders, etc., applicants may contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or Registrar. Please note that Applicants who have applied for the Bonds through Trading Members should contact the Stock Exchanges in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / credit of Bonds in depository's beneficiary account/ refund orders, etc.

Revision of Application

Applicants may revise/modify their Application details during the Issue Period, as allowed/permitted by the relevant Stock Exchanges, by submitting a written request to a Syndicate/Trading Member of the relevant Stock Exchanges/Designated Branch of an SCSB, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Tranche Issue Closing Date.

Rejection of Applications

The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Number of Bonds applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without payment of the Application Amount;
- In case of partnership firms, the application forms must be submitted in the name of individual partners and accompanied by the PAN of the partnership firm rather than the PAN of the partner himself;
- Applications submitted without payment of the full Application Amount. However, our Company may allot Bonds upto the full value of the Application Amount paid, in the event that such Application Amounts exceed the minimum Application Size as specified in the relevant Tranche Prospectus;
- In case of Applicants applying for Allotment in physical form, date of birth of the sole/ first Applicant not mentioned in the Application Form;
- Investor Category in the Application Form not being ticked;
- In case of Applications for Allotment in physical form, bank account details not provided in the Application Form;
- Signature of the Applicant missing;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Applications by stock invest or accompanied by cash/money order/postal order;
- Applications made without mentioning the PAN of the Applicant;
- GIR number mentioned in the Application Form instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications submitted directly to the Escrow Collection Banks (if such Escrow Collection Bank is not an SCSB);
- ASBA Applications submitted to the Members of Syndicate or a Trading Members at locations other than the Syndicate ASBA Application Locations or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- For Applications for Allotment in dematerialised form, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form;
- Copy of KYC documents not provided in case of option to hold Bonds in physical form;
- Application Forms from ASBA Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
- Applications for an amount below the minimum Application size;
- ASBA Applications not having details of the ASBA Account to be blocked;
- Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Non- ASBA Applications accompanied by more than one payment instrument;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications for Allotment of Bonds in dematerialised form providing an inoperative demat account

number;

- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- With respect to ASBA Applications, the ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;
- Persons Resident Outside India and Foreign Nationals (including Non Resident India, Foreign Institutional Investors and Qualified Foreign Investors);
- SCSBs making an ASBA Application (a) through an ASBA Account maintained with its own self or (b) through an ASBA account maintained through a different SCSB not in its own name, or (c) through an ASBA Account maintained through a different SCSB in its own name, which ASBA Account is not utilised for the purpose of applying in public issues;
- Where PAN details in the Application Form and as entered into the bidding platform of the Stock Exchanges, are not as per the records of the Depositories; and
- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form.

For further instructions regarding Application for the Bonds, Applicants are requested to read the Application Form.

Allotment Advice/ Refund Orders

In case of Applications other than those made through the ASBA process, the unutilised portion of the Application Amounts will be refunded to the Applicant within 12 (twelve) Working Days of the Issue Closure Date through any of the following modes:

i. **Direct Credit** – Applicants having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

ii. **NECS** – Payment of refund would be done through NECS for Applicants having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).

iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

iv. **RTGS** – If the refund amount exceeds ₹ 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

v. For all other Applicants (not being ASBA Applicants), refund orders will be despatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Applicants and payable at par at places where Application are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

In the case of Applicants other than ASBA Applicants, applying for the Bonds in dematerialised form, the Registrar will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Applicants in their Application Forms. Accordingly, Applicants are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Syndicate Members, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 (twelve) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted Bonds to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret/ Refund Orders by registered post/speed post/ordinary post at the Applicant's sole risk, within 12 Working Days from the Issue Closure Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT.

Further,

a) Allotment of Bonds in the Issue shall be made within a time period of 12 Working Days from the Issue Closure Date;

b) Credit to dematerialised accounts will be given within two Working Days from the Date of Allotment;

c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the applicants within 12 Working Days from the Issue Closure Date, for the delay beyond 12 Working Days; and

d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

Our Company is making a public issue of the Bonds aggregating upto ₹ 1,000 crore* with an option to retain oversubscription of Bonds as mentioned in the relevant Tranche Prospectus.

* ***In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also, at its discretion, raise funds through issue of Bonds on a private placement basis in one or more tranches during the process of the present Issue, for an amount not exceeding ₹300 crores, i.e. upto 30% of the allocated limit for raising funds through the issue of Bonds during the Fiscal 2014, wherein suitable amounts shall be earmarked for subscription by Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure, provided that in the event of any non-response, our Company shall be free to offer the un-subscribed amount through book building route under private placement in domestic market.. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹1,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall get reduced by such amount raised.***

Grouping of Applications and allocation ratio

For the purposes of the Basis of Allotment:

a) *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, **("QIB Portion")**;

b) *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, **("Corporate Portion")**;

c) *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, **("High Net Worth Individual Portion")**; and

d) *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Investor Portion")**.

For removal of doubt, the terms "**QIB Portion**", "**Corporate Portion**", "**High Net Worth Individual Portion**" and "**Retail Individual Investor Portion**" are individually referred to as a "**Portion"** and collectively referred to as **"Portions"**.

For the purposes of determining the number of Bonds available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Bonds to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription as mentioned in the relevant Tranche Prospectus.

Allocation ratio

Reservations shall be made for each of the Portions in the below mentioned basis and shall be indicated at the relevant Tranche Prospectus(es):

QIB Portion	Corporate Portion	High Net Worth Individual Portion	Retail Individual Investor Portion
[●]% of the Issue Size.	[●]% of the Issue Size	[●]% of the Issue Size.	40% of the Issue Size.

Basis of Allotment

As specified in the respective Tranche Prospectus(es).

We shall Allot Bonds under Tranche [●] Series [●]/Tranche[●] Series [●] (depending upon the category of Applicants) to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of Bonds applied for.

Investor Withdrawals and Pre-closure

Withdrawal of Applications during the Issue Period

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Syndicate Member, Trading Member or Designated Branch of an SCSB, as the case may be, through whom the ASBA Application had been made. In case of ASBA Applications submitted to the Syndicate Members or Trading Members at the Syndicate ASBA Application Locations, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Syndicate Members or Trading Member, as the case may be, shall undertake requisite actions, including deleting details of the withdrawn ASBA Application Form from the electronic platform of the relevant stock exchanges. In case of ASBA Applications submitted directly to a Designated Branch of an SCSB, upon receipt of the request for withdrawal from an ASBA Applicant, the relevant Designated Branch shall undertake requisite actions, including deleting details of the withdrawn ASBA Application Form from the electronic platform of the relevant stock exchanges and un-blocking of the funds in the ASBA Account directly.

Withdrawal of non – ASBA Applications

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Syndicate Member or Trading Member, as the case may be, through whom the Application had been made. Upon receipt of the request for withdrawal from the Applicant, the relevant Syndicate Member or Trading Member, as the case may be, shall undertake requisite actions, including deleting details of the withdrawn Application Form from the electronic platform of the relevant stock exchanges.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw an Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment. The Registrar to the Issue will delete the withdrawn Application from the electronic file provided by the Stock Exchanges and issue instruction to the SCSB for unblocking the ASBA Account (in case of ASBA Applications).

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date (subject to full subscription of the Retail Individual Investor Portion prior to such early closure). Our Company shall allot Bonds with respect to the Applications received till the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before such early date of closure or the Tranche Issue Closing Date, as applicable, through advertisement(s) in atleast one leading national daily newspaper with wide circulation. For further details please refer to "General Information – Issue Programme" on page 45.

Utilisation of Application Amounts

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of the Issue

(a) All monies received pursuant to the Issue of Bonds to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.

(c) Details of all unutilised monies out of issue of Bonds, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) We shall utilize the Issue proceeds only upon creation of security as stated in the Shelf Prospectus, receipt of the listing and trading approval from the Stock Exchanges.

(e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property.

For more information (including with respect to interim use of the Issue proceeds), see "***Objects of the Issue***" on page 49.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 68 A of the

Companies Act, 1956, which is reproduced below:

"*Any person who:*

a) *makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*

b) *otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years."

Listing

The Bonds will be listed on the Stock Exchanges i.e. BSE and NSE. Our Company has applied for an in-principle approval to the Stock Exchanges for permission to deal in and for an official quotation of our Bonds. The application for listing of the Bonds will be made to the Stock Exchanges at an appropriate stage.

If permissions to deal in and for an official quotation of our Bonds are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the relevant Tranche Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, our Company and every officer in default will on and from such expiry of eight days be liable to repay the money, with interest at the rate of 15% p.a. as prescribed under Section 73 of the Companies Act, 1956. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 12 Working Days from the Issue Closure Date.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Series of Bonds, such Bonds with Series of Bonds shall not be listed.

Undertaking by the Issuer

We undertake that:

a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the Bonds listed within the specified timelines i.e., within 12 Working Days of the Tranche Issue Closing Date;

c) the funds required for dispatch of refund orders/ allotment advice/ certificates by registered post shall be made available to the Registrar by the Company;

d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the Bonds are outstanding;

e) we shall forward the details of utilisation of the funds raised through the Bonds duly certified by our Auditors, to the Debenture Trustee at the end of each half year;

f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

g) we shall provide a compliance certificate to the Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of Bonds as contained in the Shelf Prospectus and the respective Tranche Prospectus(es); and

h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

Filing of the Shelf Prospectus and Tranche Prospectus(es) with the RoC

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) will be filed with the RoC, in accordance with sections 56 and 60 of the Companies Act, 1956 and section 31 of Companies Act, 2013

SECTION VII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The Regulations contained in Table 'A' in the First Schedule to the Companies Act, 1956 shall not apply to our Company, but the Regulations for the management of the Company and for the observance by the members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by special resolution, or as prescribed by the Companies Act, be such as are contained in these Articles. Words and expressions used below shall have the meaning contained in the Interpretation clause.

CAPITAL AND SHARES

Article 5- Except to the extent allowed by Section 77 of the Act, no part of the funds of the Company shall be employed in the purchase of or in loan upon the or security of the Company's shares.

Article 6- Subject to the provisions of these Articles, the shares shall be under the control of the Board of Directors who may allot or dispose of the same, or any of them, to such persons, upon such terms and conditions, at such times and upon such consideration as the Board may think fit.

SHARE CERTIFICATES

Article 7- The certificate of title to shares shall be issued in accordance with provision of the Companies (Issue of Share certificates) Rules, 1960.

Article 8- Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint-holder of any shares.

Article 9 (i) Every person whose name is entered as a member in the register shall, without payment be entitled to a certificate under the common seal of the Company specifying the share or shares held by him and the amount paid thereon, provided that no certificate of any share or shares in the Company shall be issued except in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or of its fractional coupons of requisite value save in cases of issues against letter of acceptance of renunciation or in cases of issue of bonus shares; If the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board thinks fit. (ii) In respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

Article 10 - (i) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the Pages on reverse for recording transfers have been fully utilised, unless reverse for recording transfers have been fully utilized, unless the certificate in lieu of which it is issued is surrendered to the Company. The Company may charge such fees, if any, not exceeding ₹ 2/- (Rupees two) per certificate issued on splitting or consolidation of share certificates that are defaced or torn , as the Board thinks fit. (ii) No duplicate share certificate shall be issued in lieu of those that are lost and /or destroyed without the prior consent of the Board or without payment of such fees, if any, not exceeding ₹ 2/- (Rupees two) and on such reasonable terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the company in investigating evidence, as the Board thinks fit.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Article 11- Subject to the approval of the President, the Board may, from time to time with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

Article 12- Subject to such directions as may be issued by the President in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Board shall determine.

Article 13- The new shares shall be offered to the members in proportions to the existing shares held by each member and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Board may dispose of the same in such manner as they think most beneficial to the Company.

Article 14- Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting, surrender and otherwise.

Article 15- Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of any shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and instalments, transfer and transmission lien, voting, surrender and otherwise.

Article 16- Subject to the provisions of Sections 100 to 104 of the Act and to such directions as may be issued by the President in this behalf, the Company may, from time to time, or by special resolution, reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or is superfluous by reducing the liability on the shares or otherwise, as may be expedient, and capital may be paid off upon the footing that it may be called up again or otherwise; and the Board may, subject to the provisions of the Act, accept surrender of shares.

Article 17- Subject to the approval of the President, the Company in general meeting may from time to time, sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Section 94 of the Act and file with the Registrar of Companies such notice of exercise of any such powers as may be required by the Act.

Article 18-The Company may, at any time, pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture stock of the Company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares, debentures stock of the Company but so that if the commission in respect of shares shall be paid or be payable out of capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed 5% (Five percent) on the price of shares and 2.5% (Two and a half percent) on the price of debentures or debenture stock, in each case subscribed or to be subscribed. The commission may be paid or statisfied in cash or in shares or debenture stock of the Company.

CALL ON SHARES

Article 19- The Board of Directors, may from time to time, by a resolution passed at a meeting of the Board (and not by a resolution by circulation) make such call as it thinks fit upon the members in respect of moneys unpaid on the share held by them respectively, by giving not less than 15 days notice, for payment and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board of Directors. The Board may, at their discretion, extend the time for payment of such calls.

Article 20- A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors.

Article 21- If any member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment, at such rate as shall from time to time be fixed by the Board of Directors but nothing in this Article shall render it compulsory for the Board of Directors to demand or recover any interest from any such member.

Article 22- Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium; shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

Article 23 (a)-The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him. This advance of calls may carry interest but shall not in respect thereof have a right to dividend or to participate in profits; (b) upon all or any of the moneys so advanced may, until the same would, but for such advance become presently payable, pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 6% (six per cent) per annum as may be agreed upon between the Board and the member paying the sum in advance and the Board of Directors, may at any time, repay the amount so advanced upon giving to such members three months in writing. Provided further that such advance received by the Company will not be entitled to any dividend or participate in profits of the Company.

Article 24 - If by the conditions of allotment of any share, the whole or part of the amount of issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

Article 25 - The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

FORFEITURE, SURRENDER AND LIEN

Article 26- The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called on payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares (other than fully paid shares) standing registered in the name of single person, for all moneys presently payable by him or his estate to the Company, but the Board may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividend payable thereon.

Article 27- The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable nor until the expirations of fourteen days after a notice in writing stating and demanding, payment of such part of amount in respect of which lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or insolvency.

Article 28- The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which lien exists as is presently payable and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the persons entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Article 29- (i) If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains

unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued. (ii) The Notice foresaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the Payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

(iii) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect, when any share is forfeited an entry of the forfeituring with the date thereof shall be made in the register of members and shall be deemed to be the property of the Company.

(iv) A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.

(v) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Article 30 (i) - A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, not withstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such persons shall cease if and when the Company shall have received payment in full of all such money in respect of the shares.

Article 31 (i) – A duly verified declaration in writing that the declarant Chariman-cum-Managing Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(ii) The Company may receive the consideration, if any, given for share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share.

(iv) The transferee shall not be bound to sec to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to or disposal of the share.

Article 32.- The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the shares or by way of premium, as if the same had been payable by virtue of a call duly made and noticed.

TRANSFER AND TRANSMISSION OF SHARES

Article 33 - The Company shall keep a book, to be called the "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Article 34- Subject to the provisions of Companies Act, 1956 the right of members to transfer their shares shall be restricted as follows:

(a) A share may be transferred by a member or other persons entitled to transfer to a person approved by the President.

(b) Subject to the Act and subject as aforesaid, the Board may, in their absolute and uncontrolled discretion, refuse to register any proposed transfer to share.

(c) If the Board refuse to register transfer of any shares, the Board shall, within two months of the date on which the instrument of transfer is delivered to the Company, send to the transferee and the transfer or notice of the refusal. But the Board shall not refuse to register transfer of any share on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account.

(d) Subject to the provisions of the Act and save as herein otherwise provided, the Board shall be entitled to treat the persons whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by court of competent jurisdiction or as by law required) be bound to recognise any benami, trust, or equity or equital, contigent, or other claim to or interest in such share on the part of any person whether or not it shall

have express or implied notice thereof.
Article 35- The instrument of the transfer of any share in the Company shall be executed both by transferor and transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Article 36 - Shares in the Company shall be transferred in the form prescribed by the Companies (Central Government's) General Rules and Forms, 1956 or such other form as may be prescribed by Government from time to time in this behalf.
Article 37 - Every instrument of transfer shall be delivered to the Company at the office for registration accompanied by respective certificate of the shares to be transferred and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall on demand be returned to the person depositing the same.
Article 38 - Nothing contained in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any share in the Company has been transmitted by operation of law.
Article 39 - A fee not exceeding ₹ 2/- (Rupees two) may be charged for each transfer and shall, if required-by the Board, be paid before the registration thereof. Provided that no such fee shall be required to be paid in respect of shares held by nominees of the Government.

Articic 40 - The Register of Members and the Register of Debenture-holders may be closed for any period or periods not exceeding 45 (forty five) days in each year but not exceeding 30 (Thirty) days at any one lime after giving not less than 7 (Seven) days previous notice by advertisement in some newspapers circulating in ihc district in which the registered office of the Company is situated.

Article 41- The Board shall have the right to refuse to register a person entitled by transmission to any shares or his nominees, as if he were the transferee named in an ordinary transfer presented for registration.

MODIFICATION OF CLASS RIGHTS

Article 42 –If at any time, the Capital of the Company by reason of the issue of preference shares or otherwise, is divided into different Classes of shares, all or any of the rights attached to the shares of each class may, subject to the provisions of Sections 106 and 107 of the Act be varied with the consent in writing of the holders of at least three fourth of the issued shares of that class or with the sanction of the special resolution passed at a separate meeting of the holders of issued shares of that class and all the provisions hereinafter contained as to general meeting shall, mutatis mutandis, apply, to every such meeting.

BORROWING POWERS
Article 43(i)- subject to the provisions of Sections 58A, 292 and 293 of the Act, the Board may, from time to time, borrow and/or secure the payment of any sum or sums of money not exceeding Eight times of net worth and overdraft borrowing up to 20 percent of the net worth for the purposes of the Company.

(ii) Subject to the approval of the President and subject to the provisions of Sections 58 A, 292 and 293 of the Act, the Board may , from time to time, borrow and / or secure the payment of any sum of sums of money exceeding eight times of net worth and overdraft borrowing up to 20 per cent of the net worth for the purposes of the Company.

Article 44(i) The Board may, subject to the provisions of the Act, raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and, in particular, by the issue of bonds, perpetual or redeemable debentures or debentures stock, or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

The Board, may, as per Sec 76 of the Act, pay underwriting or such other commission and brokerage as may

be appropriate.

Provided that, if the borrowings exceeds eight times of IREDA's Net worth, prior consent of President of India is required.

(ii) Subject to provisions of Section 58A, 58B, 292 and 293 of the Act and the rules made thereunder, from time to time, and directives of the Reserve Bank of India, the Board of Directors may, from time to time invite and/or accept deposits from the members of the public and/or employees of the Company/or otherwise at such rate of interest as may be decided by Board. The Board may also pay commission to any person for subscribing or agreeing to subscribe or procure or agree to procure these deposits, not exceeding 1% (one percent).

Article 45- Debentures, debentures stock, bonds or other securities , may be made assignable free from any equities between the company and the person to whom the same may be issued.

Article 46- Subject to Section 117 of the Companies Act, 1956 any debentures, debenture stock, bonds or other securities may be be issued at a discount, premium or otherwise and with any special privilege as to redemption, surrender, drawings, appointment of directors and otherwise.

Provided that, if the total borrowings including the proceeds of the issue of debentures exceeds eight times of IREDA's net worth, prior consent of President of India is required.

Article 47- Whenever any uncalled capital of the company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the shareholders or otherwise to obtain priority over such prior charge.

GENERAL MEETINGS

Article 48- The first annual general meeting of the Company shall be held within eighteen months of its incorporation and thereafter the annual general meeting shall be held within six months after the expiry of each financial year, except in the case when for any special reason, time for holding any annual general meeting (not being the first annual general meeting) is extended by the Registrar of Companies, under Section 166 of the Act; no greater interval than fifteen months shall be allowed to elapse between the date of one annual general meeting and that of the next. Every annual general meeting shall be held during business hours on a day other than a public holiday either at the registered office of the Company or at some other place as the President may direct, and the notice calling the meeting shall specify it as the annual-general meeting. All other meetings of the Company shall be called Extra-ordinary General Meetings.

PROCEEDINGS AT GENERAL MEETING

Article 52 (1) - No business shall be transacted at any general meeting unless a quorum of members is present at the time of when the meeting proceeds to business.

(2) Save as herein otherwise provided, five members present in person, one of whom will be a representative of the President, shall be quorum for a general meeting of the Company.

JOINT HOLDERS OF SHARES

Article 68 - Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons present whose name stands, first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this clause be deemed joint holders thereof.

RESERVES AND DIVIDENDS

Article 99 - The profits of the Company available for payment of dividend subject to any special rights

relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the reserve funds and amortisation of capital, shall, with the approval of the President, be divisible among the members in proportion to the amount of capital paid up by them respectively, provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the dale of payment.

Articlc 102 - The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits but no dividend shall exceed the amount recommended by the Board of Directors.

Articlc 103 - No dividend shall be declared or paid by the Company for any financial year except out of profits of the Company for that year arrived at after providing for the depreciation in accordance with the provisions of subsection (2) of Section 205 of the Act or out of profits of the Company for any previous financial year or years arrived at after providing for the depreciation in accordance with those provisions and remaining undistributed or out of both or out of money provided by the Government for the payment of dividend in pursuance of a guarantee given by the Government. No dividend shall carry interest against the Company.

WINDING UP

Article 130 - If the Company be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on shares held by therm respectively. And if in a winding up, assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up, the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid upon the shares to be without prejudice to the rights of the shareholders of shares issued upon special terms and conditions.

SECTION VIII – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at India Habitat Centre, East Court, Core 4 'A', 1st Floor, Lodhi Road, New Delhi - 110003, from 10.00 a.m. to 4.00 p.m., from the date of the Draft Shelf Prospectus until the date of closure of the Issue.

MATERIAL CONTRACTS

1. Issue Agreement dated January 21, 2014, between our Company and the Lead Managers.
2. Agreement dated January 21, 2014, between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated January 21, 2014 between our Company and the Debenture Trustee for the Bondholders.
4. Agreement dated January 21, 2014, between our Company and the Consortium Members.
5. Escrow Agreement dated [●], between our Company, the Lead Managers, the Registrar to the Issue and the Escrow Collection Bank(s).
6. Tripartite Agreement dated April 29, 2009, between CDSL, our Company and the Registrar to the Issue.
7. Tripartite Agreement dated June 7, 2002 between NSDL, our Company and the Registrar to the Issue.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. CBDT Notification No. 61/2013/F.No.178/37/2013-(ITA.I) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India authorising our Company to issue the said Bonds up to an aggregate amount of ₹ 1,000.00 crores during Fiscal 2014.
3. Certified copy of Board resolution dated August 29, 2013 approving the Issue.
4. Shareholders' resolution dated September 26, 2013, under section 180 (1) (c) of the Companies Act, 2013 on the borrowing limit.
5. Letter(s) dated November 19, 2013, November 22, 2013 and December 31, 2013 by Brickwork assigning credit rating of 'BWR AAA (SO) [pronounced BWR Triple A (Structured Obligation)] (Outlook: Stable)' to the Bonds and letter(s) dated November 20, 2013, November 27, 2013 and December 31, 2013 by CARE assigning credit rating of "CARE AAA (SO) [Triple A (Structured Obligation)]" to the Bonds.
6. Consents of each of the Directors, Chief Financial Officer (i.e. Director (Finance), Company Secretary and Compliance Officer, Lead Managers, Legal Advisors to the Issue, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Company, the Debenture Trustee for the Bonds, Consortium Members and the Credit Rating Agencies to include their names in the Draft Shelf Prospectus, in their respective capacities.
7. Consent of the Auditors, for inclusion of their name and the report on the financial statements including the annexures and notes thereto, in the form and context in which they appear in the Draft Shelf Prospectus and their statement on tax benefits mentioned herein.
8. The statement of tax benefit report dated January 9, 2014, prepared by our Auditors.
9. Auditor's report dated December 24, 2013 on Financial Information, prepared in accordance with the accounting standards generally accepted in India for Fiscal 2013, 2012, 2011, 2010 and 2009 and for the period ended September 30, 2013.
10. Annual Reports of our Company for the last five Fiscals and for half year period ended September 30, 2013 .
11. In-principle listing approval from BSE, through letter no. [●] dated [●].
12. In-principle listing approval from NSE, through letter no. [●] dated [●].

13. Due Diligence Certificate dated [●] filed by the Lead Managers with SEBI.
14. Letter dated October 25, 2013 from Ministry of New and Renewable Energy, Government of India ensuring that our Company will comply with its payment obligations in respect of the Bonds in a timely manner.
15. Memorandum of Understanding dated March 25, 2013 between our Company and MNRE.
16. Letter dated January 13, 2014 of CARE for use and inclusion of information from the report titled Renewable Energy Sources, July 2013

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Bondholders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the undersigned Directors of the Company, certify that all applicable legal requirements in connection with the Issue, including under the Companies Act 1956, the Companies Act, 2013, to the extent applicable, the SEBI Debt Regulations, and all relevant guidelines issued by SEBI, GoI and any other competent authority in this behalf, have been duly complied with and that no statement made in the Draft Shelf Prospectus contravenes such applicable legal requirements. We further certify that the Draft Shelf Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that all statements in the Draft Shelf Prospectus are true and correct in all material respects.

Signed by the Board of Directors

1.	Mr. Debashish Majumdar *Chairman and Managing Director*
2.	Mr. Kuljt Singh Popli *Director (Technical)*
3.	Mr. Satish Kumar Bhargava *Director (Finance)*
4.	Dr. Mohmmad Yousuf Khan *Independent Director*
5.	Dr.Praveen Saxena *Independent Director (Government Nominee)*
6.	Mr. Ravinder Pal Batra *Independent Director (Government Nominee)*

Place: New Delhi

Date: January 21, 2014

ANNEXURE A – FINANCIAL INFORMATION

AUDITOR'S REPORT

To
The Board of Directors,
Indian Renewable Energy Development Agency Limited,
August Kranti Bhavan,
Bikhaji Kama Place,
New Delhi.

Dear Sirs:

Sub: Proposed public issue by Indian Renewable Energy Development Agency Limited (the "Company") of tax-free, secured, redeemable, non-convertible bonds (the "Issue") aggregating to Rs. 1,000 crores.

1. We have examined the Reformatted Audited Financial Statements and other financial information of Indian Renewable Energy Development Agency Limited (the "Company"), annexed to this report and initialled by us for identification purpose only. The said Reformatted Audited Financial Statements and other financial information has been prepared by the Company in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("Companies Act") and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (SEBI Regulations") as amended issued by the Securities and Exchange Board of India (the "SEBI") in pursuance of Section 11 of the Securities and Exchange Board of India Act,1992 and related clarifications and in terms of our engagement agreed with you in accordance with our engagement letter No. IREDA/Tax Free/LC/2013/3988 dated 2nd December,2013 in connection with proposed issue of the tax-free, secured, redeemable, non-convertible bonds having benefits under Section 10(15)(iv)(h) of the Income Tax Act,1961.

2. Managements' Responsibility for the Reformatted Audited Financial Statements

The preparation of these Reformatted Audited Financial Statements, which are to be included in the draft shelf prospectus and shelf prospectus prepared in connection with the Issue, is the responsibility of the management of the Company.

3. Auditors' Responsibilities

Our work has been carried out in accordance with Generally Accepted Auditing Standards, as per the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of the Companies Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act and the SEBI Debt Regulations in connection with the Issue.

A Financial Information as per audited financial statements:

i) We have examined the attached "**Reformatted Audited Statement of Assets and Liabilities**" for each years ended 31st March2013, 31st March2012, 31st March 2011, 31st March2010, 31st March2009 and for the six months period ended on September 30, 2013 (**Annexure I),** the "**Reformatted Audited Statement of Profit and Loss**" of the Company for each years ended 31st March 2013, 31st March2012, 31st March 2011, 31st March2010, 31st March2009 and for the six months period ended on September 30, 2013 (**Annexure II**), and the **Reformatted Audited Statement of Cash Flows"** of the Company for each years ended 31st March2013, 31st March2012, 31st March 2011, 31st March2010, 31st March2009 and for the six months period ended on September 30, 2013 (**Annexure III**), collectively referred to as "Reformatted Audited Financial Statements".

ii) These Reformatted Audited Financial Statements, expressed in Rupees Crores, have been derived from the audited financial statements of the Company as at and for the six month period ended September 30, 2013 and as at and for the years ended March 31, 2013, 2012, 2011, 2010 and 2009, all of which were, expressed in Indian Rupees

iii) The financial statements of the Company for years ended on 31st March2013, 31st March2012, 31st March 2011 and for the six months period ended on September 30, 2013 have been audited by us and for the years ended 31st March 2010 & 31st March2009 by M/S S.C.Vasudeva & Co , Chartered Accountants.

iv) The audited financial statements of the Company for the years ended on 31st March2013, 31st March2012, 31st march 2011, 31st March2010, 31st , 31st March 2009 have been adopted by the members.

v) The Audited Financial Statements for the six months period ended on September 30, 2013 have not been adopted by the members.

B Based on our examination of the Audited Financial information, we state that:

i) These Reformatted Audited Financial Statements should be read in conjunction with the Significant Accounting Policies and Notes to Accounts given in Annexure IV and V to this report respectively.

ii) These Reformatted Audited Financial Statements have been regrouped and reclassified in accordance with revised Schedule VI to the Companies Act, 1956 effective from April 1, 2011. It is clarified that the Reformatted Audited Financial Statements have not been restated retrospectively for change in any accounting policy. For the purposes of our examination, we have placed reliance on the audited financial statements of the Company for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 and for the six months period ended on September 30, 2013.

iii) We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2013. Accordingly, we do not express

any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to September 30, 2013.

iv) The auditor's report on Audited Financial Statements as on and for the six months period ended September 30,2013 contains following qualifications which have not been given effect in the reformatted Accounts:

a) Note 24- relating to Employee Benefits : The provision for long term employee benefits has been made by the company on ad-hoc basis instead of on actuarial valuation basis which is not in conformity with AS-15 (Revised) issued by ICAI. The Consequent impact on profitability and long term provision on account of employee benefit is unascertained.

b) Note-35 : Non-Identification of NPA accounts. The company has not reviewed Non Preforming Assets as at 30.09.2013. The consequent impact on Income, Profitability and on Short Term and Long Term Loans & Advances and provisions is unascertained.

and emphasis the following matter to the Board of Directors:

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.

v) The auditor's report on Audited Financial Statements as on and for year ended March 31,2013 emphasis the following matter to the member of the Company:

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.

vi) The auditor's report on Audited Financial Statements as on and for year ended March 31,2012 draws following attention to the members of the Company:

a) 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.

b) Note 24 regarding change in Accounting Policy relating to disclosure requirements of prudential norms. As a result of this change in Accounting Policy, there is no impact on Assets & Liabilities as well as on Profit & Loss of the Company.

vii) The auditor's report on Audited Financial Statements as on and for year ended March 31,2011 contains following qualification which has not been given effect in the reformatted Accounts

Significant Accounting policies and Notes on Accounts (As per Schedule-P) :

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

and draws attention of the members of the Company to Significant Accounting policies and Notes on Accounts (As per Schedule-P) :

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

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

c) Note No. 12 (iii): regarding change in Accounting Policy on Employee Benefits in respect of "Other Long Term Benefits". As a result of this change in Accounting Policy, opening balance of Provision for Leave Travel Concession of Rs. 0.25 crores has been written back during the year and the Profit Before Tax for the year has increased by Rs. 0.25 crores.

viii) The auditor's report on Audited financial statements as on and for year ended March 31,2010 contains following qualification, which has not been given effect in the reformatted Accounts

The Company is carrying a provision of Rs. 6.98 crores in respect of Standard Assets and Provision for Bad and doubtful debts of Rs. 284.64 crores in respect of Sub-standard, Doubtful, and Loss Assets in its books of account which exceeds the provision that the company is required to make in accordance with the prudential norms framed by the Board by an amount of Rs. 149.30 crores. The excess amount of provision has not been shown as 'Reserve' as required by Part III of Schedule VI to the Companies Act, 1956. Had the said amount been shown as a 'Reserve' as against the amount being presently shown as a 'Provision', the figure of Reserves and Surplus would have been Rs. 570.26 crores as against the reported figure of Rs. 420.96 crores, the figure of provision for standard assets and bad and doubtful debts would have been Rs. 142.32 crores as against the reported figure of Rs. 291.62 crores.

ix) The auditor's report on Audited financial statements as on and for year ended March 31,2009 contains following qualification , which has not been given effect in the reformatted Accounts

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

C Other Financial Information of the Company:

At the Company's request, we have also examined the following other information relating to the Company as at and for the six month period ended September 30, 2013 and as at and for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 proposed to be included in the draft shelf prospectus, prepared in connection with the Issue by the management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

i) Significant Accounting Policies on the Audited Financial Statements as at and for the six month period ended September 30, 2013 and as at and each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (**Annexure IV).**

ii) Notes on Audited Financial Statements as at and for the six month period ended September 30, 2013 and as at and for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 (**Annexure V).**

iii) Statement of Accounting Ratios as at and for the six month period ended September 30, 2013 and as at and each of the years ended March 31, 2013, 2012, 2011, 2010 and **2009 (Annexure VI).**

iv) Capitalization Statement as at and for the six month period ended September 30, 2013 and as at and each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 **(Annexure VII)**

v) Statement of Dividends as at and for the six month period ended September 30, 2013 and as at and each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 **(Annexure VIII)**

vi) Statement of Tax Shelter as at and for the six month period ended September 30, 2013 and as at and each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009 **(Annexure IX)** .

4. Based on our examination of the, the "Reformatted Audited Financial Statements of the Company enclosed with this Report as Annexure-I, Annexure-II and Annexure-III" read with "Significant accounting policies Annexure-IV" and "Notes on accounts Annexure V" as at and for the six month period ended September 30, 2013 and as at and each of the years ended March 31, 2013, 2012, 2011, 2010 and 2009

have been prepared in accordance with the Companies Act and the SEBI Debt Regulations;

5. The regrouping and reclassification of Reformatted Audited Financial Statements has been done in accordance with the Companies Act, for the financial years ended March 31, 2013, 2012, 2011, 2010 and 2009 and as at and for the six month period ended on September 30, 2013;

6. That it is clarified that the enclosed Reformatted Audited Financial Statements of the Company have not been restated retrospectively;

7. That there are no extra-ordinary items which need to be disclosed separately.

8. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or by another firm of chartered accountants on the Audited Financial Statements of the Company.

9. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

Yours faithfully,

For: Gianender & Associates
Firm Registration Number: 04661N
Chartered Accountants

Sd/-
G.K.Agrawal
Partner
Membership No.: 081603

Dated: 24/12/2013
Place: New Delhi

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED
Reformatted Audited Statement of Assets and Liabilities

Annexure-I
All amounts in Rs. Crore if not stated otherwise

Particulars	Note No.	As at 30.09.2013 Rs.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
1	2	2	3	4	5	6	7
I. EQUITY AND LIABILITIES							
(1) Shareholders' Funds							
(a) Share Capital	2	744.60	699.60	639.60	589.60	539.60	520.00
(b) Reserves and Surplus	3	1,108.60	988.75	818.39	674.52	420.96	371.93
(2) Share Application Money pending allotment		-	-	-	-	-	-
(3) Non-current liabilities							
(a) Long-term borrowing	4	5,482.86	4,916.63	3,959.16	2,398.06	2,620.84	2,103.63
(b) Other long-term liabilities	5	-	0.04	0.53	1.69	2.94	3.68
(c) Long-term provisions	6	30.56	29.21	32.15	28.55	10.18	9.20
(4) Current liabilities							
(a) Short-term borrowing	7	-	-	0.02	-	6.33	-
(b) Trade payables	8	3.93	12.56	4.46	2.91	6.59	6.08
(c) Other current liabilities	9	418.61	292.39	276.86	142.51	177.01	205.56
(d) Short-term provisions	10	297.53	253.93	357.39	293.82	239.08	172.85
TOTAL		8,086.69	7,193.11	6,088.55	4,131.67	4,023.53	3,392.93
II. ASSETS							
(1) Non-current assets							
(a) Fixed Assets	11						
(i) Tangible assets		37.92	39.33	42.58	40.18	42.64	44.71
(ii) Intangible assets		0.72	0.83	0.54	0.20	0.25	0.08
(iii) Capital work-in-progress		-	-	-	0.19	-	-
(iv) Intangible assets under development		0.15	0.15	0.09	0.24	0.23	0.23
		38.79	40.30	43.21	40.81	43.12	45.03
(b) Non-current investments	12	0.12	0.12	0.12	0.12	0.12	0.12
(c) Deferred tax assets (Net)		76.57	77.66	58.35	58.39	26.55	31.06
(d) Long-term loans and advances	13	6,160.79	5,653.83	4,524.15	3,041.02	2,752.18	2,170.49
(e) Other non-current assets	14	-	119.39	129.70	181.41	538.49	645.05
(2) Current assets							
(a) Trade Receivable	15	0.01	0.06	1.25	0.78	0.14	0.01
(b) Cash and bank balances	16	848.93	114.83	613.89	204.55	386.86	118.60
(c) Short-term loans and advances	17	939.56	1,176.60	716.95	602.90	270.04	375.07
(d) Other current assets	18	21.92	10.32	0.95	1.68	6.03	7.51
TOTAL		8,086.69	7,193.11	6,088.55	4,131.67	4,023.53	3,392.93
Significant Accounting Policies	**Note - 1 (Annexure - IV)**						
Notes on Financial Statements	**Note - 2 to 23 and Annexure - V**						

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

Sd/-
G K Agrawal
Partner
Membership No. 081603

Sd/-
Surender Suyal
Company Secretary

Sd/-
S K Bhargava
Director (Finance)

Place : New Delhi
Date : 24/12/2013

Sd/-
Debashish Majumdar
Chairman and
Managing Director

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED
Reformatted Audited Statement of Profit and Loss

Annexure-II
All amounts in Rs. Crore if not stated otherwise

Particulars	Note No.	For the period ended 30.09.2013 Rs.	For the year ended 31.03.2013 Rs.	For the year ended 31.03.2012 Rs.	For the year ended 31.3.2011 Rs.	For the year ended 31.3.2010 Rs.	For the year ended 31.3.2009 Rs.
I. Revenue from operations	19	443.33	719.07	519.65	400.96	334.11	273.56
II. Other Income	20	0.77	10.49	15.17	1.50	11.14	1.55
III. Total Revenue (I+II)		444.10	729.56	534.82	402.46	345.25	275.11
IV. Expenses:							
Employee Benefit Expenses	21	9.57	18.28	16.04	13.98	13.97	13.00
Finance Cost	22	259.78	380.60	253.49	189.10	147.47	127.36
Depreciation and Amortisation Expenses		1.64	3.85	3.24	3.03	3.11	2.41
Other Expenses	23	5.64	10.93	10.23	7.02	4.09	3.45
Bad Debts Written Off		-	10.80	24.10	0.24	17.58	42.96
Provision for Bad and Doubtful Debts		-	46.98	18.40	21.23	18.76	-
General Provision for Standard Assets		0.49	4.25	3.54	1.08	-	-
		277.12	475.70	329.04	235.67	204.98	189.18
V. Profit for the year (III-IV)		166.98	253.87	205.78	166.79	140.27	85.93
VI. Add+/Less(-) Prior Period Adjustments (Net)		(0.01)	(3.29)	2.35	(0.09)	0.77	(0.03)
VII. Profit before tax (V-VI)		166.97	250.58	208.12	166.70	141.05	85.90
VIII. Tax Expenses							
(1) Current Tax		46.00	83.00	56.40	51.75	44.75	25.15
(2) Income Tax- Earlier Years		-	(15.75)	(21.45)	0.02	19.10	-
(3) FBT- Earlier Years		-	-	-	-	-	0.15
(4) Deferred Tax		1.10	(19.32)	0.04	(5.54)	4.51	4.39
IX. Profit for the period (VII-VIII)		119.87	202.65	173.13	120.46	72.69	56.36
X. Earning per Equity Share:							
(1) Basic (Annualized)		324.18	300.90	273.14	209.20	136.88	110.30
(2) Diluted		-	-	-	-	-	-
Significant Accounting Policies	**Note - 1 (Annexure - IV)**						
Notes on Financial Statements	**Note - 2 to 23 and Annexure - V**						
As per our Report of even date							

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

Sd/-
G K Agrawal
Partner
Membership No. 081603

Sd/-
Surender Suyal
Company Secretary

Sd/-
S K Bhargava
Director (Finance)

Place : New Delhi
Date : 24/12/2013

Sd/-
Debashish Majumdar
Chairman and
Managing Director

Reformatted Audited Statement of Cash Flow

Annexure-III

All amounts in Rs. Crore if not stated otherwise

	Particulars	For the half year ended September 30, 2013		For the year ended March 31, 2013		For the year ended March 31, 2012		For the year ended March 31, 2011		For the year ended March 31, 2010		For the year ended March 31, 2009	
A	**Cash Flow from Operating Activities:**												
	Net Profit Before Tax and Extraordinary / Prior Period	166.98		253.87		205.78		166.79		140.27		85.93	
	Adjustment for:												
	1 Depreciation	1.64		3.85		3.24		3.03		3.11		2.41	
	2 Provision for Non Performing Assets	-		46.98		(5.51)		21.23		18.76		-	
	3 Provision for Standard Assets	0.49		4.25		3.54		1.08		-		-	
	4 Miscellaneous Expenses written off	-		-		-		1.23		0.14		0.08	
	5 Prior Period Expenses/Income	(0.01)		(3.29)		2.35		(0.09)		0.77		(0.03)	
	6 Foreign Exchange Fluctuations/Underlying exchange fluctuation	37.64		14.95		(0.66)		3.11		1.00		(0.67)	
	7 Interest Funded adjusted from provision held	-		(7.20)		-		-		-		-	
	8 Investment written back	-		-		-		-		-		(0.12)	
	9 Amortization of Capital Grant	(0.03)		(0.11)		(0.21)		(0.45)		(6.70)		(0.38)	
	10 Income Tax Provision written back	-		15.77		18.32		-		-		-	
	11 Loss on sale of Fixed Assets/Adjustment	0.00		0.03		0.12		0.22		0.00		(0.00)	
	12 Dividend on investment	-		-		(0.01)		(0.01)		(0.01)		(0.01)	
	Operating profit before Working Capital Changes	**206.72**		**329.11**		**226.95**		**196.12**		**157.34**		**87.21**	
	Increase / Decrease in												
	1 Loans and Advances - IREDA	(248.51)		(1,742.59)		(1,523.91)		(441.17)		(456.71)		(397.41)	
	2 Loans and Advances - MNRE	9.23		(0.03)		(1.30)		1.06		4.21		(0.91)	
	3 Other Non Current Assets	-		10.31		51.72		357.08		105.75		(84.31)	
	4 Other Bank Balances	(112.85)		2.09		(1.23)		18.50		(0.06)		(0.01)	
	5 Other Current Assets	(11.60)		(9.37)		0.73		(0.34)		2.71		3.27	
	6 Trade Receivable	0.05		1.19		(0.46)		(0.64)		0.13		(0.04)	
	7 Other Long Term Liabilities	(0.04)		(0.49)		(1.17)		(1.30)		(0.74)		3.68	
	8 Other Current Liabilities	40.35		23.66		26.81		15.46		(9.17)		(18.45)	
	9 Trade Payable	(8.63)		8.10		1.55		(2.24)		0.51		3.04	
	10 Provisions	(1.54)		5.69		4.55		(4.25)		(0.44)		5.69	
		(333.53)		**(1,701.44)**		**(1,442.71)**		**(57.84)**		**(353.82)**		**(485.43)**	
	Cash Generated from Operations	**(126.81)**		**(1,372.33)**		**(1,215.76)**		**138.28**		**(196.47)**		**(398.22)**	
	Income Tax	(30.64)		(88.97)		(66.46)		50.64		43.18		40.57	
	Net Cash Generated from Operations		(157.45)		(1,461.30)		(1,282.22)		87.65		(239.65)		(438.79)
B	**Cash Flow From Investing Activities**												
	1 Purchase of Fixed Assets	(0.14)		(1.01)		(5.79)		(0.94)		(1.21)		(8.29)	
	2 Sale of Fixed Assets	0.00		0.03		0.04		0.01		0.00		0.02	
	3 Dividend on Investment	-		-		0.01		0.01		0.01		0.01	
	Net Cash flow from Investing Activities		(0.14)		(0.98)		(5.75)		(0.92)		(1.20)		(8.26)
C	**Cash Flow from Financial Activities**												
	1 Equity Contribution	45.00		60.00		50.00		50.00		19.60		30.00	
	2 Capital Grants			-		-		-		-		0.27	
	3 Revenue Grant			-		-		-		-		0.41	
	4 Redemption of Bonds	-		(50.00)		-		(15.10)		-		(50.00)	
	5 Bond Issue Expenses	-		-		-		(0.86)		(0.56)		(0.56)	
	6 Dividend paid	-		(25.00)		(20.00)		(14.54)		(11.25)		(9.60)	
	7 Dividend Tax paid	-		(4.06)		(3.24)		(2.41)		(1.91)		(1.63)	
	8 Increase /Decrease in Short term Debts	-		(0.02)		0.02		-		6.33		-	
	9 Increase /Decrease in Long term Debts	614.45		984.39		1,669.30		(267.62)		496.84		463.78	
	Net Cash flow from Financing Activities		659.45		965.32		1,696.07		(250.53)		509.05		432.68
	Net Increase in Cash and Cash Equivalents		**501.87**		**(496.97)**		**408.11**		**(163.81)**		**268.20**		**(14.37)**
	Cash and Cash Equivalents at the beginning of the year		104.33		601.29		193.18		356.99		117.05		131.42
	Cash and Cash Equivalents at the end of the year		**606.19**		104.33		601.29		193.18		385.25		117.05
	Net Increase in Cash and Cash Equivalents		**501.87**		**(496.97)**		**408.11**		**(163.81)**		**268.20**		**(14.37)**

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

Sd/-
G K Agrawal
Partner
Membership No. 081603

Sd/-
Surender Suyal
Company Secretary

Sd/-
S K Bhargava
Director (Finance)

Place : New Delhi
Date : 24/12/2013

Sd/-
Debashish Majumdar
Chairman and
Managing Director

Notes on Reformatted Audited Financial Statements

NOTE-'1' is Significant Accounting policies which is included in Annexure-IV

NOTE-'2'

SHARE CAPITAL

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
Authorised	-	-	-	-	-	-
	-	-	-	-	-	-
100,00,000 (Previous year 100,00,000) Equity Shares of Rs. 1,000 each	**1,000.00**	**1,000.00**	**1,000.00**	**1,000.00**	**1,000.00**	**1,000.00**
	-	-	-	-	-	-
Issued, Subscribed & Fully Paid up	-	-	-	-	-	-
	-	-	-	-	-	-
74,46,000 (Previous Year 69,96,000) Equity Shares of Rs. 1,000 each fully paid up	**744.60**	**699.60**	**639.60**	**589.60**	**539.60**	**520.00**
Total	**744.60**	**699.60**	**639.60**	**589.60**	**539.60**	**520.00**

Reconciliation of Equity Shares

PARTICULARS	Equity Shares		Equity Shares		Equity Shares		Equity Shares		Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.	Number	Rs.	Number	Rs.	Number	Rs.	Number	Rs.
	1.4.2013 to 30.9.2013		2012-13		2011-12		2010-11		2009-10		2008-09	
Shares outstanding as on 1st April	**0.70**	**699.60**	**0.64**	**639.60**	**0.59**	**589.60**	**0.54**	**539.60**	**0.52**	**520.00**	**0.49**	**490.00**
Shares issued during the year	**0.05**	**45.00**	**0.06**	**60.00**	**0.05**	**50.00**	**0.05**	**50.00**	**0.02**	**19.60**	**0.03**	**30.00**
shares bought back during the year	-	-	-	-	-	-	-	-	-	-	-	-
Shares outstanding as on 30th Septemb	**0.74**	**744.60**	**0.70**	**699.60**	**0.64**	**639.60**	**0.59**	**589.60**	**0.54**	**539.60**	**0.52**	**520.00**

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

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
a. Capital Reserves						
i. Capital Grant from world bank for purchase of Fixed Assets						
Opening Balance	**0.19**	**0.30**	**0.51**	**0.97**	**1.20**	**1.35**
(+) Received During the year	**-**	**-**	**-**	**-**	**-**	**0.23**
(-) Transferred to Miscellaneous Income	**0.03**	**0.11**	**0.21**	**0.45**	**0.23**	**0.38**
Closing Balance	**0.16**	**0.19**	**0.30**	**0.51**	**0.97**	**1.20**
ii. UNDP Hilly Hydro Capital Grant						
Opening Balance	**-**	**-**	**-**	**-**	**12.48**	**12.44**
(+) Received during the year	**-**	**-**	**-**	**-**	**-**	**0.05**
(-) Transferred to Miscellaneous Income	**-**	**-**	**-**	**-**	**6.47**	**-**
(-) Transferred to other Capital Grant	**-**	**-**	**-**	**-**	**6.01**	**-**
Closing Balance	**-**	**-**	**-**	**-**	**-**	**12.48**
iii. Grant-in-aid from Government of Netherlands	**16.79**	**16.79**	**16.79**	**16.79**	**16.79**	**16.79**
iv. Grant-in-aid from World Bank						
World Bank- GEF Project Grant	**79.36**	**79.36**	**79.36**	**79.36**	**79.36**	**79.36**
World Bank- SDC Project Grant	**4.59**	**4.59**	**4.59**	**4.59**	**4.59**	**4.59**
v. Other Capital Grant	**6.01**	**6.01**	**6.01**	**6.01**	**6.01**	**-**
	-	**-**	**-**	**-**	**-**	**-**
	106.91	**106.94**	**107.05**	**107.26**	**107.72**	**114.42**
b. Special Reserve						
(under Section 36(1)(viii) of the Income Tax Act, 1961)						
Opening Balance	**336.19**	**279.92**	**243.15**	**209.66**	**180.13**	**164.81**
(+) Addition during the year	**31.63**	**56.27**	**36.77**	**33.49**	**29.54**	**15.31**
Closing Balance	**367.82**	**336.19**	**279.92**	**243.15**	**209.66**	**180.13**
c. NBFC Reserve	**6.79**	**6.79**	**6.79**	**6.79**	**6.79**	**6.79**
(under Section 45-1C of the RBI Act, 1956)						
d. General Reserve						
Opening Balance	**538.56**	**423.56**	**313.56**	**83.07**	**58.07**	**33.07**
(+) Addition during the year	**88.00**	**115.00**	**110.00**	**100.00**	**25.00**	**25.00**
(+) Transferred from Provision for Bad & Doubtful debts	**-**	**-**	**-**	**130.50**	**-**	**-**
Closing Balance	**626.56**	**538.56**	**423.56**	**313.56**	**83.07**	**58.07**
e. Profit & Loss Account						
Opening Balance	**0.26**	**1.06**	**3.75**	**13.73**	**12.53**	**9.79**
(+) Net Profit for the current year	**119.87**	**202.65**	**173.13**	**120.46**	**72.69**	**56.21**
(+) Reversal of Deferred Tax Liability On Special Reserve - Earlier Years	**-**	**-**	**-**	**69.64**	**-**	**-**
(-) Reversal of Deferred Tax Asset on Excess NPA provision written back-Earlier Years	**-**	**-**	**-**	**43.35**	**-**	**-**
(-) Proposed Dividend	**-**	**27.50**	**25.00**	**20.00**	**14.54**	**11.25**
(-) Corporate Dividend Tax	**-**	**4.67**	**4.06**	**3.24**	**2.41**	**1.91**
(-) Transfer to Special Reserve	**31.63**	**56.27**	**36.77**	**33.49**	**29.54**	**15.31**
(-) Transfer to General Reserve	**88.00**	**115.00**	**110.00**	**100.00**	**25.00**	**25.00**
Closing Balance	**0.51**	**0.26**	**1.06**	**3.75**	**13.73**	**12.53**
Total	**1,108.60**	**988.75**	**818.39**	**674.52**	**420.96**	**371.93**

NOTE-'4'
LONG TERM BORROWINGS

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	Terms of Repayment	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
A. Bonds							
(Secured by negative lien on Book Debts of the company)							
(i) 8.49% Taxable Bonds in the nature of Debentures (Series V-B- 2013-14)	Redeemable at par on 10.05.2028	**200.00**	**-**	**-**	**-**	**-**	**-**
(ii) 9.02% Taxable Bonds in the nature of Debentures (Series III- 2010-11 - Tranche-I)	Redeemable at par on 24.09.2025	**250.00**	**250.00**	**250.00**	**250.00**	**-**	**-**
(iii) 8.44% Taxable Bonds in the nature of Debentures (Series V-A- 2013-14)	Redeemable at par on 10.05.2028	**300.00**	**-**	**-**	**-**	**-**	**-**
(iv) 9.49% Taxable Bonds in the nature of Debentures (Series IV- 2012-13)	Redeemable at par on 04.06.2022	**300.00**	**300.00**	**-**	**-**	**-**	**-**
(v) 8.87% Taxable Bonds in the nature of Debentures (Series III- 2010-11 - Tranche-II)	Redeemable at par on 24.09.2020	**150.00**	**150.00**	**150.00**	**150.00**	**-**	**-**
(vi) 8.85% Taxable Bonds in the nature of Debentures (Series II- 2009-10)	Redeemable at par on 13.01.2020	**150.00**	**150.00**	**150.00**	**150.00**	**150.00**	**-**
(vii) 9.60% Taxable Bonds in the nature of Debentures (Series I- 2008-09)	Redeemable at par on 24.2.2019	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
(viii) 5.50% Tax free Secured Redeemable Energy Bond (Series XI- 2003-04)	Redeemable at par on 22-10-2013	**35.00**	**35.00**	**35.00**	**34.90**	**50.00**	**50.00**
Less: Current Maturity		**35.00**	**35.00**	**-**	**-**	**-**	**-**
		-	**-**	**35.00**	**34.90**	**50.00**	**50.00**
(ix) 6.00% Tax free Secured Redeemable Energy Bonds (Series X- 2002-03)	Redeemed in 2012-13	**-**	**-**	**50.00**	**50.00**	**50.00**	**50.00**
Less: Current Maturity		**-**	**-**	**50.00**	**-**	**-**	**-**
		-	**-**	**-**	**50.00**	**50.00**	**50.00**
Total of Bonds		**1,450.00**	**950.00**	**685.00**	**734.90**	**350.00**	**200.00**

B. Term Loans - Secured							
a. From Banks							
(i) Bank of Baroda (INR Loan)	Interest @ BLR (Floating), Repayment on half	**103.18**	**108.21**	**117.57**	**126.05**	**133.75**	**140.74**
Less: Current Maturity	yearly basis,in remaining 14 installments ranging	**10.82**	**10.31**	**9.36**	**8.49**	**7.70**	**6.98**
(Secured by US$ deposit with BOB London)	between Rs. 50258876 to Rs. 96126342.	**92.36**	**97.90**	**108.21**	**117.57**	**126.05**	**133.75**
(ii) BOB -IBRD INR Loan	Repaid Pre-maturely	-	-	-	-	**196.31**	**205.06**
Less: Current Maturity		-	-	-	-	**13.95**	**8.75**
		-	-	-	-	**182.36**	**196.31**
(iii) Canara Bank (KFW) INR Loan	Repaid Pre-maturely	-	-	-	-	**184.05**	**211.43**
Less: Current Maturity		-	-	-	-	**6.13**	**27.37**
		-	-	-	-	**177.92**	**184.05**
(iv) Andhra Bank Term Loan	Repaid Pre-maturely	-	-	-	-	**50.50**	-
Less: Current Maturity		-	-	-	-	-	-
		-	-	-	-	**50.50**	-
(v) OBC Term Loan-I	Repaid in Full	-	-	-	-	**8.32**	**16.67**
Less: Current Maturity		-	-	-	-	**8.32**	**8.35**
(Secured by pari-passu charge on the Book Debts)		-	-	-	-	-	**8.32**
(vi) OBC Term Loan-II	Repaid in Full	-	-	**8.32**	**16.65**	**24.98**	**33.33**
Less: Current Maturity		-	-	**8.32**	**8.33**	**8.33**	**8.35**
(Secured by pari-passu charge on the Book Debts)		-	-	-	**8.32**	**16.65**	**24.98**
(vii) OBC Term Loan-III	Interest @ 7.20 %(Fixed), Repayment on annual	**14.05**	**14.05**	**28.34**	**42.62**	**56.91**	**71.43**
Less: Current Maturity	basis, last installment of Rs. 140,527,946/- due on	**14.05**	**14.05**	**14.29**	**14.29**	**14.29**	**14.52**
(Secured by pari-passu charge on the Book Debts)	17.2.2014	-	-	**14.05**	**28.34**	**42.62**	**56.91**
(viii) OBC Term Loan-IV	Repaid Pre-maturely	-	-	-	-	**44.00**	**44.00**
Less: Current Maturity		-	-	-	-	-	-
(Secured by pari-passu charge on the Book Debts)		-	-	-	-	**44.00**	**44.00**
(ix) Canara Bank Term loan-I	Repaid in Full	-	-	-	-	**14.26**	**28.55**
Less: Current Maturity		-	-	-	-	**14.26**	**14.29**
(Secured by pari-passu charge on the Book Debts)		-	-	-	-	-	**14.26**
(x) Canara Bank Term loan-II	Repaid in Full	-	-	**4.35**	**8.71**	**13.07**	**17.43**
Less: Current Maturity		-	-	**4.35**	**4.36**	**4.36**	**4.36**
(Secured by pari-passu charge on the Book Debts)		-	-	-	**4.35**	**8.71**	**13.07**
(xi) Canara Bank Term loan-III	Repaid Pre-maturely	-	-	-	-	**57.40**	**35.00**
Less: Current Maturity		-	-	-	-	-	-
(Secured by pari-passu charge on the Book Debts)		-	-	-	-	**57.40**	**35.00**
(xii) Dena Bank Term Loan-I	Repaid in Full	-	**7.10**	**14.25**	**21.40**	**28.55**	**35.70**
Less: Current Maturity		-	**7.10**	**7.15**	**7.15**	**7.15**	**7.15**
(Secured by pari-passu charge on the Book Debts)		-	-	**7.10**	**14.25**	**21.40**	**28.55**
(xiii) United Bank of India Term Loan-I	Repaid Pre-maturely	-	-	-	-	**100.00**	**100.00**
Less: Current Maturity		-	-	-	-	-	-
(Secured by pari-passu charge on the Book Debts)		-			-	**100.00**	**100.00**
(xiv) Union Bank of India Term Loan-II	Repaid Pre-maturely	-	-	-	-	**94.45**	**35.00**
Less: Current Maturity		-	-	-	-	-	-
(Secured by pari-passu charge on the Book Debts)		-	-	-		**94.45**	**35.00**
(xv)Vijaya Bank Term Loan-I		-	-	-	-	**1.00**	-
Less: Current Maturity	Repaid Pre-maturely	-	-	-	-	-	-
(Secured by pari-passu charge on the Book Debts)		-	-	-	-	**1.00**	-
(xvi)The South Indian Bank Term Loan-I	Repaid Pre-maturely	-	-	-	-	**13.75**	**16.25**
Less: Current Maturity		-	-	-	-	**2.50**	**2.50**
(Secured by pari-passu charge on the Book Debts)		-	-	-	-	**11.25**	**13.75**
(xvii)The South Indian Bank Term Loan-II	Repaid Pre-maturely	-	-	-	-	**86.79**	**90.00**
Less: Current Maturity		-	-	-	-	**12.86**	**3.22**
(Secured by pari-passu charge on the Book Debts)		-	-	-	-	**73.93**	**86.79**
(xviii)The South Indian Bank Term Loan-III	Repaid Pre-maturely	-	-	-	-	**50.00**	**50.00**
Less: Current Maturity		-	-	-	-	**3.57**	-
(Secured by pari-passu charge on the Book Debts)		-	-	-	-	**46.43**	**50.00**
(xix) Union Bank of India Term Loan-II	Interest @ Base Rate+0.75% i.e 10.50% (Floating),	**200.00**	**200.00**	**197.51**	-	-	-
Less: Current Maturity	Repayment on quarterly basis starting from	**7.14**	-	-	-	-	-
(Secured by pari-passu charge on the Book Debts)	09.09.2014 in 27 Installments of Rs. 71,430,000/- each and 1 installment of Rs 71,390,000/-	**192.86**	**200.00**	**197.51**	-	-	-

(xx) Asian Development Bank (ADB)	Repayment on half yearly basis in remaining 16	**125.06**	**130.03**	**139.37**	**146.22**	**155.52**	**183.42**
Less: Current Maturity	Installments ranging between US$ 1,170,300 to	**10.82**	**10.31**	**9.36**	**6.85**	**7.70**	**6.98**
(Secured by pari-passu charge on the Book Debts and Guaranteed by the Government of India)	2,428,269	**114.23**	**119.72**	**130.01**	**139.37**	**147.82**	**176.43**
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	**200.00**	**200.00**	**200.00**	**200.00**	**200.00**	**-**
C. Term Loans - Unsecured							
a. From Banks							
(i) Nordic Investment Bank (NIB)	Repayment on half yearly basis in remaining 11	**195.04**	**211.12**	**227.29**	**227.17**	**114.07**	**-**
Less: Current Maturity	Installments of US$ 3,570,000 each & 1 of US$	**32.51**	**32.48**	**16.23**	**-**	**-**	**-**
	3,590,000	**162.53**	**178.64**	**211.06**	**227.17**	**114.07**	**-**
(ii) KFW Loan-I	Repayment on half yearly basis in remaining 20	**194.19**	**197.85**	**205.18**	**212.50**	**213.20**	**272.88**
Less: Current Maturity	Installments of Euro 586,451.79 each & 33 of Euro	**7.32**	**7.32**	**7.32**	**7.32**	**6.13**	**27.37**
(Guaranteed by the Government of India)	586,963.08 each	**186.87**	**190.53**	**197.85**	**205.18**	**207.06**	**245.51**
(iii) KFW Loan-II	Repayment on half yearly basis in remaining 13	**268.64**	**287.39**	**316.76**	**232.20**	**132.56**	**-**
Less: Current Maturity	Installments of Euro 2,858,000 each & 1 of Euro	**37.07**	**37.09**	**37.09**	**-**	**-**	**-**
(Guaranteed by the Government of India)	4,272,000	**231.57**	**250.29**	**279.67**	**232.20**	**132.56**	**-**
(iv) KFW Loan-III	Repayment on half yearly basis starting from	**123.36**	**123.36**	**98.16**	**91.21**	**-**	**-**
(Guaranteed by the Government of India)	30.06.2020 in 9 Installments of Euro 332,000 each & 51 installment of Euro 333,000 each						
(v) KFW Loan-IV	Repayment on half yearly basis starting from	**237.44**	**150.95**	**10.17**	**-**	**-**	**-**
Less: Current Maturity	30.06.2014 in 16 Installments of Euro 11,111,000	**83.26**	**-**	**-**	**-**	**-**	**-**
(Guaranteed by the Government of India)	each & 2 installment of Euro 11,112,000 each	**154.17**	**150.95**	**10.17**	**-**	**-**	**-**
(vi) International Bank for Reconstruction and	Repayment on half yearly basis in remaining 14	**139.10**	**147.02**	**162.17**	**176.47**	**189.52**	**228.24**
Less: Current Maturity	Installments ranging between US$ 1803500 to	**16.56**	**16.08**	**15.16**	**14.30**	**13.95**	**13.15**
(Guaranteed by the Government of India)	2,651,500	**122.54**	**130.94**	**147.02**	**162.17**	**175.58**	**215.09**
b. From Others							
(i) Agence Francaise De Developpement (AFD)	Repayment on half yearly basis starting from	**480.44**	**480.44**	**242.76**	**-**	**-**	**-**
(Guaranteed by the Government of India)	31.01.2015 in 30 installments of Euro 2,333,333.33 each						
(ii) Japan International Corporation Agency (JICA)	Repayment on half yearly basis starting from	**1,689.44**	**1,595.71**	**1,203.61**	**-**	**-**	**-**
(Guaranteed by the Government of India)	20.06.2021 in 41 Installments of Yen 731,707,000 each						
(iii) Government of India							
Against International Development Agency (IDA) -	Repayment on half yearly basis in remaining 14	**223.32**	**226.72**	**233.03**	**239.08**	**241.85**	**241.85**
Second Renewable Energy Project (INR Loan)	Installments of US$ 625,000 & 30 inst. Of US$						
Add: Liability due to underlying exchange fluctuation	1,250,000 payable in INR at Current exchange rate	**67.02**	**28.23**	**-**	**-**	**-**	**-**
(Refer foot note '3')		**290.34**	**254.95**	**233.03**	**239.08**	**241.85**	**241.85**
Less: Current Maturity		**7.85**	**6.80**	**6.05**	**6.05**	**2.77**	**-**
		282.50	**248.15**	**226.98**	**233.03**	**239.08**	**241.85**
Total		**5,482.86**	**4,916.63**	**3,959.16**	**2,398.06**	**2,620.84**	**2,103.63**

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 trenches 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) The line of credits against which IREDA has drawn the amount but which remain un-hedged as on 30.09.2013, 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 30th September, 2013 by debiting Statement of Profit and Loss (refer Note 22) by an amount of Rs. 38,79,76,126/-.

NOTE-'5'
OTHER LONG TERM LIABILITIES

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
(a) Trade Payable	-	-	-	-	-	-
(b) Others						
MNRE Interest Subsidy Payable	-	0.04	0.53	1.69	2.94	3.68
Total	-	0.04	0.53	1.69	2.94	3.68

NOTE-'6'
LONG TERM PROVISIONS

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
(a) Provision for Employees' Benefits	4.39	4.17	2.96	2.70	4.03	3.13
(b) Others						
Provision for Standard Assets	26.17	25.04	29.19	25.86	6.15	6.07
Floating Provision on Standard Assets	-	-	-	-	-	-
Total	30.56	29.21	32.15	28.55	10.18	9.20

Foot Note

(1)No NPA have been identified as at 30.09.2013

(2) The acturial valuation in respect of Long Term and Short Term Employee benifits is carried out by the company at the end of each financial year and provision is made in books of account on the said basis in accordance with AS-15 issued by ICAI. The company has not carried out any actutirial valauation as on 30.09.2013 and a Provision of Rs. 37,50,000 lumpsum for all Employee Benifits has been made on estimated basis.

NOTE-'7'
SHORT TERM BORROWING

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
(i) Vijaya Bank	-	-	0.01	-	6.33	-
(ii) Bank of India	-	-	0.01	-	-	-
(For Previous Year Overdraft Facilities from Vijaya Bank & Bank of India amounting to Rs. 1,480,000,000/- and Rs. 1,000,000,000/- respectively carries interest at Bank's Base Rate (Floating) and are secured by pari-passu basis on the Book Debts of the company)*						
Total	-	-	0.02	-	6.33	-

*During the year Overdraft facility with Bank of India & Vijaya Bank were renewed

NOTE-'8'
TRADE PAYABLE

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
Trade Payable	3.93	12.56	4.46	2.91	6.59	6.08
Total	3.93	12.56	4.46	2.91	6.59	6.08

NOTE-'9'
OTHER CURRENT LIABILITIES

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
(a) Current Maturity of Long Term Debts	262.41	176.55	184.67	77.13	133.96	153.34
(b) Interest accrued but not due on borrowing	101.91	100.44	56.47	35.47	21.06	19.20
(c) Others Payable						
Provident Fund Payable	0.20	0.19	0.17	0.15	0.13	0.09
MNRE Programme Funds	0.30	9.86	11.43	13.01	12.92	25.85
MNRE Co Generation Specific Grant	0.28	0.28	0.28	0.28	0.28	0.28
National Hydrogen Energy Board	0.04	0.04	0.04	0.04	0.04	0.04
UNDP Programme Funds	-	-	-	-	0.62	0.62
MNRE Interest Subsidy Payable	0.20	0.49	1.17	2.25	3.21	3.73
Other Liabilities	53.27	4.55	22.63	14.17	4.80	2.42
Total	418.61	292.39	276.86	142.51	177.01	205.56

NOTE-'10'
SHORT TERM PROVISIONS

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
(a) Provision for Employees' Benefits	1.05	1.03	0.24	0.09	0.37	0.51
(b) Others						
Provision Income-tax	253.89	207.89	320.14	266.90	215.15	151.30
Fringe Benefit tax	-	-	-	-	0.55	0.55
Proposed Dividend	27.50	27.50	25.00	20.00	14.54	11.25
Corporate Dividend Tax	4.67	4.67	4.06	3.24	2.41	1.91
Provision for Standard Assets	1.78	2.42	1.21	1.00	0.83	0.91
Pay Revision Arear	-	-	-	-	2.26	3.48
Provision for Corporate Social Responsibility Fund	4.40	6.44	3.00	-	-	-
Provision for Sustainable Development Fund	0.70	0.39	-	-	-	-
Other Provisions	3.54	3.58	3.73	2.59	2.96	2.94
Total	297.53	253.93	357.39	293.82	239.08	172.85

Fixed Assets

NOTE-11

All amounts in Rs. Crore if not stated otherwise

Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK					
	As at 30.09.2013	As at 30.03.2013	As at 30.03.2012	As at 30.03.2011	As at 30.03.2010	As at 30.03.2009	Up to 30.09.2013	Up to 31.03.2013	Up to 31.03.2012	Up to 31.03.2011	Up to 31.03.2010	Up to 31.03.2009	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
(i) Tangible Assets																		
Buildings-Residential	0.41	0.41	0.41	0.41	0.41	0.41	0.26	0.26	0.25	0.24	0.23	0.22	0.15	0.16	0.17	0.18	0.18	0.19
Leasehold					-						-							
Buildings-Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold-IHC	4.40	4.40	4.40	2.64	2.64	2.64	1.79	1.73	1.58	1.50	1.44	1.38	2.60	2.67	2.81	1.14	1.20	1.26
Leasehold-AKB	42.28	42.28	42.28	42.28	42.28	41.78	11.75	10.97	9.32	7.59	5.76	3.84	30.52	31.31	32.95	34.69	36.51	37.94
Furniture and Fittings	2.79	2.77	2.74	2.35	2.93	2.85	1.58	1.46	1.17	0.96	1.17	0.80	1.21	1.31	1.57	1.39	1.76	2.06
Vehicles	0.42	0.42	0.32	0.31	0.26	0.26	0.26	0.24	0.20	0.16	0.12	0.07	0.16	0.19	0.12	0.15	0.14	0.19
Office Equipments	3.12	3.11	3.09	3.39	3.43	3.24	1.54	1.43	1.16	1.43	1.20	0.86	1.57	1.69	1.93	1.96	2.23	2.37
Computers	5.04	4.94	5.16	2.55	5.10	4.93	3.34	2.94	2.13	1.89	4.48	4.23	1.70	2.01	3.03	0.67	0.61	0.70
Library	0.18	0.18	0.18	0.18	0.18	0.17	0.18	0.18	0.18	0.18	0.18	0.17	-	-	-	-	-	-
											-							
Total A	**58.63**	**58.51**	**58.57**	**54.12**	**57.23**	**56.28**	**20.71**	**19.19**	**15.99**	**13.94**	**14.58**	**11.56**	**37.92**	**39.33**	**42.58**	**40.18**	**42.64**	**44.71**
(ii) Intangible Assets																		
Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Software	1.31	1.29	0.84	0.84	0.81	0.60	0.58	0.47	0.30	0.64	0.57	0.51	0.72	0.83	0.54	0.20	0.25	0.08
											-							
Total B	**1.31**	**1.29**	**0.84**	**0.84**	**0.81**	**0.60**	**0.58**	**0.47**	**0.30**	**0.64**	**0.57**	**0.51**	**0.72**	**0.83**	**0.54**	**0.20**	**0.25**	**0.08**
Total A+B	**59.93**	**59.81**	**59.41**	**54.95**	**58.04**	**56.87**	**21.29**	**19.65**	**16.29**	**14.58**	**15.15**	**12.08**	**38.65**	**40.15**	**43.12**	**40.37**	**42.89**	**44.79**
(iii) Capital Work In Progress																		
Leasehold Office	-	-	-	0.19	-	-	-	-	-	-	-	-	-	-	-	0.19	-	-
Total C	**-**	**-**	**-**	**0.19**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.19**	**-**	**-**
(iv) Intangible Assets under development																		
Software under Development	0.15	0.15	0.09	0.24	0.23	0.23	-	-	-	-	-	-	0.15	0.15	0.09	0.24	0.23	0.23
Total D	**0.15**	**0.15**	**0.09**	**0.24**	**0.23**	**0.23**	**-**	**-**	**-**	**-**	**-**	**-**	**0.15**	**0.15**	**0.09**	**0.24**	**0.23**	**0.23**
Total A+B+C+D	**60.08**	**59.95**	**59.50**	**55.39**	**58.27**	**57.10**	**21.29**	**19.65**	**16.29**	**14.58**	**15.15**	**12.08**	**38.79**	**40.30**	**43.21**	**40.81**	**43.12**	**45.03**

*Included W.D.V. of assets purchased out of grants from World Bank

NOTE-'12'
NON CURRENT INVESTMENT

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
(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	0.12	0.12	0.12	0.12	0.12	0.12
Less: Provision for diminution in the value of Investment	-	-	-	-	-	-
	0.12	0.12	0.12	0.12	0.12	0.12
Total	0.12	0.12	0.12	0.12	0.12	0.12

NOTE-'13'
LONG TERM LOANS & ADVANCES

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
(a) Security Deposits	0.15	0.15	0.14	0.13	0.09	0.08
(b) Loan & Advances to Related Parties						
Loan & Advances	0.08	0.14	-	-	-	-
Interest Accrued but not due on Loans	0.06	-	-	-	-	-
(c) Term Loans to Constituents of IREDA	5,914.70	5,463.23	4,303.57	2,892.66	2,551.82	2,026.13
Less: Allowance for bad and doubtful Loans	22.48	22.48	31.75	30.25	24.35	37.48
	5,892.22	5,440.75	4,271.82	2,862.41	2,527.48	1,988.64
(d) Interest Accrued but not due on Loans other than related party	0.94	0.88	0.72	0.58	-	-
(e) Loans to Employees other than related parties	2.54	2.53	2.31	2.23	1.18	1.47
(f) Advance Tax & Other Tax Recoverable	264.80	209.35	249.16	175.66	223.43	180.29
(g) Staff Advances (Not bearing interest)	0.01	0.01	-	0.01	-	-
Total Loans & Advances of IREDA*	6,160.79	5,653.83	4,524.15	3,041.02	2,752.18	2,170.49
Sub-classification of above :						
Secured (Considered good)						
- Term Loans to Constituents of IREDA	3,725.53	5,392.26	4,218.56	2,813.51	2,399.49	1,829.74
- Interest Accrued and due on Loans	0.99	0.88	0.72	0.58	-	-
- Loans to Employees including related parties	2.62	2.67	2.31	2.23	1.18	1.47
Unsecured (Considered good)						
- Term Loans to Constituents of IREDA*	19.64	17.81	63.64	49.36	110.42	99.69
- Security Deposits	0.15	0.15	0.14	0.13	0.09	0.08
- Advance Tax & Other Tax Recoverable	264.80	209.35	249.16	175.66	223.43	180.29
- Staff Advances (Not bearing interest)	0.01	0.01	-	0.01	-	-
Doubtful						
- Term Loans to Constituents of IREDA	2,169.54	53.16	21.37	29.79	41.91	96.70
	6,183.27	5,676.31	4,555.90	3,071.27	2,776.52	2,207.97
Less: Allowance for bad and doubtful Loans	22.48	22.48	31.75	30.25	24.35	37.48
	6,160.79	5,653.83	4,524.15	3,041.02	2,752.18	2,170.49
- Due from Directors of the Company included in Loans to related parties	0.13	0.14	-	-	-	-
- Due from other officers of the Company i.e. Company Secretary as per the Companies Act,	0.16	0.17	0.16	0.18	0.10	0.11

* Includes funded interest

NOTE-'14'
OTHER NON CURRENT ASSETS

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
OTHER BANK BALANCES						
(Refer Note No. 16)						
Foreign Currency Deposits						
- Dollar Deposit						
More than 12 months original maturity	-	119.39	129.70	137.55	324.39	391.81
-Euro Deposit						
More than 12 months maturity	-	-	-	43.87	214.10	252.43
- Miscelleanous Expenditure to the extent not written of	-	-	-	-	-	0.81
Total	-	119.39	129.70	181.41	538.49	645.05

NOTE-'15'
TRADE RECEIVABLE

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009

(A) Outstanding for a period exceeding six months						
(i) Secured, Considered good	-	-	-	-	-	-
(ii) Unsecured, Considered good	-	0.03	0.59	0.60	-	-
(iii) Doubtful	-	-	-	-	-	-
	-	0.03	0.59	0.60	-	-
Less: Allowance for bad and doubtful debts	-	-	-	-	-	-
Sub Total - A	-	0.03	0.59	0.60	-	-
(B) Others						
(i) Secured, Considered good	-	-	-	-	-	-
(ii) Unsecured, Considered good	0.01	0.03	0.66	0.19	0.14	0.01
(iii) Doubtful	-	-	-	-	-	-
	0.01	0.03	0.66	0.19	0.14	0.01
Less: Allowance for bad and doubtful debts	-	-	-	-	-	-
Sub Total - B	0.01	0.03	0.66	0.19	0.14	0.01
Total (A+B)	0.01	0.06	1.25	0.78	0.14	0.01

NOTE-'16'
CASH AND BANK BALANCES

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
A) CASH AND CASH EQUIVALENTS						
(a) Balances with Banks						
A) In Current Account						
- IREDA	140.37	74.04	145.61	69.50	13.22	63.88
- MNRE	-	0.19	0.19	0.19	0.15	0.12
B) In Saving Account						
- IREDA	11.70	0.58	17.05	-	-	-
- UNDP	0.00	0.00	0.00	-	0.62	0.62
- National Hydrogen Energy Board	0.04	0.04	0.04	0.04	0.04	0.04
C) In Deposit Account						
i) INR-Short term Deposit						
- IREDA	365.00	20.00	356.00	110.00	339.05	-
- MNRE-GBI Wind	40.00	2.50	4.00	-	-	-
(ii) Dollar Deposit						
Less than 90 days original maturity	0.25	0.45	0.91	0.47	21.31	20.14
(iii) Euro Deposit						
Less than 90 days original maturity	48.79	6.52	75.55	5.70	7.56	27.37
(iv) Yen Deposit						
Less than 90 days original maturity	0.04	-	-	-	-	-
(b) Cheques Under Collection/DD In hand	-	-	1.93	7.29	3.29	4.87
(c) Postage Imprest	0.00	0.00	0.00	0.00	0.01	0.01
Sub Total	606.19	104.33	601.29	193.18	385.25	117.05
B) OTHER BANK BALANCES						
i) In Deposit Account						
-INR-Short term Deposit						
- IREDA						
Less than 12 months original maturity	118.00	-	-	-	-	-
ii) Foreign Currency Deposits						
- Dollar Deposit						
Less than 12 months original maturity	124.67	129.70	9.36	9.66	-	-
More than 12 months maturity	-	-	129.70	137.55	324.39	391.81
- Euro Deposit						
Less than 12 months maturity	-	-	3.05	-	-	-
More than 12 months maturity	-	-	-	43.87	214.10	252.43
iii) DRT No lien/Other Earmarked Account	0.07	0.19	0.19	1.71	1.60	1.55
	242.74	129.89	142.29	192.78	540.10	645.79
Less: Amount disclosed under non-current assets (Refer Note No. 14)	-	(119.39)	(129.70)	(181.41)	(538.49)	(644.24)
Sub Total	242.74	10.50	12.59	11.37	1.60	1.55
Total	848.93	114.83	613.89	204.55	386.86	118.60

NOTE-'17'
SHORT TERM LOANS & ADVANCES

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	As at 30.09.2013	As at 31.03.2013	As at 31.03.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
A. Total Loans & Advances of IREDA						
(a) Security Deposits	-	0.00	0.00	0.01	0.01	0.01
(b) Loan & Advances to Related Parties						
Loans to related parties	0.03	0.03	0.04	-	-	-
Staff Advances (Not bearing interest) to related parties	0.01	0.00	-	0.03	0.02	0.01
(c) Term Loans to Constituents of IREDA*	955.58	1,211.67	668.56	556.59	482.05	555.40
Less: Allowance for bad and doubtful Loans	175.55	175.55	119.31	126.32	260.29	228.40
	780.03	1,036.12	549.26	430.27	221.75	327.00
(d) Interest Accrued and due on Loans	107.69	74.42	32.43	29.49	21.03	16.53
(e) Interest Accrued but not due on Loans	16.04	14.40	17.20	3.84	-	-
(f) Loans to Employees	0.45	0.50	0.40	0.38	0.56	0.45
(g) Other Staff Advances (Not bearing interest) other than related parties	0.43	0.34	0.21	0.23	0.26	0.13
(h) Advance Tax & Other Tax Recoverable	16.26	41.07	107.56	114.61	16.78	16.74
(i) Others	18.64	0.50	0.65	16.14	0.69	1.03
Sub Total - I	939.56	1,167.38	707.75	595.01	261.09	361.90
B. Total Loans to constituents of MNRE						
(a) Loans to constituents of MNRE	-	2.59	2.59	1.76	2.81	6.04
(b) Interest Accrued and due on MNRE Loans	-	6.64	6.61	6.13	6.15	7.12
Sub Total - II	-	9.23	9.19	7.89	8.95	13.17
Total (I+II)	939.56	1,176.60	716.95	602.90	270.04	375.07
Sub-classification of above :						
IREDA						

Secured (Considered good)						
- Term Loans to Constituents of IREDA	**712.19**	**969.10**	**495.55**	**400.03**	**323.11**	**370.93**
- Interest Accrued and due on Loans	**107.69**	**74.42**	**32.43**	**29.49**	**21.03**	**16.53**
- Interest Accrued but not due on Loans	**16.04**	**14.40**	**17.20**	**3.84**	**-**	**-**
- Loans to Employees included related parties	**0.48**	**0.53**	**0.40**	**0.38**	**0.56**	**0.45**
Unsecured (Considered good)						
- Term Loans to Constituents of IREDA*	**79.03**	**57.63**	**49.21**	**16.25**	**23.87**	**11.30**
- Security Deposits	**-**	**0.00**	**0.00**	**0.01**	**0.01**	**0.01**
- Staff Advances (Not bearing interest) included related parties	**0.43**	**0.34**	**0.25**	**0.27**	**0.27**	**0.14**
- Advance Tax & Other Tax Recoverable	**16.26**	**41.07**	**107.56**	**114.61**	**16.78**	**16.74**
- Others	**18.64**	**0.50**	**0.65**	**16.14**	**0.69**	**1.03**
Doubtful						
- Term Loans to Constituents of IREDA	**164.36**	**184.94**	**123.80**	**140.31**	**135.07**	**173.17**
	1,115.11	**1,342.92**	**827.06**	**721.33**	**521.38**	**590.30**
Less: Provision for bad and doubtful debts (IREDA only)	**175.55**	**175.55**	**119.31**	**126.32**	**260.29**	**228.40**
	939.56	**1,167.38**	**707.75**	**595.01**	**261.09**	**361.90**
MNRE-Doubtfull						
- Term Loans to Constituents of MNRE	**-**	**9.23**	**9.19**	**7.89**	**8.95**	**13.17**
GRAND TOTAL	**939.56**	**1,176.60**	**716.95**	**602.90**	**270.04**	**375.07**
- Due from Directors of the Company included in Staff Advances & Loans to related parties	**0.04**	**0.03**	**0.04**	**0.03**	**0.02**	**0.01**
- Due from other officers of the Company i.e. Company Secretary as per the Companies Act,	**0.03**	**0.03**	**0.04**	**0.03**	**0.02**	**0.03**

* Includes funded interest

Note-'18'
OTHER CURRENT ASSETS

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	**As at 30.09.2013**	**As at 31.03.2013**	**As at 31.03.2012**	**As at 31.3.2011**	**As at 31.3.2010**	**As at 31.3.2009**
-Interest accrued but not due on deposits with banks	**11.73**	**0.19**	**0.61**	**1.28**	**1.35**	**4.46**
-Others	**10.18**	**10.13**	**0.34**	**0.40**	**3.46**	**3.05**
-Miscellaneous Expenses to the extent not written off	**-**	**-**	**-**	**-**	**1.23**	**-**
Total	**21.92**	**10.32**	**0.95**	**1.68**	**6.03**	**7.51**

NOTE-'19'
REVENUE FROM OPERATIONS

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	**For the period ended 30.09.2013**	**For the Year ended 31.03.2013**	**For the Year ended 31.03.2012**	**For the Year ended 31.3.2011**	**For the Year ended 31.03.2010**	**For the Year ended 31.03.2009**
A. INTEREST						
(i) Interest on Lending Operations	**418.01**	**651.80**	**442.43**	**323.03**	**306.23**	**213.88**
Less : Rebate on Prompt Payment	**0.95**	**2.08**	**2.35**	**0.95**	**0.71**	**1.30**
	417.06	**649.72**	**440.07**	**322.08**	**305.52**	**212.58**
(ii) Differential Interest	**0.04**	**0.14**	**0.29**	**3.55**	**-**	**-**
Less: Service Tax	**-**	**0.02**	**0.03**	**0.33**	**-**	**-**
	0.04	**0.12**	**0.26**	**3.22**	**-**	**-**
(iii) Interest on Deposits with Banks						
-Short Term Deposit-INR	**16.09**	**38.70**	**16.76**	**34.13**	**3.28**	**9.52**
-US$ Deposit	**0.42**	**1.19**	**0.96**	**2.94**	**4.92**	**12.88**
-EURO Deposit	**0.14**	**0.43**	**0.56**	**3.34**	**4.77**	**13.56**
-Yen Deposit	**0.04**	**0.04**	**-**	**-**	**-**	**0.06**
	16.68	**40.37**	**18.28**	**40.41**	**12.97**	**36.02**
B. OTHER FINANCIAL SERVICES						
(a) Business Service Fees						
(i) Front end Fee	**3.99**	**20.84**	**15.71**	**14.22**	**7.39**	**14.18**
Less: Service Tax	**-**	**2.29**	**1.47**	**1.33**	**0.69**	**2.17**
	3.99	**18.55**	**14.24**	**12.89**	**6.70**	**12.01**
(ii) Application Fee on Loans	**0.43**	**1.54**	**1.89**	**0.96**	**0.34**	**0.38**
Less: Service Tax	**-**	**0.17**	**0.18**	**0.09**	**0.03**	**0.05**
	0.43	**1.37**	**1.71**	**0.87**	**0.31**	**0.33**
(iii) Application Fee - Accelerated Depreciation	**(0.00)**	**1.44**	**2.19**	**1.89**	**-**	**-**
Less: Service Tax	**-**	**0.16**	**0.20**	**0.18**	**-**	**-**
	(0.00)	**1.28**	**1.99**	**1.72**	**-**	**-**
(iv) Application Fee - Generation Based Incentive	**0.00**	**2.12**	**10.29**	**4.20**	**-**	**-**
Less: Service Tax	**-**	**0.23**	**0.96**	**0.39**	**-**	**-**
	0.00	**1.88**	**9.33**	**3.81**	**-**	**-**
(v) Miscellaneous Application Fees	**-**	**-**	**0.20**	**0.18**	**-**	**-**
Less Service Tax	**-**	**-**	**0.02**	**0.02**	**-**	**-**
	-	**-**	**0.18**	**0.16**	**-**	**-**
(vi) Application Fee - Security Trusteeship	**0.05**	**-**		**-**	**-**	**-**
Less: Service Tax	**-**	**-**		**-**	**-**	**-**
	0.05	**-**	**-**	**-**	**-**	**-**
(b) Business Service Charges						

Service Charges-MNRE	0.00	0.00	0.21	0.41	0.74	0.50
Less: Service Tax	-	0.00	0.02	0.04	0.07	0.10
	0.00	0.00	0.19	0.37	0.67	0.41
Service Charges - UNDP Programme Fund	-	0.08	0.07	0.04	0.08	0.03
Less Service Tax	-	0.01	0.01	0.00	0.01	-
	-	0.07	0.06	0.04	0.07	0.03
Service Charges - Investment Promotion Component	-	0.01	0.12	0.24	0.06	-
Less Service Tax	-	0.00	0.01	0.02	0.01	-
	-	0.01	0.11	0.22	0.05	-
Service Charges - Generation Based Incentive	1.01	0.47	0.60	0.02	0.01	-
Less Service Tax	-	0.05	0.06	0.00	0.00	-
	1.01	0.42	0.55	0.01	0.00	-
Service Charges - Biogas Feed Fertilizer Plant	0.03	0.02	0.02	0.01	-	-
Less Service Tax	-	0.00	0.00	0.00	-	-
	0.03	0.01	0.01	0.01	-	-
Service Charges - Solar Based Village Electrification Pilot Project	-	0.04	0.23	-	-	-
Less Service Tax	-	0.00	0.02	-	-	-
	-	0.04	0.21	-	-	-
Service Charges - Roof Top and Other Small Solar Power Project	1.18	1.67	0.12	-	-	-
Less Service Tax	-	0.18	0.01	-	-	-
	1.18	1.48	0.11	-	-	-
Lead Institution Fee	-	-		-	0.01	-
Less Service Tax	-	-		-	0.00	-
	-	-	-	-	0.01	-
(c) Provision for Bad and Doubtful Debts created in earlier years written back	-	-	23.91	-	-	-
(d) Amount received in respect of Bad Debts written off	0.82	3.75	8.42	15.15	7.80	12.19
(e) Gurantee Commission	2.05	-	-	-	-	-
Total	443.33	719.07	519.65	400.96	334.11	273.56

NOTE-'20'
OTHER INCOME

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	For the period ended 30.09.2013	For the Year ended 31.03.2013	For the Year ended 31.03.2012	For the Year ended 31.3.2011	For the Yea ended 31.03.2010	For the Year ended 31.03.2009
Interest on Staff Loan	0.12	0.25	0.21	0.16	0.14	0.11
Dividend (Gross on Long Term Investment)	-	-	0.01	0.01	0.01	0.01
Interest on Income Tax Refund	0.59	9.89	13.70	-	-	-
Provision Written Back	-	-	0.24	0.25	-	-
Income From Fee Based Activity	-	-	-	0.39	0.25	-
Commitment Fee NIB	-	-	-	0.16	-	-
Interest Rate swap	-	-	-	-	2.05	-
Refund of Management Fee (KFW)	-	-	-	-	0.78	-
Applicable Net Gain on Foreign Currency Translations and Transactions	-	0.19	0.66	-	-	0.67
Consultancy Fee	-	-	-	-	-	0.13
Profit on Sale of Assets	-	-	-	-	-	0.01
Investment Written back	-	-	-	-	-	0.12
Miscellaneous income						-
- Transferred from Capital Grant	0.03	0.11	0.21	0.45	6.70	0.38
- Others	0.03	0.05	0.15	0.07	1.20	0.12
Total	0.77	10.49	15.17	1.50	11.14	1.55

NOTE-'21'
EMPLOYEE BENEFIT EXPENSES

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	For the period ended 30.09.2013	For the Year ended 31.03.2013	For the Year ended 31.03.2012	For the Year ended 31.3.2011	or the Year ended 31.03.2010	For the Year ended 31.03.2009
(a) Salaries, Wages and Other Amenities	6.95	13.48	11.97	10.58	9.62	9.53
(b) Contribution to Provident and Other Funds						
Contribution to Provident Fund	0.45	0.81	0.74	0.66	0.57	0.41
Provident Fund Administrative Charges	0.01	0.01	0.01	0.01	0.01	0.01

Contribution to Benevolent Fund	0.00	0.01	0.01	0.01	0.01	0.01
Contribution to Superannuation fund	0.32	0.62	0.53	1.49	-	-
Contribution to Gratuity Fund	0.23	0.96	0.86	(0.56)	0.70	0.68
(c) Staff Welfare Expenses	1.55	2.21	1.86	1.70	2.99	2.29
(d) Human Resource Development	0.06	0.19	0.07	0.11	0.08	0.08
Total	9.57	18.28	16.04	13.98	13.97	13.00

NOTE-'22'
FINANCE COST

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	For the period ended 30.09.2013	For the Year ended 31.03.2013	For the Year ended 31.03.2012	For the Year ended 31.3.2011	or the Year ended 31.03.2010	For the Year ended 31.03.2009
A. Interest Expense						
Interest on Borrowings						
- on Bonds	61.43	86.78	63.66	46.75	18.19	8.71
- on Loans	140.91	248.33	142.41	122.05	120.02	96.27
	202.34	335.11	206.06	168.79	138.20	104.98
B. Other Borrowing Costs						
(i) Commitment fee						
-on Loan-II from KfW	-	0.00	0.14	0.32	0.71	0.05
-on Loan-III from KfW	0.01	0.05	0.08	0.33	-	-
-on Loan-IV from KfW	1.48	1.75	0.42	-	-	-
-on Loan from Japan International Corporation Agency (JICA)	0.12	0.53	0.61	-	-	-
-on Nordic Investment Bank (NIB)	-	-	-	-	0.16	-
-on Loan from International Bank for Reconstruction and Development (IBRD)	-	-	-	-	-	0.00
(ii) Guarantee Fee						
-on Loan from International Bank for Reconstruction and Development (IBRD)	1.06	2.17	2.28	2.19	2.37	2.77
-on Loan-I from KfW	1.33	2.66	2.54	2.52	3.07	3.18
-on Loan-II from KfW	1.55	3.29	2.29	4.67	0.41	0.96
-on Loan-III from KfW	0.79	1.24	1.02	0.77	-	-
-on Loan-IV from KfW	0.90	0.12	15.22	1.00	-	-
-on Loan from Asian Development Bank (ADB)	0.47	0.94	0.97	0.91	0.96	1.11
-on Loan from Agence Francaise De Developpement (AFD)	2.93	2.96	5.38	1.56	-	-
-on Loan from Japan International Corporation Agency (JICA)	8.86	14.27	15.66	-	-	-
C. Others						
(i) Bond Trusteeship fee	0.00	0.05	0.04	0.04	0.01	0.01
(ii) Bank Charges	0.00	0.01	0.00	0.00	0.00	0.01
(iii) Front End Fee - NIB	-	-	-	0.40	0.41	-
(iv) Bond Issue Expenses	0.00	0.25	-	0.86	-	-
(v) Miscellaneous Expenditure Written Off on bonds	-	-	-	1.23	0.14	0.08
(vi) Loss due to underlying exchange fluctuation (IDA-II)	37.64	15.14	-	-	-	-
(vii) Applicable Net loss on foreign currency translations and transactions	-	-	-	3.11	1.00	-
(viii) Interest u/s 234(B/C) of the Income Tax Act, 1961	-	-	0.73	-	-	-
(ix) Interest on Service Tax	0.00	0.02	0.02	0.40	-	-
(x) Interest rate Swap	-	-	-	-	-	4.65
(xi) Contribution to ERAF	-	-	-	-	-	8.78
(xii) Management FEE (KFW)	-	-	-	-	-	0.78
(xiii) Stamp duty on taxable bonds sr V	0.25	-	-	-	-	-
(xiv) Others	0.04	0.04	0.02	0.01	0.02	-
Total	259.78	380.60	253.49	189.10	147.47	127.36

NOTE-'23'
OTHER EXPENSES

All amounts in Rs. Crore if not stated otherwise

PARTICULARS	For the period ended 30.09.2013	For the Year ended 31.03.2013	For the Year ended 31.03.2012.	For the Year ended 31.3.2011	or the Year ended 31.03.2010	For the Year ended 31.03.2009
Electricity and Water Charges	0.32	0.58	0.39	0.41	0.43	0.10
Office rent	0.12	0.22	0.20	0.19	0.15	0.69
Office Maintenance	0.05	0.38	0.38	0.34	0.28	0.32
Repairs and Maintenance-Others	0.67	0.95	0.77	0.82	0.21	0.21
Insurance	0.01	0.05	0.05	0.05	0.02	0.04
Rates and Taxes	0.18	0.40	0.43	1.19	0.34	0.16
Business Promotion	0.12	0.49	0.38	0.32	0.20	0.19
Travelling and Conveyance	0.62	0.91	0.87	0.71	0.61	0.60
Information and Dissemination	0.52	1.06	0.60	0.10	0.10	0.11
Payment to Auditor	0.02	0.05	0.05	0.04	0.04	0.04
Legal and Professional	0.36	0.51	1.20	1.54	0.51	0.41
Newspapers and Periodicals	0.00	0.01	0.01	0.06	0.06	0.06
Postage Telegram and Telephone	0.08	0.19	0.19	0.08	0.20	0.17
Printing and Stationery	0.10	0.28	0.35	0.17	0.23	0.16
Recruitment Expenses	0.06	-	0.00	0.21	0.04	0.00
Credit Rating Expenses	-	0.85	1.08	0.04	0.35	0.02
Filing Fees	0.00	-	-	0.22	0.00	0.00
Corporate Social Responsibility	2.03	3.46	3.00	0.08	-	-
Director Sitting Fees	0.01	0.02	-	-	0.02	0.01
Loss on Sale of Assets	0.00	0.03	0.12	0.04	0.00	-
Sustainable Devlopment Expense	0.30	0.39	-	-	-	-
Advances Written off	-	-	-	0.00	-	0.03
Miscellaneous Expenses	0.04	0.09	0.16	0.40	0.31	0.13
Total	5.64	10.93	10.23	7.02	4.09	3.45

Annexure-IV

SIGNIFICANT ACCOUNTING POLICIES OF REFORMATTED AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

(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.

(iii) 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.

SIGNIFICANT ACCOUNTING POLICIES OF REFORMATTED AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2012-13

(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.

(iii) Prepaid expenses and prior period expenses/income up to 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.

SIGNIFICANT ACCOUNTING POLICIES OF REFORMATTED AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2011-12

(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.

(iii) 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.

SIGNIFICANT ACCOUNTING POLICIES OF REFORMATTED AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2010-11

(1) General

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

(2) Revenue and Expense Recognition

(i) Income and expenses are accounted for on accrual basis with the exception of income on Non Performing Assets where interest and/or loan installments of principal remain overdue for more than two quarters on the Balance Sheet date. The said interest income is recognized as and when actually realized.

(ii) Loan/Bond issue expenses such as front-end fee/Arranger's fee, Stamp duty, etc., are charged to Profit and Loss Account in the year of issue of such loan/bond.

(iii) Prepaid expenses and prior period expenses/income upto Rs. 20,000/- per item are charged as and when incurred/adjusted/received.

(3) Foreign Currency Transactions

(i) Transactions in foreign currency except the foreign currency loan where Currency and Interest Rate Swap (CIRS) transactions has been made with bank, are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities are re-stated at the exchange rate prevailing at the year end. The difference between the year end rate and the exchange rate at the date of transaction is recognized as income or expense in the Profit & Loss A/c and accounted as per Accounting Standard (AS)-11 on The Effects of Changes in Foreign Exchange Rates (revised 2003) issued under The Companies (Accounting Standards) Rules, 2006.

(ii) The transactions in foreign currency loan, where CIRS transactions take place, are recorded at the contracted exchange rate on deal date till the period of CIRS deals. The difference between the exchange rate at the date of transactions and CIRS rate is recognized as income or expense in the Profit & Loss Account.

(4) Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation.

(5) Intangible Assets

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

(6) Depreciation/amortization

(i) Depreciation on fixed assets (including leasehold properties) other than on library books is provided on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(ii) Depreciation on Library books is provided @ 100% in the year of purchase.

(iii) Intangible assets are amortized over their estimated useful life. The estimated useful life does not exceed 10 years.

(7) Insurance Claims

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

(8) Investments

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

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

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

(10) Loans

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

(11) Grants

(i) Grants for acquisition of eligible fixed assets are accounted for as capital grants. Such grants are allocated to income over the periods and in the proportions in which the depreciation on those assets is charged.

(ii) Grant-in-aid for financing projects in specified sectors of New and Renewable Sources of Energy (NRSE) is treated and accounted for as Capital Reserve/Grant.

(iii) The expenditure incurred under Technical Assistance Programme (TAP) is accounted for as recoverable and shown under the head 'Current Assets'. The assistance reimbursed from Multilateral/Bilateral Agencies is credited to the said account.

(12) Employee Benefits

(A) Short Term Employee Benefits

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

(B) Post Employment Benefits

(i) Defined Contribution Plans

(a) Contribution to provident fund is made in accordance with the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is recognized as an expense and charged to the Profit & Loss Account.

(b) Contribution to benevolent fund is made in accordance with IREDA Employees Benevolent Fund Scheme and is recognized as an expense and charged to Profit & Loss Account.

(c) Contribution to Superannuation Fund made in accordance with Employees Defined Contribution Superannuation Scheme is recognized as an expense and charged to Profit & Loss Account.

(ii) Defined Benefit Plans

(a) Gratuity

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

(b) Other Long Term Benefits

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

(13) Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to

determine the extent of impairment loss i.e. the amount by which the carrying amount of an asset exceeds, its recoverable amount and the same is provided in the books of account.

(14) Provisions and Contingent Liabilities

(i) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:-

(a) the Company has a present obligation as a result of a past event;

(b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and

(c) the amount of the obligation can be reliably estimated

(ii) Contingent liability is disclosed in the case of:-

(a) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;

(b) a possible obligation, unless the probability of outflow in settlement is remote;

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

SIGNIFICANT ACCOUNTING POLICIES OF REFORMATTED AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2009-10

(1) General

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

(2) Revenue and Expense Recognition

(i) Income and expenses are accounted for on accrual basis with the exception of income on Non Performing Assets where interest and/or loan installments of principal remain overdue for more than two quarters on the Balance Sheet date. The said interest income is recognized as and when actually realized.

(ii) Loan/ Bond issue expenses such as front-end fee/ Arranger's fee, Stamp duty, etc., are written off during the tenure of the loan/bond.

(iii) Prepaid expenses and prior period expenses/income upto Rs.5,000/- per item are charged as and when incurred/adjusted/received.

(3) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities are re-stated at the exchange rate prevailing at the year end. The difference between the year end rate and the exchange rate at the date of transaction is recognized as income or expense in the Profit & Loss A/c and accounted as per Accounting Standard (AS)-11 on The Effects of Changes in Foreign Exchange Rates (revised 2003) issued under The Companies (Accounting Standards) Rules, 2006.

(4) Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation.

(5) Intangible Assets

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

(6) Depreciation/amortization

(i) Depreciation on fixed assets (including leasehold properties) other than on library books is provided on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(ii) Depreciation on Library books is provided @ 100% in the year of purchase.

(iii) Intangible assets are amortized over their estimated useful life. The estimated useful life does not exceed 10 years.

(7) Insurance Claims

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

(8) Investments

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

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

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

(10) Loans

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

(11) Grants

(i) Grants for acquisition of eligible fixed assets are accounted for as capital grants. Such grants are allocated to income over the periods and in the proportions in which the depreciation on those assets is charged.

(ii) Grant-in-aid for financing projects in specified sectors of New and Renewable Sources of Energy (NRSE) is treated and accounted for as Capital Reserve/Grant.

(iii) The expenditure incurred under Technical Assistance Programme (TAP) is accounted for as recoverable and shown under the head 'Current Assets'. The assistance reimbursed from The World Bank is credited to the said account.

(12) Employee Benefits

(A) Short Term Employee Benefits

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

(B) Post Employment Benefits

(i) Defined Contribution Plans

(a) Contribution to provident fund is made in accordance with the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is recognized as an expense and charged to the Profit & Loss Account.

(b) Contribution to benevolent fund is made in accordance with IREDA Employees Benevolent Fund Scheme and is recognized as an expense and charged to Profit & Loss Account.

(ii) Defined Benefit Plans

(a) Gratuity

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

(b) Other Long Term Benefits

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

(13) Impairment of Assets

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

(14) Provisions and Contingent Liabilities

(i) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:-

(a) the Company has a present obligation as a result of a past event;

(b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and

(c) the amount of the obligation can be reliably estimated

(ii) Contingent liability is disclosed in the case of:-

(a) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;

(b) a possible obligation, unless the probability of outflow in settlement is remote;

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

SIGNIFICANT ACCOUNTING POLICIES OF REFORMATTED AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2008-09

(1) General

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

(2) Revenue and Expense Recognition

(i) Income and expenses are accounted for on accrual basis with the exception of income on Non-Performing Assets where interest and/or loan installments of principal remain overdue for more than two quarters on the Balance Sheet date. The said interest income is recognised as and when actually realised.

(ii) Loan/ Bond issue expenses such as front-end fee/ Arranger's fee, Stamp duty, etc., are written off during the tenure of the loan/bond.

(iii) Prepaid expenses and prior period expenses/income upto Rs.5,000/- per item are charged as and when incurred/adjusted/received.

(3) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities are re-stated at the exchange rate prevailing at the year end. The difference between the year end rate and the exchange rate at the date of transaction is recognized as income or expense in the Profit & Loss A/c and accounted as per Accounting Standard (AS)-11 on The Effects of Changes in Foreign Exchange Rates (revised 2003) issued under The Companies (Accounting Standards) Rules, 2006.

(4) Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation.

(5) Intangible Assets

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

(6) Depreciation/amortization

(i) Depreciation on fixed assets (including leasehold properties) other than on library books is provided on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(ii) Depreciation on Library books is provided @ 100% in the year of purchase.

(iii) Intangible assets are amortized over their estimated useful life. The estimated useful life does not exceed 10 years.

(7) Insurance Claims

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

(8) Investments

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

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

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

(10) Loans

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

(11) Grants

(i) Grants for acquisition of eligible fixed assets are accounted for as capital grants. Such grants are allocated to income over the periods and in the proportions in which the depreciation on those assets is charged.

(ii) Grant-in-aid for financing projects in specified sectors of New and Renewable Sources of Energy (NRSE) is treated and accounted for as Capital Reserve/Grant.

(iii) The expenditure incurred under Technical Assistance Programme (TAP) is accounted for as recoverable and shown under the head 'Current Assets'. The assistance reimbursed from The World Bank is credited to the said account.

(12) Employee Benefits

(A) Short Term Employee Benefits

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

(B) Post Employment Benefits

(i) Defined Contribution Plans

(a) Contribution to provident fund is made in accordance with the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is recognized as an expense and charged to the Profit & Loss Account.

(b) Contribution to benevolent fund is made in accordance with IREDA Employees Benevolent Fund Scheme and is recognized as an expense and charged to Profit & Loss Account.

(ii) Defined Benefit Plans

(a) Gratuity

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

(b) Other Long Term Benefits

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

(13) Impairment of Assets

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

(14) Provisions and Contingent Liabilities

(i) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:-

(a) the Company has a present obligation as a result of a past event;

(b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and

(c) the amount of the obligation can be reliably estimated

(ii) Contingent liability is disclosed in the case of:-

(a) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;

(b) a possible obligation, unless the probability of outflow in settlement is remote;

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

OTHER NOTES TO REFORMATTED AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE '24'
EMPLOYEE BENEFITS

(a) Due to non-availability of data, as required in accordance with Accounting Standard-15, (Revised) issued by ICAI, the Post employment and long term employee benefits as on 30th September,2013 have been recognized on past performance

(b) Defined Contribution Plan

During the period of six months, the company has recognized an expense of Rs 0.45 Crore in respect of contribution to Provident Fund, Rs. 0.003 Crore in respect of contribution to Benevolent Fund and Rs. 0.32 Crore in respect of contribution to Superannuation Fund.

NOTE '25'
SEGMENT REPORTING

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

Details of transactions entered into with the related parties during the period as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are as under:-

(Rs. in Crore)

Particulars	Key Management Personnel (KMP) (Rs. in Crore)
Managerial remuneration	0.89

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

Key Management Personnel : (i) Shri Debashish Majumdar
: (ii) Shri K S Popli
(iii) Shri S.K Bhargava

(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.

IREDA has received dividend of 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) Annualized is worked out as under:-

Particulars	As at 30.09.13
Nominal value of Equity share (Rs. per share)	1000
Numerator Profit after Tax as per Statement of Profit & Loss	119.87
Denominator Number of equity shares	74,46,000
Weighted average number of Equity shares for calculating Basic and Diluted Earnings per share	73,48,603*
Basic & Diluted Earnings per share (in Rs.)	324.18

* weighted average (6996000 x 365/365 + 450000x 286/365) = 73,48,603

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 debit 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 period deferred tax debit of Rs. 1.09 Crore has been debited 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 30th September, 2013 is given below:-

A	Deferred Tax Assets (+) (Rs. in Crore)	
	Arising on account of timing differences:-	As at 30/9/2013
	Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit , Contribution to CSR Fund and Sustainable Development Fund	3.58
	Provision for Bad & Doubtful Debts & Standard Assets	76.81
	Total – A	80.39

B		
	Depreciation Stamp duty paid but not debited to Statement of Profit & Loss	4.12 (-)0.30
	Total – B	3.82
	Deferred Tax Asset (+)/Liability (-) (A-B)	76.57
	Deferred Tax Asset	76.57

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 September 30, 2013 there were no events or changes in circumstances which indicate any impairment in the assets.

NOTE '30'

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 for the period ended September 30, 2013 are disclosed as under:-

a) Details of Provisions

(Rs. in Crore)

Sl. No.	Nature of the liability for which provision is made	Opening balance at the beginning of the period	Additions made during the period	Amount incurred and charged against the provision during the period	Closing balance at the end of the period
1	Standard assets	27.46	0.49	0.00	27.95
2	Income tax	207.89	46.00	0.00	253.89
3	Proposed dividend	27.50	0.00	0.00	27.50
4	Dividend tax	4.67	0.00	0.00	4.67
5	Leave encashment	1.77	0.37	0.11	2.03

6	Gratuity	0.71	0.00	0.00	0.71
7	Post retirement medical benefit	1.17	0.00	0.01	1.16
8	Sick leave	1.51	0.00	0.01	1.50
9	Baggage Allowance	0.04	0.00	0.00	0.04
10	Corporate Social Responsibility	6.44	2.03	4.07	4.40
11	Sustainable Development	0.39	0.31	0.00	0.70
12	Other Provisions	3.58	1.31	1.35	3.54
	Total	283.13	50.51	5.55	328.09

b) Detail of Contingent Liabilities & Commitments

(Rs. in Crores)

Particulars	As at 30.09.2013
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
Claims against the Company not acknowledged as debt	1.50
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	138.28
Total of Contingent Liabilities	**171.60**
COMMITMENTS	
Estimated value of contract to be executed on Capital Account and not provided	0.00

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 period, 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 1-4-2013 was Rs. 0.16 Crore and the company received during the period Rs. Nil. Out of this, a sum of Rs. 0.15 Crore has been passed on during the period to the borrowers on compliance of the terms and conditions of the interest subsidy scheme. Further, during the period a sum of Rs 0.004 Crore has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 30-9-2013 stands at Rs. 0.02 Crore

The programme-wise details of interest subsidy received, passed, refunded during the period and the balance as on 30th September, 2013 are as under:-

(i) Interest subsidy on NPV basis:-

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2013	Interest Subsidy received during 1.04.2013 up to 30.09.2013	Amount refunded during 1.04.2013 up to 30.09.2013	Interest Subsidy passed on during 1.04.2013 up to 30.09.2013	Closing Balance as on 30.9.2013
1	Bio-mass Co-generation	2.53	0.00	0.00	0.14	2.39
2	Small Hydro	0.02	0.00	0.00	0.00	0.02
	Sub Total….A	2.55	0.00	0.00	0.14	2.41

(ii)

Interest subsidy on actual basis:-

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2013	Interest Subsidy received during 1.04.2013 up to 30.09.2013	Amount refunded during 1.04.2013 up to 30.09.2013	Interest Subsidy passed on during 1.04.2013 up to 30.09.2013	Closing Balance as on 30.9.2013
1	Solar Thermal Sector	0.00	0.00	0.00	0.00	0.00
2	SPV WP 2000-01	(-) 0.51	0.00	0.00	0.00	(-) 0.51
3	SPV WP 2001-02	(-) 1.36	0.00	0.00	0.00	(-) 1.36
4	SPV WP 1999-00	(-) 0.07	0.00	0.00	0.00	(-) 0.07
5	SPV WP Manufacturing	(-) 0.03	0.00	0.00	0.00	(-)0.03
6	Accelerated SWH System	0.00	0.00	0.00	0.00	0.00
7	SPV WP 2002-03	(-)0.42	0.00	0.00	0.00	(-)0.42
	Sub Total…..B	(-) 2.39	0.00	0.00	0.00	(-)2.39
	Grand Total (A + B)	0.16	0.00	0.00	0.14	0.02

(b) Capital subsidy

During the period an amount of Rs. 22.80 Crore was received from MNRE towards Capital Subsidy. Out of the total capital subsidy amount available, Rs. 22.80 Crore 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 period, passed/refunded/adjusted during the period and the balance as on 30.9.2013 are as under:-

(Rs. in Crore)

Name of the sector	Opening Balance as on 1.4.2013	Interest Subsidy received during 1.04.2013 up to 30.09.2013	Amount refunded during 1.04.2013 up to 30.09.2013	Interest Subsidy passed on during 1.04.2013 up to 30.09.2013	Closing Balance as on 30.9.2013
Hydro	0.00	22.80	22.80	0.00	0.00
Total	0.00	22.80	22.80	0.00	0.00

NOTE '33'

(a) Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs. 0.41 Crore, office premises-IHC costing Rs. 4.40 Crore and office premises-AKB costing Rs. 42.28 Crore 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, 2013 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 66.67 Crore on accounts classified as Non-Performing Asset (NPAs) has not been recognized as income for the period. Further, during the period new NPA accounts have not been identified and thus the amount of unrealized interest up to 30.09.2013 is not ascertained.

NOTE '36'

The amount payable to enterprises falling under The Micro, Small and Medium Enterprises Development Act, 2006 is 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 '38'

REMUNERATION TO AUDITOR

(Rs. in Crore)

Particulars	Statutory Auditor
As Auditor	0.010
Limited Review Audit	0.006
Tax Audit	0.004
Certification & Other Service	0.000
Total	0.020

NOTE '39'

REMUNERATION OF DIRECTORS

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

(Rs. in Crore)

Particulars	Chairman and Managing Director	Director (Finance)*	Director (Finance)	Director (Technical)
Salary & allowances	0.31	0.06	0.12	0.26
Medical allowance	0.00	0.00	0.00	0.00
Provident Fund	0.01	0.00	0.01	0.01
Superannuation Contribution	0.01	0.00	0.01	0.01
Value of perquisites as per Income Tax Act, 1961	0.03	0.00	0.02	0.03
Total	0.36	0.06	0.16	0.31

* Mr S.P Reddi was superannuated on 30.04.2012.

Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

Sitting Fees paid to Independent Directors - Rs. 0.01 Crore

NOTE '40'

DISCLOSURE OF PRIOR-PERIOD ITEMS

(Rs. in Crore)

Particulars	As on 30.09.2013
Payment of Arrear to Staff	0.01 Dr.
Total (Net Dr./Cr.)	0.01 Dr.

NOTE '41'

Expenditure in Foreign Currency:

On Traveling Rs. 0.08 Crore

Interest expenses & Other Finance Charges – Rs 114.61 Crore which exclude hedging cost in INR 92.11 Crore

Earnings in Foreign Exchange:

Interest Rs 0.59 Crore

Revenue Grant received on account of Technical Assistance Programme (TAP) from KfW-II – Nil

NOTE '42'

THE DISCLOSURES UNDER RBI GUIDELINES ARE AS UNDER (IREDA ONLY)

(Rs. in Crore)

a. Capital to Risk Assets Ratio (CRAR)	26.22%
b. Exposure to Real Estate Sector (Direct and Indirect)	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	1636.67	1,489.33	1,434.59
Foreign currency assets	59.90	25.11	30.51
Total Assets	1696.57	1,514.44	1465.10
Rupee liabilities	524.68	82.25	87.65
Foreign currency liabilities*	195.39	449.03	304.73
Total liabilities	720.07	531.28	392.38
Items	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	1,275.83	2,076.52	7912.94
Foreign currency assets	37.08	21.15	173.75
Total Assets	1,312.91	2,097.67	8,086.69
Rupee liabilities	693.88	2,955.19	4,343.65
Foreign currency liabilities*	295.24	2,498.65	3,743.04
Total liabilities	989.12	5,453.84	8,086.69

NOTE '43'

MNRE funds are not classified as Current and Non-Current as these funds are payable on demand of MNRE .

NOTE '44'

Figures are rounded off to the nearest crore.

OTHER NOTES TO REFORMATTED AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR 2012-13

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**

(Rs. in Crore)

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	3.25 (2.67)	1.33 (1.11)	1.08 (1.01)	0.03 (0.03)	0.72 (0.61)
Interest cost	0.26 (0.23)	0.11 (0.10)	0.09 (0.09)	0.00 (0.00)	0.06 (0.05)
Current service cost	0.29 (0.23)	0.15 (0.12)	0.16 (0.08)	0.01 (0.00)	0.07 (0.04)
Past Service Cost	-	-	-	-	-
Benefits paid	(-)0.10 (-) (0.06)	(-)0.40 (-) (0.18)	(-)0.04 (-) (0.00)	0.00 (0.00)	(-)0.03 (-) (0.03)
Actuarial loss/(gain) on obligations	0.58 (0.18)	0.59 (0.19)	0.22 (-) (0.09)	0.01 (-) (0.00)	0.35 (0.05)
Present value of obligation at year end	4.28 (3.25)	1.78 (1,.33)	1.51 (1.08)	0.04 (0.03)	1.17 (0.72)

(b) **Change in fair value of plan asset**

(Rs. in Crore)

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	3.22 (2.64)	-	-	-	-
Expected return on plan assets	0.30 (0.24)	-	-	-	-
Employer's contribution	0.16 (0.38)	-	-	-	-
Benefits paid	(-)0.10 (-) (0.06)	-	-	-	-
Actuarial loss/(gain) on obligations	(-)0.00 (0.02)	-	-	-	-
Fair value of plan asset at the end of the year	3.57 (3.22)	-	-	-	-

(c) **Amount recognized in Balance Sheet**

(Rs. in Crore)

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	4.28 (3.25)	1.77 (1.33)	1.51 (1.08)	0.05 (0.03)	1.17 (0.72)
Fair value of plan assets as at the end of the year	3.57 (3.22)	-	-	-	-
Unfunded net liability recognized in balance sheet	0.71 (0.03)	1.77 (1.33)	1.51 (1.08)	0.05 (0.03)	1.17 (0.72)

(d) **Expense recognized in the Statement of Profit & Loss**

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	0.29 (0.23)	0.14 (0.12)	0.16 (0.08)	0.00 (0.00)	0.07 (0.05)
Past service cost	0.00 (0.00)	-	-	-	-
Interest cost	0.26 (0.23)	0.11 (0.10)	0.09 (0.09)	0.00 (0.00)	0.06 (0.05)
Expected return on plan asset	(-)0.30 (-) (0.24)	-	-	-	-
Net actuarial (Gain)/Loss recognized in the year	0.59 (0.16)	0.59 (0.19)	0.22 (-) (0.09)	0.01 (0.00)	0.35 (0.05)
Total expenses recognized in Statement of Profit & Loss	0.84 (0.38)	0.84 (0.41)	0.47 (0.08)	0.01 (0.00)	0.48 (0.15)

(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	8.15% (8.75%)	8.15% (8.75%)	8.15% (8.75%)	8.15% (8.75%)	8.15% (8.75%))
Expected rate of return on plan assets	9.25% (9.25%)	-	-	-	-
Expected rate of salary increase	6.75% (6.25%)	6.75% (6.25%)	6.75% (6.25%)	6.75% (6.25%)	6.75% (6.25%)
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 %	Rs. in Crore
Central Government securities	25% (25%)	Figures not available
State Government securities	15% (15%)	
Investment in PSUs	40% (40%)	Figures not available
Other investments (mixed in above 3 categories)	20% (20%)	

(g) **Defined Contribution Plan**

During the year, the company has recognized an expense of Rs 0. 81 Crore (Previous year : Rs. 0.74 Crore) in respect of contribution to Provident Fund, Rs 0.01 Crore (Previous year : Rs. 0.01 Crore) in respect of contribution to Benevolent Fund and Rs 0.62 Crore(Previous year : Rs. 0.53 Crore) 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:-

(Rs. in Crore)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	0.95 (0.66)

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

Key Management Personnel :
(i) Shri Debashish Majumdar
: (ii) Shri S P Reddi (upto 30.04.2012)
: (iii) Shri K S Popli
(iv) Shri S.K Bhargava (Since 26.12.2012)

(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. 0.01 Crore) 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 31.03.2013	As at 31.03.2012
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator Profit after Tax as per Statement of Profit & Loss (Rs in Crore)	202.65	173.13
Denominator		
▪ Number of equity shares	69,96,000	63,96,000
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earnings per share	67,34,630**	63,38,623*
▪ Basic & Diluted Earnings per share in Rs	300.90	273.14

* weighted average (5896000 x 366/366 + 500000 x 324/366) = 63,38,623
** weighted average (6396000 x 365/365 + 600000 x 206/365) = 67,34,630

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 credit of Rs. 19.32 Crore (Previous year : Rs. 0.04 Crore) debit)) has been 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, 2013 is given below:-

A	**Deferred Tax Assets (+)**		(Rs. In Crore)
	Arising on account of timing differences:-	As at 31/3/2013	As at 31/3/2012
	▪ Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit , Contribution to CSR Fund and Sustainable Development Fund	4.08	2.01
	▪ Provision for Bad & Doubtful Debts & Standard Assets	76.64	58.88
	Total – A	**80.72**	**60.89**
B	**Deferred Tax Liabilities (-)**		
	▪ Depreciation	3.36	2.82
	▪ Stamp duty paid but not debited to Statement of Profit & Loss	(-)0.30	(-)0.28
	Total – B	**3.06**	**2.54**
	Deferred Tax Asset (+)/Liability (-) (**A-B**)	77.66	58.35
	Deferred Tax Asset	**77.66**	**58.35**

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, 2013 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, 2013 are disclosed as under:-

a) Details of Provisions

(Rs. in Crore)

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	30.40 (26.86)	4.25 (3.54)	7.20 (0.00)	27.46 (30.40)
2	Income tax	320.14 (266.90)	83.00 (56.40)	195.25 (3.16)	207.89 (320.14)
3	Proposed dividend	25.00 (20.00)	27.50 (25.00)	25.00 (20.00)	27.50 (25.00)
4	Dividend tax	4.06 (3.24)	4.67 (4,.06)	4,.06 (3.24)	4.67 (4.06)
5	Leave encashment	1.33 (1.11)	0.84 (0.40)	0.40 (0.18)	1.77 (1.33)
6	Gratuity	0.03 (0.03)	0.68 (0.00)	0.00 (0.00)	0.71 (0.03)
7	Post retirement medical benefit	0.72 (0.61)	0.48 (0.11)	0.03 (0.00)	1.17 (0.72)
8	Sick leave	1.08 (1.01)	0.47 (0.08)	0.04 (0.00)	1.51 (1.08)
9	Baggage Allowance	0.03 (0.03)	0.01 (0.00)	0.00 (0.00)	0.04 (0.03)
10	Corporate Social Responsibility	3.00 (0.00)	3.46 (3.00)	0.02 (0.00)	6.44 (3.00)
11	Sustainable Development	0.00 (0.00)	0.57 (0.00)	0.18 (0.00)	0.39 (0.00)
12	Other Provisions	3.73 (2.59)	1.21 (1.21)	1.35 (0.06)	3.58 (3.73)
	Total	389.53 (322.38)	127.15 (93.81)	233.54 (26.66)	283.14 (389.53)

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

(Rs. in Crore)

Particulars	**As at 31.3.2013**	**As at 31.3.2012**
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	31.82	58.17

Income Tax Department for the respective assessment years and based upon the decision of the Hon'ble ITAT on similar issues for assessment years 1998-99 to 2002-03 and on opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India on provision for disputed income tax/interest demands raised by Income Tax Authorities in respect of which appeals are filed with higher authorities, no provision for the said demands has been made during the year.		
Claims against the Company not acknowledged as debt	1.50	1.50
Total of Contingent Liabilities	**33.32**	**59.67**
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 1-4-2012 was Rs. 1.77 Crore (Previous year : Rs. 4.90 Crore) and the company received during the year Rs. Nil (Previous year : Rs. 3.47 crore). Out of this, a sum of Rs.1.61 Crore (Previous year: Rs. 5.34 crore) 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. 1.27 Crore) has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-3-2013 stands at Rs.0.16 crore (Previous year: Rs. 1.77Crore).

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2013 are as under:-

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

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2012	Interest Subsidy received during 2012-13	Amount refunded during 2012-13	Interest Subsidy passed on during 2012-13	Closing Balance as on 31.3.2013
1	Bio-mass Co-generation	2.95 (3.64)	0.00 (0.00)	0.00 (0.00)	0.42 (0.69)	2.53 (2.95)
2	Small Hydro	0.02 (0.17)	0.00 (0.00)	0.00 (0.00)	0.00 (0.15)	0.02 (0.02)
3	Waste to Energy	0.00 (1.27)	0.00 (0.00)	0.00 (1.27)	0.00 (0.00)	0.00 (0.00)
	Sub Total….A	2.97 (5.08)	0.00 (0.00)	0.00 (1.27)	0.42 (0.83)	2.55 (2.97)

(ii)

Interest subsidy on actual basis:-

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2012	Subsidy received during 2012-13	Amount refunded during 2012-13	Interest received on FDR	Subsidy passed on during 2012-13	Closing Balance as on 31.3.2013
1	Solar Thermal Sector	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2	SPV WP 2000-01	(-)0.34 (-) (0.34)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.17 (0.00)	(-)0. 51 (-) (0.34)
3	SPV WP 2001-02	(-) 0.76 (-) (0.76)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.60 (0.00)	(-) 1.36 (-) (0.76)
4	SPV WP 1999-00	(-) 0.07 (-) (0.07)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	(-)0.07 (-) (0.07)
5	SPV WP Manufacturing	(-) 0.03 (-) (0.03)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	(-) 0.03 (-) (0.03)
6	Accelerated SWH System	0.00 (1.02)	0.00 (3.47)	0.00 (0.00)	0.00 (0.00)	0.01 (4.49)	0.00 (0.00)
7	SPV WP 2002-03	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.41 (0.00)	(-)0.41 (0.00)
	Sub Total…..B	(-) 1.20 (-) (0.18)	0.00 (3.47)	0.00 (0.00)	0.00 (0.00)	1.18 (4.49)	(-)2.39 (-) (1.20)
	Grand Total (A + B)	1.77 (4.90)	0.00 (3.47)	0.00 (1.27)	0.00 (0.00)	1.60 (5.33)	0.17 (1.77)

Previous year figures shown within bracket

(b) **Capital subsidy**

During the year an amount of Rs.4.00 Crore (Previous year: Rs. 20.29 Crore) was received from MNRE towards Capital Subsidy. Out of the total capital subsidy amount available, Rs. 4.00 Crore (Previous year: Rs. 20.29 Crore) 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 31-3-2013 are as under:-

(Rs. in Crore)

Name of the sector	Opening balance as on 1.4.2012	Received during the year	Passed on during the year	Amount refunded to MNRE during the year	Adjustment	Closing balance as on 31.3.2013
Hydro	0.00 (0.00)	4.00 (20.29)	4.00 (20.29)	0.00 (0.00)	0.00 (0.00)	0.00 (000)
Total	0.00 (0.00)	4.00 (20.29)	4.00 (20.29)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Previous year figures shown within bracket

NOTE '33'

(a) Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs. 0.41 Crore (Previous year – Rs. 0.41 Crore), office premises-IHC costing Rs. 4.40 Crore (Previous year – Rs. 4.40 Crore) and office premises-AKB costing Rs. 42.28 Crore (Previous year – Rs. 42.28 Crore) 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, 2013 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 116.50 Crore (Previous year : Rs. 126.66 Crore) on accounts classified as Non-Performing Asset (NPAs) has not been recognized as income for the year. Further, a sum of Rs.0.90 Crore (Previous year : Rs. 3.89 Crore) being the amount of unrealized interest upto 2011-12 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. 6.36 Crore (Previous year : Rs 5.76 Crore) 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 '38'

REMUNERATION TO AUDITOR

(Rs. in Crores)

Particulars	Statutory Auditor
As Auditor	0.02 (0.02*)
Limited Review Audit	0.01 (0.01)
Tax Audit	0.01** (0.01)
Certification & Other Service	0.01 (0.01)
Total	**0.05** **(0.05)**

Previous year figures shown within bracket

* Include Rs. 20,000 for FY 2010-11

** Include Rs. 24,000 for FY 2011-12

NOTE '39'

REMUNERATION OF DIRECTORS

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

(Rs. in Crore)

Particulars	Chairman and Managing Director	Director (Finance)*	Director (Finance)**	Director (Technical)***
Salary & allowances	0.33 (0.16)	0.15 (0.16)	0.05 (0.00)	0.25 (0.18)

Medical allowance	0.01 (0.01)	0.01 (0.01)	0.00 (0.00)	0.01 (0.01)
Provident Fund	0.02 (0.02)	0.01 (0.01)	0.00 (0.00)	0.02 (0.01)
Superannuation Contribution	0.01 (0.01)	0.00 (0.01)	0.00 (0.00)	0.00 (0.00)
Value of perquisites as per Income Tax Act, 1961	0.04 (0.03)	0.00 (0.02	0.01 (0.00)	0.03 (0.02)
Total	0.41 (0.23)	0.17 (0.21)	0.06 (0.00)	0.31 (0.22)

Previous year figures shown within bracket

* Mr S.P Reddi was superannuated on 30.04.2012.

** Mr. S.K Bhargava was appointed as Director (Finance) on 26.12.2012.

*** Mr K.S Popli's Superannuation contribution started with effect from 04.12.2012, since his lien in PFC was expired on 03.12.2012

b) Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

c) Sitting Fees paid to Independent Directors - Rs. 0.02 Crore (Previous year Rs. Nil).

NOTE '40'

DISCLOSURE OF PRIOR-PERIOD ITEMS

(Rs. in Crore)

Particulars	2012-13	2011-12
Miscellaneous Expenses	0.00	0.01 Dr.
Interest on Taxable Bonds	0.00	0.08 Dr.
Reversal of Service Tax Payable	0.00	0.01 Dr.
Reversal of Prepaid Expenses	0.00	1.46 Dr.
Ground Rent	0.00	0.03 Dr.
GBI Application Fees	0.00	0.09 Dr.
Canara Bank EURO Deposit KFW	0.00	3.15 Cr.
Application Fees	0.00	0.38 Cr.
Miscellaneous Other Income	0.00	0.08 Cr.
Guarantee Fees	0.00	0.42 Cr.
Refund of Accelerated Depreciation Fees	0.20 Dr	0.00
Medical Expenses- Others	0.03 Dr.	0.00
Electricity and Waters	0.01 Dr.	0.00
Underlying Exchange Fluctuation (IDA-II)	3.39 Dr.	0.00
Wages-others	0.02 Dr.	0.00
Accelerated Depreciation Fees	0.01 Cr.	0.00
Intt Payable on IDA-II	0.35 Cr.	0.00
Total (Net Dr./Cr.)	3.29 Dr.	2.34 Cr.

NOTE '41'

ADDITIONAL INFORMATION

a) Expenditure in Foreign Currency:

- On Traveling Rs0.03 Crore (Previous year : Rs. 0.03 Crore)
- Interest expenses & Other Finance Charges – Rs 38.09 Crore (Previous year :Rs. 25.42 Crore) which exclude hedging cost in INR 153.80 Crore (Previous Year : 67.63 Crore)

b) Earnings in Foreign Exchange:

- Interest Rs 34.42 Crore (Previous year : Rs. 23.48 Crore)

c) Revenue Grant received on account of Technical Assistance Programme (TAP) from KfW-II - Rs 0.12 Crore (Previous year : Rs Nil)

NOTE '42'

THE DISCLOSURES UNDER RBI GUIDELINES ARE AS UNDER (IREDA ONLY)

a. Capital to Risk Assets Ratio (CRAR)	24.75% (28.61%)
b. Exposure to Real Estate Sector (Direct and Indirect)	0 (0)

c. Maturity Pattern of Assets & Liabilities (Rs in Crore)

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years
Rupee assets	1284.54 (1244.16)	1449.08 (1228.12)	1294.11 (975.15)
Foreign currency assets	17.28 (88.87)	23.90 (21.67)	29.07 (26.37)
Total Assets	**1301.82** **(1333.03)**	**1472.98** **(1249.79)**	**1323.18** **(1001.53)**
Rupee liabilities	448.80 (547.52)	73.94 (199.77)	86.21 (83.52)
Foreign currency liabilities*	110.08 (91.21)	425.44 (246.28)	300.03 (291.36)
Total liabilities	**558.88** **(638.73)**	**499.38** **(446.05)**	**386.24** **(374.88)**

Items	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	1138.54 (863.12)	1890.17 (1559.43)	7056.44 (5869.98)
Foreign currency assets	35.32 (32.03)	31.10 (49.62)	136.67 (218.57)
Total Assets	**1173.86** **(895.15)**	**1921.27** **(1609.05)**	**7193.11** **(6088.55)**
Rupee liabilities	342.46 (89.18)	2662.88 (2330.06)	3614.28 (3250.05)
Foreign currency liabilities*	294.93 (301.63)	2448.34 (1908.02)	3578.82 (2838.50)
Total liabilities	**637.39** **(390.81)**	**5111.22** **(4238.08)**	**7193.11** **(6088.55)**

NOTE '43'

MNRE funds are not classified as Current and Non-Current as these funds are payable on demand of MNRE .

NOTE '44'

Figures are rounded off to the nearest Crore. Previous year's figures have been re-arranged/re-grouped wherever considered necessary to make them comparable with the current year's figures.

OTHER NOTES TO REFORMATTED AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR 2011-12

NOTE-'24'

Change in Accounting Policy

There is no impact on Assets & Liabilities as well as on Profit & Loss due to change in accounting policy relating to disclosure requirement of prudential norms and changes necessitated due to revision of Schedule VI of the Companies Act, 1956.

NOTE-'25'

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**

(Rs. in Crore)

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	2.67 (2.67)	1.11 (1.03)	1.00 (0.94)	.03 (.03)	0.61 (0.62)
Interest cost	0.23 (0.21)	0.10 (0.08)	0.09 (0.08)	0 (0)	0.05 (0.05)
Current service cost	0.23 (0.20)	0.12 (0.10)	0.08 (0.10)	0 (0)	0.04 (0.04)
Past Service Cost	- (-)	-	-	-	-
Benefits paid	-0.06 (-) (0.14)	-0.18 (-) (0.19)	0 (-) (0.02)	0 (-)	-0.04 (-) (0.02)
Actuarial loss/(gain) on obligations	0.18 (-) (0.27)	0.19 (0.09)	-0.09 (-) (0.09)	0 (-) (0.01)	0.05 (-) (0.07)
Present value of obligation at year end	3.25 (2.67)	1.34 (1.11)	1.08 (1.01)	0.03 (0.02)	0.71 (0.62)

(b) **Change in fair value of plan asset**

(Rs. in Crore)

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	2.64 (1.13)	-	-	-	-
Expected return on plan assets	0.24 (0.10)	-	-	-	-
Employer's contribution	0.38 (1.48)	-	-	-	-
Benefits paid	-0.06	-	-	-	-

	(-) (0.14)				
Actuarial loss/(gain) on obligations	0.02 (0.06)	-	-	-	-
Fair value of plan asset at the end of the year	3.22 (2.63)	-	-	-	-

(c) **Amount recognized in Balance Sheet**

(Rs. in Crore)

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	3.25 (2.67)	1.33 (1.11)	1.08 (1.00)	0.03 (0.03)	0.72 (0.61)
Fair value of plan assets as at the end of the year	3.22 (2.64)	-	-	-	-
Unfunded net liability recognized in balance sheet	0.03 (0.03)	1.33 (1.11)	1.08 (1.01)	0.03 (0.03)	0.72 (0.61)

(d) **Expense recognized in the Statement of Profit & Loss**

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	0.23 (0.20)	0.12 (0.10)	0.08 (0.10)	0 (0)	0.04 (0.04)
Past service cost	0 (0)	-	-	-	-
Interest cost	0.23 (0.21)	0.10 (0.08)	0.09 (0.08)	0 (0)	0.05 (0.05)
Expected return on plan asset	-0.24 (-) (0.10)	-	-	-	-
Net actuarial (Gain)/Loss recognized in the year	0.16 (-) (0.33)	0.19 (0.09)	-0.09 (-) (0.09)	0 (-) (0.01)	0.05 (-) (0.07)
Total expenses recognized in Statement of Profit & Loss	0.38 (-) (0.02)	0.41 (0.27)	0.08 (0.09)	0 (0)	0.14 (0.02)

(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	8.75% (8.00%)	8.75% (8.00%)	8.75% (8.00%)	8.75% (8.00%)	8.75% (8.00%)
Expected rate of return on plan assets	9.25% (9.25%)	-	-	-	-
Expected rate of salary increase	6.25% (5.50%)	6.25% (5.50%)	6.25% (5.50%)	6.25% (5.50%)	6.25% (5.50%)
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 %	Rs. in Crore
Central Government securities	25% (25%)	Figures not available
State Government securities	15% (15%)	
Investment in PSUs	40% (40%)	Figures not available
Other investments (mixed in above 3 categories)	20% (20%)	

(g) **Defined Contribution Plan**

During the year, the company has recognized an expense of Rs 0.74(Previous year: Rs. 0.66) in respect of contribution to Provident Fund, Rs 0.01(Previous year: Rs. 0.01) in respect of contribution to Benevolent Fund and Rs 0.53 (Previous year: Rs. 1.49) 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-'26'

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-'27'

Related Party Disclosure

(ii) 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:-

(Rs. in Crore)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	0.66 (0.93)

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

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

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

(i) IREDA has received dividend of Rs. 0.01 (Previous year Rs. 0.01) from M/s M P Wind Farms Ltd, a Joint Sector Company against Equity Shares.

NOTE-'28'

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 31.03.2012	As at 31.03.2011
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator		

Profit after Tax as per Statement of Profit & Loss	173.13	120.46
Denominator		
▪ Number of equity shares	63,96,000	58,96,000
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earning per share	63,38,623**	57,58,322*
▪ Basic & Diluted Earning per share (in Rs.)	273.14	209.20

* weighted average (5396000 x 365/365 + 83300 x 322/365 + 416700 x 253/365) = 57,58,322
** weighted average (5896000 x 366/366 + 500000 x 324/366) = 63,38,623

NOTE-'29'

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 debit 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. 0.04 Crore (Previous year : Rs. 5.54 Crore (Credit)) has been debited 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, 2012 is given below:-

A	**Deferred Tax Assets (+)**		(Rs. in Crore)
	Arising on account of timing differences:-	As at 31/3/2012	As at 31/3/2011
	▪ Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Retirement Medical Benefit and Contribution to CSR Fund	2.01	0.90
	▪ Provision for Bad & Doubtful Debts	58.87	59.51
	Total – A	**60.88**	**60.41**
B	**Deferred Tax Liabilities (-)**		
	▪ Depreciation	2.82	2.31
	▪ Stamp duty paid but not debited to Statement of Profit & Loss	-0.29	-0.29
	Total – B	**2.53**	**2.02**
	Deferred Tax Asset (+)/Liability (-) (**A-B**)	58.35	58.39
	Deferred Tax Asset	**58.35**	**58.39**

NOTE-'30'

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, 2012 there were no events or changes in circumstances which indicate any impairment in the assets.

NOTE-'31'

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, 2012 are disclosed as under:-

a) Details of Provisions

(Rs. in Crore)

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	26.86 (6.98)	3.54 (19.88)	0 (0)	30.40 (26.86)
2	Income tax	266.90 (215.15)	56.40 (51.75)	3.15 (0)	320.15 (266.90)
3	Fringe Benefit Tax	0 (0.55)	0 (0.02)	0 (0.57)	0 (0)
4	Proposed dividend	20.00 (14.54)	25.00 (20.00)	20.00 (14.54)	25.00 (20.00)
5	Dividend tax	3.24 (2.41)	4.06 (3.24)	3.24 (2.41)	4.06 (3.24)
6	Leave encashment	1.11 (1.03)	0.40 (0.27)	0.18 (0.19)	1.33 (1.11)
7	Gratuity	0.03 (1.54)	0 (-1.51)	0 (0)	0.03 (0.03)
8	Post retirement medical benefit	0.61 (0.62)	0.11 (-0.01)	0 (0)	0.72 (0.61)
9	Sick leave	1.01 (0.94)	0.08 (0.08)	0 (0.02)	1.08 (1.01)
10	Leave Travel Concession	0 (0.25)	0 (0)	0 (0.25)	0 (0)
11	Baggage Allowance	0.03 (0.03)	0 (0)	0 (0)	0.03 (0.03)
12	Corporate Social Responsibility	0 (0)	3.00 (0)	0 (0)	3.00 (0)
13	Other Provisions	2.59 (5.22)	1.21 (5.94)	0.06 (8.57)	3.73 (2.59)
	Total	322.38 (249.26)	93.81 (99.67)	26.65 (26.55)	389.53 (322.38)

Previous year figures shown within bracket

b) Detail of Contingent Liabilities & Commitments

(Rs. in Crore)

Particulars	**As at 31.3.2012**	**As at 31.3.2011**
Contingent Liabilities		
Income tax demand for Assessment Years 2003-04, 2004-05, 2006-07, 2007-08, 2008-09 and 2009-10 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	58.17	58.64

appeals are filed with higher authorities, no provision for the said demands has been made during the year.		
Claims against the Company not acknowledged as debt	1.50	1.52
Total of Contingent Liabilities	**59.67**	**60.16**
COMMITMENTS		
Estimated value of contract to be executed on Capital Account and not provided	0	2.80

NOTE-'32'

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-'33'

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 1-4-2011 was Rs. 4.90 crore (Previous year : Rs. 3.23 crore) and the company received during the year Rs. 3.47 crore (Previous year : Rs. 15.05 crore). Out of this, a sum of Rs. -5.33 crore (Previous year: Rs. 12.97 crore) has been passed on during the year to the borrowers on compliance of the terms and conditions of the interest subsidy scheme. Further, during the year a sum of Rs 1.27 crore (Previous year : Rs. 0.47 crore) has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-3-2012 stands at Rs. 1.77 crore (Previous year: Rs. 4.90 crore).

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2012 are as under:-

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

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2011	Interest Subsidy received during 2011-12	Amount refunded during 2011-12	Interest Subsidy passed on during 2011-12	Closing Balance as on 31.3.2012
1	Bio-mass Co-generation	3.64 (3.49)	0 (1.98)	0 (0.48)	0.69 (1.36)	2.95 (3.64)
2	Small Hydro	0.17 (0.94)	0 (0)	0 (0)	0.15 (0.77)	0.02 (0.17)
3	Waste to Energy	1.27 (0)	0 (1.27)	1.27 (0)	0 (0)	0 (1.27)
	Sub Total….A	5.08 (4.43)	0 (3.25)	1.27 (0.48)	0.84 (2.13)	2.97 (5.08)

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

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2011	Subsidy received during 2011-12	Amount refunded during 2011-12	Interest received on FDR	Subsidy passed on during 2011-12	Closing Balance as on 31.3.2012
1	Solar Thermal Sector	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
2	SPV WP 2000-01	(-) 0.34 (-) (0.34)	0 (0)	0 (0)	0 (0)	0 (0)	(-) 0.34 (-) (0.34)

3	SPV WP 2001-02	(-) 0.76 (-) (0.76)	0 (0)	0 (0)	0 (0)	0 (0)	(-) 0.76 (-) (0.76)
4	SPV WP 1999-00	(-) 0.07 (-) (0.07)	0 (0)	0 (0)	0 (0)	0 (0)	(-) 0.07 (-) (0.07)
5	SPV WP Manufacturing	(-) 0.03 (-) (0.03)	0 (0)	0 (0)	0 (0)	0 (0)	(-) 0.03 (-) (0.03)
6	Accelerated SWH System	1.02 (0.01)	3.48 (11.80)	0 (-) (0.01)	0 (0.05)	4.49 (10.85)	0.01 (1.02)
	Sub Total…..B	-0.18 (-) (1.19)	3.48 (11.80)	0 (-) (0.01)	0 (0.05)	4.49 (10.85)	(-) 1.19 (-) (0.18)
	Grand Total (A + B)	4.90 (3.24)	3.48 (15.05)	1.27 (0.47)	0 (0.05)	5.33 (12.97)	1.78 (4.90)

Previous year figures shown within bracket

(b) **Capital subsidy**

The un-disbursed capital subsidy as on 1.4.2011 was Rs. Nil (Previous year : Rs. 0.37 crore) pending due to non compliance of the terms and conditions of the capital subsidy scheme by the borrower. During the year an amount of Rs. 20.29 crore (Previous year: Rs. Nil) was received from MNRE. Out of the total capital subsidy amount available, Rs. 20.29 crore (Previous year: Rs. Nil) was passed on to the borrowers and Rs. Nil (Previous year: 0.37) was adjusted to the borrower account 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 31-3-2012 are as under:-

(Rs. in Crore)

Name of the sector	Opening balance as on 1.4.2011	Received during the year	Passed on during the year	Amount refunded to MNRE during the year	Adjustment	Closing balance as on 31.3.2012
Hydro	0 (0)	20.29 (0)	20.29 (0)	0 (0)	0 (0)	0 (0)
Co- gen-eration	0 (0.37)	0 (0)	0 (0)	0 (0)	0 (0.37)	0 (0)
Total	0 (0.37)	20.29 (0)	20.29 (0)	0 (0)	0 (0.37)	0 (0)

Previous year figures shown within bracket

NOTE-'34'

(a) Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs. 0.41 crore (Previous year – Rs. 0.41 crore), office premises-IHC costing Rs.-4.40 crore (Previous year – Rs. 2.64 crore) and office premises-AKB costing Rs.-42.28 crore (Previous year – Rs. 42.28 crore) 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, 2004 has been paid as per the demand raised by India Habitat Centre which was based on cost of the building. Municipal Corporation of Delhi has raised an issue with India Habitat Centre to include license fee received from the facilities area for the purpose of calculating rateable value. This matter is now pending with the Hon'ble Delhi High Court. In case the Hon'ble Delhi High Court decides against the company, the liability on account of municipal tax will have to be reworked which is not ascertainable at this stage.

NOTE-'35'

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-'36'

IREDA is a Non Banking Financial Company (NBDCs) 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 126.66 crore (Previous year : Rs. 92.93 crore) on accounts classified as Non-Performing Asset (NPAs) has not been recognized as income for the year. Further, a sum of Rs. 3.89 crore (Previous year : Rs. 0.78 crore) being the amount of unrealized interest upto 2010-11 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. 5.76 crore (Previous year : Rs. 24.12 crore) has been recognized as income being interest realized during the year from NPA accounts.

NOTE-'37'

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-'38'

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-'39'

Remuneration to Auditor:-

(Rs. in Crore)

Particulars	Statutory Auditor
As Auditor	0.02* (0.02)
Limited Review Audit	0.01 (0.01)
Tax Audit	0.01 (0.01)
Certification & Other Service	0.01 (0)
Total	**0.05** **(0.05)**

Previous year figures shown within bracket

* Include Rs. 0 for FY 2010-11 which is subject to approval of Shareholders in ensuing Annual General Meeting

NOTE-'40'

Remuneration of Directors

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

(Rs. in Crore)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)**
Salary & allowances	0.16 (0.21)	0.16 (0.19)	0.18 (0.30)
Medical allowance	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)
Provident Fund	0.02 (0.02)	0.01 (0.01)	0.02 (0.02)

Superannuation Contribution*	0.01 (0.04)	0.01 (0.03)	0 (0)
Value of perquisites as per Income Tax Act, 1961	0.03 (0.03)	0.02 (0.02)	0.02 (0.04)
Total	0.23 (0.31)	0.21 (0.26)	0.23 (0.37)

Previous year figures shown within bracket

* Include contribution to IREDA Employees Defined Contribution Superannuation Scheme w.e.f. 01.01.2007 in previous year

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

b) Contribution towards Gratuity Fund for Directors is not ascertainable separately as the contribution to LIC is not made employee wise.

c) Sitting Fees paid to Independent Directors - Rs. Nil (Previous year Rs. 0.04 Cr.).

NOTE-'41'

Disclosure of Prior-period Items

(Rs. in Crore)

Particulars	2011-12	2010-11
Miscellaneous Expenses	0.01 Dr.	0.05 Dr.
Interest on Taxable Bonds	0.08 Dr.	0.06 Dr.
Reversal of Service Tax Payable	0.01 Dr.	0.02 Cr.
Reversal of Prepaid Expenses	1.46 Dr.	0
Ground Rent	0.03 Dr.	0
GBI Application Fees	0.09 Dr.	0
Canara Bank EURO Deposit KFW	3.15 Cr.	0
Application Fees	0.38 Cr.	0
Miscellaneous Other Income	0.08 Cr.	0 Cr.
Guarantee Fees	0.41 Cr.	0
Total (Net Dr./Cr.)	2.34 Cr.	0.09 Dr.

NOTE-'42'

Additional Information:

a) Expenditure in Foreign Currency:

- On Traveling Rs. 0.03 crore (Previous year : Rs. 0.02 crore)
- Interest expenses & Other Finance Charges - Rs. 25.42 crore (Previous year : Rs. 18.29 crore) which exclude hedging cost in INR 67.63 crore (Previous Year : 11.27 crore)

b) Earnings in Foreign Exchange:

- Interest Rs 23.48 crore (Previous year : Rs. 12.40 crore)

c) Revenue Grant received on account of Technical Assistance Programme (TAP) from KfW-II - Rs Nil (Previous year : Rs 0.09 crore)

NOTE-'43'

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

a. Capital to Risk Assets Ratio (CRAR)	28.61% (35.38%)
b. Exposure to Real Estate Sector (Direct and Indirect)	0 (0)

c. Maturity Pattern of Assets & Liabilities			(Rs. in Crore)
Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years
Rupee assets	1244.16 (806.40)	1228.12 (768.01)	975.15 (679.87)
Foreign currency assets	88.87 (15.82)	21.66 (19.45)	26.37 (23.64)
Total Assets	**1333.03** **(822.22)**	**1249.78** **(787.46)**	**1001.52** **(703.51)**
Rupee liabilities	547.52 (434.88)	199.77 (159.60)	83.52 (23.64)
Foreign currency liabilities*	91.21 (35.60)	246.28 (214.60)	291.36 (222.67)
Total liabilities	**638.73** **(470.48)**	**446.05** **(374.20)**	**374.88** **(246.31)**

Items	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	863.12 (556.78)	1559.43 (1123.36)	5869.98 (3934.43)
Foreign currency assets	32.03 (28.75)	49.62 (109.58)	218.57 (197.24)
Total Assets	**895.15** **(585.53)**	**1609.05** **(1232.94)**	**6088.55** **(4131.67)**
Rupee liabilities	89.18 (28.75)	2330.06 (2159.95)	3250.05 (2806.82)
Foreign currency liabilities*	301.63 (232.13)	1908.02 (619.85)	2838.50 (1324.85)
Total liabilities	**390.81** **(260.88)**	**4238.08** **(2779.80)**	**6088.55** **(4131.67)**

* includes IDA - 2nd loan received from MNRE in INR. The repayment amount is arrived at considering terms in foreign currency loan and paid in INR as per prevailing exchange rate at the time of repayment.

NOTE-'44'

Figures are rounded off to the nearest rupee. Previous year's figures have been re-arranged/re-grouped wherever considered necessary, to confirm to current year presentation in terms of revised schedule VI issued by the Ministry of Corporate Affairs.

OTHER NOTES TO REFORMATTED AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR 2010-11

B. NOTES TO ACCOUNTS:

(1) As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued under the Companies (Accounting Standards) Rules, 2006, the details of Provisions, Contingent Liabilities as on 31st March, 2011 are disclosed as under:-

a) Details of Provisions

(Rs. in Crore)

Sl. No.	Nature of the liability for which provision is made	Opening balance at the beginning of the financial year	Additions made during the financial year	Amount incurred and charged against the provision during the financial year	Closing balance at the end of the financial year
1	Standard assets	6.98 (6.98)	19.88 (0.00)	0.00 (0.00)	26.86 (6.98)
2	Income tax	215.15 (151.30)	51.75 (63.85)	0.00 (0.00)	266.90 (215.15)
3	Fringe Benefit Tax	0.55 (0.55)	0.02 (0.00)	0.57 (0.00)	0.00 (0.55)
4	Proposed dividend	14.54 (11.25)	20.00 (14.54)	14.54 (11.25)	20.00 (14.54)
5	Dividend tax	2.41 (1.91)	3.24 (2.41)	2.41 (1.91)	3.24 (2.41)
6	Leave encashment	1.03 (0.91)	0.27 (0.28)	0.19 (0.16)	1.11 (1.03)
7	Gratuity	1.54 (1.05)	(-) 1.51 (0.49)	0.00 (0.00)	0.03 (1.54)
8	Post retirement medical benefit	0.62 (0.49)	(-) 0.01 (0.14)	0.00 (0.01)	0.61 (0.62)
9	Sick leave	0.94 (0.93)	0.08 (0.01)	0.02 (0.00)	1.00 (0.94)
10	Leave Travel Concession	0.25 (0.23)	0.00 (0.02)	0.25 (0.00)	0.00 (0.25)
11	Baggage Allowance	0.03 (0.02)	0.00 (0.01)	0.00 (0.00)	0.03 (0.03)
12	Pay Revision Arrear	2.26 (3.48)	0.00 (1.68)	2.26 (2.90)	0.00 (2.26)
13	Other Provisions	2.96 (2.94)	5.94 (4.98)	6.31 (4.96)	2.59 (2.96)
	Total	249.26 (182.04)	99.66 (88.41)	26.55 (21.19)	322.37 (249.26)

Previous year figures shown within bracket

b) **Capital Commitment**

Estimated value of contract to be executed on Capital Account and not provided for Rs. 2.80 Crore (Previous year : Rs. 0.26 Crore)

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

a) Income tax demand for Assessment Years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 aggregating to Rs 58.64 Crores (Previous year : Rs. 53.23 crores) is outstanding. The company has filed appeals against the orders of the Income Tax Department for the respective assessment years and based upon the decision of the Hon'ble ITAT on similar issues for assessment years 1998-99 to 2002-03 and on opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India on provision for disputed income tax/interest demands raised by Income Tax Authorities in respect of which appeals are filed with higher authorities, no provision for the said demands has been made during the year.

b) Claims against the Company not acknowledged as debt - Rs. 1.52 crores (Previous year : Rs. 1.52 crores)

(2) **MNRE Programme Funds**

The Company besides its own activities implements Programmes on behalf of Ministry for New and Renewable Energy on the basis of Memorandum of Understanding entered into with the said Ministry. In terms of stipulations of each of the MoUs, MNRE has placed an agreed sum in respect of each Programme with the company for programme implementation. Interest on MNRE loans are accounted on due basis. As the income generated by the MNRE programme loans is not the income of the company and also the loan assets belong to MNRE, the same is not considered for asset classification and provisioning purposes. On closure of the respective Programmes, the company is required to transfer the amount standing to the credit of MNRE (inclusive of interest accrued thereon) to MNRE after deducting the service charges, irrecoverable defaults and other dues as stipulated in the MoU. The amount due to MNRE on account of the above at the close of year, along with interest on unutilized funds kept in separate bank account with Nationalized Banks as short-term deposits, is shown under the head Current Liabilities in the Balance Sheet.

(3) **Subsidy**

(a) **Interest Subsidy**

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to programmes like Co-generation, Small Hydro, Briquetting, Biomass, Solar Thermal and Waste to Energy on NPV basis and for Solar and SPV programmes on actual basis. The interest subsidy is to be passed on to the borrowers on quarterly basis subject to the borrowers complying with the terms and conditions of the sanction.

The undisbursed interest subsidy as on 1-4-2010 was Rs.3.23 Crore (Previous year : Rs. 14.15 Crore) and the company received during the year Rs. 15.05 Crore (Previous year : Rs. 8.26 Crore). Out of this, a sum of Rs. 12.97 Crore (Previous year: Rs. 18.53 Crore) 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 0.47 Crore (Previous year : Rs. 0.74 Crore) has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-3-2011 stands at Rs. 4.90 Crore (Previous year: Rs. 3.23 Crore).

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

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

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2010	Interest Subsidy received during 2010-11	Amount refunded during 2010-11	Interest Subsidy passed on during 2010-11	Closing Balance as on 31.3.2011
1	Bio-mass Co-generation	3.49 (7.10)	1.98 (0.00)	0.48 (0.18)	1.35 (3.43)	3.64 (3.49)
2	Small Hydro	0.94 (3.77)	0.00 (0)	0.00 (0.23)	0.77 (2.60)	0.17 (0.94)
3	Waste to Energy	0.00 (0.33)	1.27 (0.00)	0.00 (0.33)	0.00 (0.00)	1.27 (0.00)
	Sub Total….A	4.43 (11.20)	3.25 (0.00)	0.48 (0.74)	2.12 (6.03)	5.08 (4.43)

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

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2010	Subsidy received during 2010-11	Amount refunded during 2010-11	Interest received on FDR	Subsidy passed on during 2010-11	Closing Balance as on 31.3.2011
1	Solar Thermal Sector	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2	SPV WP 2000-01	(-) 0.34 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.34)	(-) 0.34 (-) (0.34)
3	SPV WP 2001-02	(-) 0.76 (-)(0.16)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.60)	(-) 0.76 (-) (0.76)
4	SPV WP 2002-03	0.00 (0.00)	0.00 (0.27)	0.00 (0.00)	0.00 (0.00)	0.00 (0.27)	0.00 (0.00)
5	SPV WP 1999-00	(-) 0.07 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.07)	(-) 0.07 ((-) 0.07)
6	SPV WP Manufacturing	(-) 0.03 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.03)	(-)0.03 ((-) 0.03)
7	Accelerated SWH System	0.01 (3.11)	11.80 (8.00)	-0.01 (0.00)	0.06 (0.08)	10.85 (11.18)	1.03 (0.01)
	Sub Total…..B	(-) 1.19 (2.95)	11.80 (8.27)	-0.01 (0.00)	0.06 (0.08)	10.85 (12.49)	(-)0. 18 ((-) 1.19)
	Grand Total (A + B)	3.23 (14.15)	15.05 (8.26)	0.47 (0.74)	0.06 (0.08)	12.97 (18.53)	4.90 (3.23)

Previous year figures shown within bracket

(b) **Capital subsidy**

The un-disbursed capital subsidy as on 1.4.2010 was Rs. 0.37 Crore (Previous year : Rs. 0.37 Crore) pending due to non compliance of the terms and conditions of the capital subsidy scheme by the borrower. During the year an amount of Rs. Nil (Previous year: Rs. Nil) was received from MNRE. Out of the total capital subsidy amount available Rs. 0.37 Crore (Previous year: Nil) was adjusted to the borrower account. The sector-wise details of capital subsidy at the beginning, received during the year, passed/refunded/adjusted during the year and the balance as on 31-3-2011 are as under:-

(Rs. in Crore)

Name of the sector	Opening balance as on 1.4.2010	Received during the year	Passed on during the year	Amount refunded to MNRE during the year	Adjustment	Closing balance as on 31.3.2011
Co- gen-eration	0.37 (0.37)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.37 (0.00)	0.00 (0.37)
Total	0.37 (0.37)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.37 (0.00)	0.00 (0.37)

Previous year figures shown within bracket

(4) Bank Balances under the head “Current Assets, Loan & Advances” include a sum of Rs. Nil (Previous year : Rs. 0.62 Crore) in Current Account with Scheduled Banks on account of unutilized funds received from UNDP/MNRE for implementation

of “Green House Gases Emission”. The equivalent amount is shown under the head Current Liabilities.

(5) (a) Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs. 0.41 Crore (Previous year – Rs. 0.41 Crore) and office premises costing Rs. 2.64 Crore (Previous year – Rs.2.64 Crore) are yet to be executed in favour of the Company. The cost includes proportionate value of land which has not been separately determined and accounted for. As such, depreciation has been charged on composite cost at the rates prescribed as per Schedule XIV to the Companies Act, 1956.

(b) The property tax in respect of office premises for the period upto 31st March, 2004 has been paid as per the demand raised by India Habitat Centre which was based on cost of the building. Municipal Corporation of Delhi has raised an issue with India Habitat Centre to include license fee received from the facilities area for the purpose of calculating rateable value. This matter is now pending with the Hon’ble Delhi High Court. In case the Hon’ble Delhi High Court decides against the company, the liability on account of municipal tax will have to be reworked which is not ascertainable at this stage.

(6) While making provision for Non Performing Assets, the value of security and provision for doubtful cases has been derived from the balance sheet of the borrower(s) by applying the depreciation as per rates prescribed under Schedule XIV of the Companies Act, 1956. However, the balance sheet of the borrower(s) if older than 5 years from the financial year for which the shortfall is worked out, the same is ignored.

(7) IREDA is a Non Banking Financial Company registered with Reserve Bank of India and follows the guidelines in case of income recognition, asset classification and provisioning as approved by Board of Directors of IREDA in terms of Articles of Association and complies with the disclosure requirements as per RBI guidelines pertaining to Financial Institutions and other requirements as per NBFCs, as amended from time to time. Accordingly, the unrealized interest amounting to Rs 92.93 Crore (Previous year : Rs. 94.69 Crore) on accounts classified as Non-Performing Asset (NPAs) has not been recognized as income for the year. Further, a sum of Rs. 0.78 Crore (Previous year : Rs. 3.43 Crore) being the amount of unrealized interest upto 2009-10 has been reversed in respect of those accounts which have been classified as NPA for the first time during the year. An amount of

Rs. 24.12 Crore (Previous year : Rs. 47.66 Crore) has been recognized as income being interest realized during the year from NPA accounts.

(8) As on 31st March, 2010, IREDA was having Rs. 149.30 crores as excess provision in respect of Standard Assets and Non-Performing Assets. The excess was due to non withdrawal of provision made in respect of NPAs upgraded to Standard Category, NPAs recovered through OTS and ad-hoc provision for standards assets etc. The said treatment was commented upon by Statutory Auditors & CAG in their report for the financial year 2009-10. The issue was examined and keeping in view the requirement of Part III of Schedule VI of the Companies Act, 1956 and based on the opinions of Expert Advisory Committee of The Institute of Chartered Accountants of India on "Accounting of excess provision for bad and doubtful debts" dated 26th April, 1991 and "Write back of unclaimed credit balances, excess provisions and unpaid wages/salary/bonus etc." dated 13th March, 1995, it has been decided to withdraw the excess provision. Accordingly, the company has reversed the excess provision of Rs. 130.50 crores by crediting to General Reserve. The said excess provision has been worked out after setting aside provision of Rs. 18.80 crores being the amount of sacrifice made in restructuring package sanctioned to 9 standard drought hit accounts which was earmarked in financial year 2006-07 out of the ad-hoc provision for Standard Assets.

(9) The company has created Exchange Risk Administration Fund (IREDA - ERAF) for management of foreign exchange risk on international lines of credit which is approved by Central Board of Direct Taxes vide Notification No.11220. However the deduction under section 36(1)(x) of the Income Tax Act, 1961 on contribution to ERAF fund has been omitted by the Finance Act, 2007 i.e. 1.4.2008. The company is continuing to maintain the ERAF fund for management of foreign exchange risk. The company has made Nil provision (Previous year – Rs. Nil) equivalent to liability of International Development Agency (IDA) credit Second Renewable Energy Project on Rupee basis. Books of account of ERAF are prepared and maintained separately.

(10) All the operations of the company are considered as a single business segment. Further, the company does not have any full-fledged branch. As such all the activities are considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on Segment Reporting issued under the Companies (Accounting Standards) Rules, 2006.

(11) **Employee Benefits**

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

(a) Change in the present value of the obligation

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (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	2.67 (2.15)	1.02 (0.91)	0.00 (0.23)	0.94 (0.93)	0.03 (0.02)	0.62 (0.49)
Interest cost	0.21 (0.17)	0.08 (0.07)	0.00 (0.02)	0.07 (0.07)	0.00 (0.00)	0.05 (0.04)
Current service cost	0.20 (0.21)	0.10 (0.10)	0.00 (0.13)	0.10 (0.08)	0.00 (0.00)	0.04 (0.04)
Past Service Cost	- (0.50)	-	-	-	-	-
Benefits paid	-0.14 (-) (0.25)	-0.19 (-) (0.17)	0.00 (-) (0.08)	-0.02 -	-	-0.03 (-) (0.01)
Actuarial loss/(gain) on obligations	-0.27 (-) (0.11)	0.10 (0.12)	0.00 (-) (0.05)	-0.09 (-) (0.14)	0.00 (0.01)	-0.07 (0.05)
Present value of obligation at year end	2.67 (2.67)	1.11 (1.02)	0.00 (0.25)	1.00 (0.94)	0.03 (0.03)	0.61 (0.61)

(b) Change in fair value of plan asset

(Rs. in Crores)

Particulars	Gratuity (Funded)	Leave Encash-ment (Un funded)	Leave Travel Concession (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	1.13 (1.10)	-	-	-	-	-
Expected return on plan assets	0.10 (0.10)	-	-	-	-	-
Employer's contribution	1.48 (0.17)	-	-	-	-	-
Benefits paid	-0.14 (-) (0.25)	-	-	-	-	-
Actuarial	0.06	-	-	-	-	-

loss/(gain) on obligations	(0.00)					
Fair value of plan asset at the end of the year	2.63 (1.13)	-	-	-	-	-

(c) Amount recognized in balance sheet

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (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	2.67 (2.67)	1.11 (1.02)	0.00 (0.24)	1.00 (0.94)	0.03 (0.03)	0.61 (0.62)
Fair value of plan assets as at the end of the year	2.64 (1.13)	-	-	-	-	-
Unfunded net liability recognized in balance sheet	0.04 (1.54)	1.11 (1.03)	0.00 (0.25)	1.00 (0.94)	0.03 (0.03)	0.61 (0.62)

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

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Current service cost	0.20 (0.21)	0.10 (0.10)	0 (0.13)	0.10 (0.08)	0.00 (0.00)	0.04 (0.04)
Past service cost	0 (0.50) -	-	-	-	-	-
Interest cost	0.21 (0.17)	0.08 (0.07)	0.00 (0.02)	0.08 (0.07)	0.00 (0.00)	0.05 (0.04)
Expected return on plan asset	-0.10 ((-) 0.10)	-	-	-	-	-
Net actuarial (Gain)/Loss recognized in the year	-0.33 (-) (0.11)	0.09 (0.12)	0.00 (-) (0.05)	-0.10 ((-) 0.14)	0.00 (0.01)	-0.07 (0.05)
Total expenses recognized in Profit & Loss Account	-0.02 (0.67)	0.27 (0.29)	0 (0.10)	0.08 (0.01)	0.00 (0.01)	0.02 (0.13)

(e) Principal actuarial assumption as expressed as weighted average

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Allowance (Un funded)	Post Retirement Medical Benefit (Un funded)
Discount rate	8.00% (8.00%)	8.00% (8.00%)	0% (8.00%)	8.00% (8.00%)	8.00% (8.00%)	8.00% (8.00%)
Expected rate of return on plan assets	9.25% (9.25%)	-	-	-	-	-
Expected rate of salary increase	5.50% (7.00%)	5.50% (7.00%)	0% (7.00%)	5.50% (7.00%)	5.50% (7.00%)	5.50% (7.00%)
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

(f) Investment details of fund:

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

(g) Defined Contribution Plan

During the year, the company has recognized an expense of Rs 0.66 Crore (Previous year : Rs. 0.57 Crore) in respect of contribution to Provident Fund, Rs 0.01 Crore (Previous year : Rs. 0.01 Crore) in respect of contribution to Benevolent Fund and Rs 1.49 Crore (Previous year : Rs. Nil) in respect of contribution to Superannuation Fund.

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

(12) Change in Accounting Policy

i. The company has changed its Accounting Policy in respect of Loan/Bond issue expenses. As a result, the Miscellaneous Expenditure of Rs. 1.86 crores has been written off during the year and the Profit Before Tax for the year has decreased by Rs. 1.86 crores.

ii. The company has changed its Accounting Policy in respect of Prior Period Expenses/Income. Due to change in policy, Prior Period Expenses/Income (Net) has decreased by Rs. 0.01 Crore and Profit for the year has decreased by the same amount.

iii. The company has changed its Accounting Policy in respect of Employee Benefits in respect of "Other Long Terms Benefits". Due to change in policy, the opening balance as on 01.04.2010 of provision for Leave Travel Concession of Rs. 0.25 crores has been written back, which has also resulted in increase of Profit Before Tax by Rs. 0.25 crores.

iv. There is no impact on Assets & Liabilities as well as on Profit or Loss due to change in accounting policy relating to Prepaid Expenses and Foreign Currency Transactions.

(13) **Related Party Disclosure**

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

(Rs. in Crore)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	0.93 (0.63)

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

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

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

(14) **Impairment of Assets**

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

(15) **Deferred Taxes**

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued under the Companies (Accounting Standards) Rules, 2006, the company has taken debit in the Profit & Loss Account towards deferred tax asset (net) on account of timing differences. After giving due consideration, deferred tax assets/liabilities are measured using the applicable current rates of Income Tax. In accordance with the provisions of AS-22, the current year deferred tax credit of Rs. 5.54 crores (Previous year : Rs. 4.51 crores (debit)) has been credited to the Profit and Loss account.

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

The Board of Directors of IREDA in their 202nd meeting held on 6th October, 2010 had resolved that the company has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961. Hence, the special reserve created and maintained is not capable of being

reversed and thus it becomes a permanent difference as per AS 22 issued by the Institute of Chartered Accountants of India (ICAI). Accordingly, the company has not created deferred tax liability of Rs. 9.25 crores on account of special reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961 for the year ended on 31st March, 2011 and has also reversed the DTL of Rs. 69.64 crores created in earlier years. The reversal of DTL which pertain to earlier years is reflected in the Profit & Loss Account after Profit After Tax.

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

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

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

A	**Deferred Tax Assets (+)**	(Rs. in Crore)	
	Arising on account of timing differences:-	As at 31/3/2011	As at 31/3/2010
	▪ Provision for Leave Salary, Gratuity, Sick Leave, LTC and Post Retirement Medical Benefit	0.90	1.46
	▪ Provision for doubtful debts and advances	59.51	96.87
	Total – A	**60.41**	**98.33**
B	**Deferred Tax Liabilities (-)**		
	▪ Depreciation	2.31	2.01
	▪ Stamp duty paid but not debited to P&L A/c	-0.28	0.12
	▪ Special Reserve	0.00	69.64
	Total – B	**2.03**	**71.77**
	Deferred Tax Asset (+)/Liability (-) (**A-B**)	58.38	26.55
	Deferred Tax Asset	**58.38**	**26.55**

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

Particulars	As at 31.03.2011	As at 31.03.2010
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator Profit after Tax as per Profit & Loss A/c (Rs. in Crore)	120.46	72.68
Denominator		
▪ Number of equity shares (0.54+0.05) (In Crore)	0.59	0.54
▪ Number of equity shares pending allotment (in Crore)	0.00	0.00
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earning per share (in Crore)	0.58**	0.53*
▪ Basic & Diluted Earning per share (Rs. per share)	209.20	136.88

* weighted average (0.52 x 12/12 + 0.01 x 248/365 + 0.01 x 184/365) = 0.53
** weighted average (0.54 x 12/12 + 0.01 x 322/365 + 0.04x 253/365) = 0.58

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

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

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

- For Statutory Audit : Rs.0.02 Crore (Previous year : Rs.0.02 Crore)
- For Tax Audit : Rs. 0.01 Crore (Previous year : Rs.0.01 Crore)
- For Limited Review : Rs. 0.01 Crore (Previous year : Rs. 0.01 Crore)
- For Certification : Rs. 0.00 (Previous year : Rs. 0.00)

(20) **Remuneration of Directors:**

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

(Rs. in Crore)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)**
Salary & allowances	0.21 (0.21)	0.19 (0.17)	0.30 (0.12)
Medical allowance	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)
Provident Fund	0.01 (0.03)	0.01 (0.02)	0.02 (0.01)
Superannuation Contribution*	0.04 (0.00)	0.03 (0.00)	0.00 (0.00)
Value of perquisites as per Income Tax Act, 1961	0.03 (0.01)	0.02 (0.01)	0.04 (0.02)
Total	0.30 (0.26)	0.26 (0.21)	0.37 (0.16)

Previous year figures shown within bracket

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

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

b) Contribution towards Gratuity Fund for Directors not ascertainable as the contribution to LIC is not determinable employee wise.

c) Sitting Fees paid to Independent Directors - Rs. 0.04 Crore (Previous year Rs. 0.02 Crore).

(21) Detail of Prior-period Items

(Rs. In Crore)

Particulars	2010-11	2009-10
Adjustment of Interest Subsidy	0.00	1.00 Cr.
Interest on Service Tax	0.00	0.23 Dr.
Miscellaneous Other Income	0.00 Cr.	0.04 Cr.
Miscellaneous Expenses	0.05 Dr.	0.04 Dr.
Interest on Taxable Bonds	0.06 Dr.	0.00
Reversal of Service Tax Payable	0.02 Cr.	0.00
Total (Net Dr./Cr.)	0.09 Dr.	0.77 Cr.

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

a) Expenditure in Foreign Currency:

- On Traveling Rs. 0.02 Crore (Previous year : Rs. 0.07 Crore)
- Interest expenses & Other Finance Charges - Rs. 29.56 Crore (Previous year : Rs. 12.93 Crore)

b) Earnings in Foreign Exchange:

- Interest Rs 6.44 Crore (Previous year : Rs. 12.52 Crores)

c) Revenue Grant received on account of Technical Assistance Programme (TAP) from KFW-II - Rs 0.09 Crore (Previous year : Rs Nil)

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

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

(Rs. in crores)

Sl No	Particulars	Status
A)	**Capital**	
A	CRAR, core CRAR and supplementary CRAR	35.38% (30.68%)
B	The amount of subordinated debt raised and outstanding as Tier – II capital	Nil (Nil)
C	Risk weighted assets ♦ On balance sheet items ♦ Off balance sheet items	3543.11 (3104.14) 30.08 (26.62)
D	The shareholding pattern as on the date of the balance sheet	100% owned by Govt. of India (100% owned by Govt. of India)
B)	**Asset quality and credit concentration**	
E	Percentage of net NPAs to net loans and advances	0.79% (-) (1.17%)

F	Amount and % of net NPAs under the prescribed asset classification categories (excluding incidental charges)	Category	Amount			% age
			Gross	NPA provision	Net	Net
		S. Std	12.02 (75.60)	1.20 (16.24)	10.82 (59.36)	0.33% (2.20%)
		Doubtful	168.55 (175.85)	153.81 (266.67)	14.74 (-) (90.82)	0.46% (-) (3.37%)
		Loss	0.04 (0.04)	0.04 (0.05)	0.00 (-) (0.01)	0.00% (0.00%)
		Total NPA	**180.61 (251.49)**	**155.05 (282.96)**	**25.56 (-) (31.47)**	**0.79% (-) 1.17%**
		Standard Asset	3222.27 (2728.53)	26.86 (6.98)	3195.41 (2721.56)	- -
		Total loan outstanding	**3402.88 (2980.02)**	**181.91 (289.94)**	**3220.97 (2690.09)**	**- -**

G	**Amount of provisions made during the year towards standard assets, NPAs, Investment (other than those in the nature of an advance), income tax etc.**		
	Category	**2010-11**	**2009-10**
	General provision for standard assets	1.08	-
	NPAs (including incidental charges) Against loan outstanding Against incidental charges	 21.23 0 21.23	 18.76 0 18.76
	Investments	-	-
	Income Tax including Fringe Benefit Tax	51.77	63.85
	Total	**74.08**	**82.61**

H	**Movement in net NPAs**			
	Particulars		**2010-11**	**2009-10**
	Net NPA as on 1st April		(-) 31.47	74.36
	Add: Additions during the year		12.02	57.79
	Less: Reduction during the year		18.62	75.85
	Less: Provision made during the year (excluding incidental charges)		21.23	18.76
	Add: Provision write back during the year (excluding incidental charges)		130.35	-
	Add: Provision transferred to Standard Assets-Ad-hoc Provision		18.80	-
	Less: NPA Loans Upgraded		64.29	51.69
	Less: Assets written off		0.00	17.32
	Net NPA as on 31st March		25.56	(-) 31.47
I	**Credit exposure as % to net worth and as % to total assets in respect of:**		**% to Net worth**	**% to total loan assets**
		Loan	1240.49 (950.25)	3402.88 (2980.03)
♦	The largest single borrower	242.98 (429.68)	19.59% (45.29%)	7.14% (14.42%)
♦	The largest borrower group	299.05 (432.07)	24.11% (45.47%)	8.79% (14.50%)
♦	**The 10 largest single borrowers:**			
	No. 1 ……..	242.98 (429.68)	19.59% (45.22%)	7.14% (14.42%)
	No. 2 ……..	168.58 (259.83)	13.59% (27.34%)	4.95% (8.72%)
	No. 3 ……..	147.20 (103.75)	11.87% (10.92%)	4.33% (3.48%)
	No. 4 ……..	145.25 (100.54)	11.71% (10.58%)	4.27% (3.37%)
	No. 5 ……..	104.66 (96.62)	8.44% (10.17%)	3.08% (3.24%)
	No. 6 ……..	101.95 (91.10)	8.22% (9.59%)	3.00% (3.06%)
	No. 7 ……..	94.77 (82.53)	7.64% (8.69%)	2.78% (2.77%)
	No. 8 ……..	91.83 (79.26)	7.40% (8.34%)	2.70% (2.66%)
	No. 9 ……..	79.80 (75.52)	6.43% (7.95%)	2.35% (2.53%)
	No. 10 ……..	74.92 (71.97)	6.04% (7.57%)	2.20% (2.42%)
	Total ……..…….	1251.94 (1390.82)	100.92% (146.36%)	36.79% (46.67%)

♦	**The 10 largest borrower groups:**			
	No. 1 ……	299.05 (432.07)	24.11% (45.47%)	8.79% (14.50%)
	No. 2 ……	242.98 (259.83)	19.59% (27.34%)	7.14% (8.72%)
	No. 3 ……	168.58 (103.75)	13.59% (10.92%)	4.95% (3.48%)
	No. 4 ……	163.09 (102.60)	13.15% (10.80%)	4.79% (3.44%)
	No. 5 ……	145.25 (100.54)	11.71% (10.58%)	4.27% (3.37%)
	No. 6 ……	131.26 (96.62)	10.58% (10.17%)	3.86% (3.24%)
	No. 7 ……	101.95 (91.10)	8.22% (9.59%)	3.00% (3.06%)
	No. 8 ……	92.52 (90.50)	7.46% (9.52%)	2.72% (3.04%)
	No. 9 ……	91.83 (82.53)	7.40% (8.69%)	2.70% (2.77%)
	No. 10 ……	86.64 (79.26)	6.98% (8.34%)	2.55% (2.66%)
	Total ……	1523.15 (1438.82)	122.79% (151.42%)	44.76% (48.28%)
J	**Credit exposure to the 5 largest Industrial sectors as % to total loan assets**	**Industries**	**Loan O/S**	**% to total loan**
	No. 1 ……	Power	2332.19 (2062.80)	68.54% (69.21%)
	No. 2 ……	Sugar	478.33 (341.58)	14.06% (11.46%)
	No. 3 ……	Steel (Solar)	91.58 (94.04)	2.69% (3.16%)
	No. 4 ……	Infrastructure (Steel)	70.27 (92.12)	2.07% (3.09%)
	No. 5 ……	FIs/NBFCs (Infrastructure)	51.88 (81.73)	1.52% (2.74%)
C)	**Liquidity**			
K	Maturity pattern of rupee assets and liabilities; and			

L	Maturity pattern of foreign currency assets and liabilities:-						
	Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
	Rupee assets	806.40 (876.78)	768.01 (820.18)	679.87 (672.61)	556.78 (490.14)	1123.38 (596.45)	3934.44 (3456.16)
	Foreign currency assets	15.82 (28.87)	19.45 (61.44)	23.64 (68.92)	28.75 (77.73)	109.57 (330.41)	197.23 (567.37)
	Total Assets	**822.22 (905.65)**	**787.46 (881.62)**	**703.51 (741.53)**	**585.53 (567.87)**	**1232.95 (926.86)**	**4131.67 (4023.53)**
	Rupee liabilities*	434.88 (414.90)	159.60 (399.79)	23.64 (249.80)	28.75 (204.64)	2159.94 (1949.53)	2806.81 (3218.66)
	Foreign currency liabilities	35.60 (28.25)	214.60 (107.07)	222.67 (176.48)	232.13 (130.38)	619.86 (362.69)	1324.86 (804.87)
	Total liabilities	**470.48 (443.15)**	**374.20 (506.86)**	**246.31 (426.28)**	**260.88 (335.02)**	**2779.80 (2312.22)**	**4131.67 (4023.53)**

* includes IDA - 2nd loan received from MNRE in INR. However, the repayment liability is in foreign currency as per prevailing exchange rate at the time of repayment.

D)	**Operating Results**	
M	Interest Income (on loan) as a percentage to average working funds (Income from Operation as a percentage to average capital employed)	7.90% (8.24%)
N	Non-Interest Income as a percentage to average working funds (Non-operating income as % to average capital employed)	1.97% (1.07%)
O	Operating profit as a percentage to average working funds (Operating profit as a percentage to average capital employed)	4.72% (4.85%)
P	Return on average assets	3.23% (2.12%)
Q	Net profit per employee/Rs. in lakhs	97.94 (60.57)

E)	**Movement in Provisions**		
I)	**Provisions for Non Performing Assets comprising loans (excluding provisions for standard assets)**		
	Particulars	**2010-11**	**2009-10**
	Opening balance as at the beginning of the financial year	284.64	265.88
	Add: Provisions made during the year	21.23	18.76
	Less:		
	♦ Transferred to Standard Assets-Ad-hoc Provision	18.80	-
	♦ Write back during the year	130.50	-
	Closing balance at the close of the financial year	**156.57**	**284.64**
	Net charged to P&L A/c for NPA loans	21.23	18.76

	Provisions for Non Performing Assets comprising bonds and debentures in the nature of advance and inter-corporate deposits	-	-
II)	**Provisions for depreciation in investments**		
	Opening balance as at the beginning of the financial year	0.00	0.00
	Add: Provisions made during the year	0.00	0.00
	Less:		
	♦ Write off during the year	0.00	0.00
	♦ Write back during the year	0.00	0.00
	Closing balance at the close of the financial year	**0.00**	**0.00**
	* Notional value of Re.1 is kept for investment in the books of accounts.		

F) Restructured Accounts

Sl. No	Particulars	31.03.2011	31.3.2010
1	Total amount of loan assets subjected to restructuring	101.08	251.43
2	Restructured installment of principal in the total amount of loan assets indicated out of 1 above subjected to restructuring	45.63	66.96
3	Amount of standard assets subjected to restructuring	50.69	243.15
4	Amount of sub standard/doubtful assets subjected to restructuring	50.39	8.28

G) Assets Sold to Securitisation Company/Reconstruction Company

Particulars	**2010-11**	**2009-10**
Number of accounts	1	-
Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	-
Aggregate consideration	6.53	-
Additional consideration realized in respect of accounts transferred in earlier years	Nil	-
Aggregate gain/loss over net book value	6.53	-

H) On forward rate agreements and interest rate swaps

♦	The notional principal of swap agreements	♦ A swap agreement was entered with Bank of Baroda for foreign exchange risk management of Asian Development Bank (ADB) line of credit. As per the arrangement, the loan drawn from ADB will be kept in $

		deposit with Bank of Baroda, London which earns interest at 6 monthly LIBOR. Against this deposit, INR loan is drawn from Bank of Baroda, New Delhi at Base rate + 0.25 as modified in their revised terms.		
♦	Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps	♦ Nature and terms of swap is indicated above. ♦ All foreign currency liabilities and assets have been translated at exchange rate prevailing at the year-end/CIRS rate on the date of transaction, which is disclosed in the accounting policy number 3.		
♦	Quantification of the losses which would be incurred if the counter parties failed to fulfil their obligations under the agreements	♦ Not applicable		
♦	Collateral required by the entity upon entering into swaps	Nil		
♦	Any concentration of credit risk arising from the swaps. Examples of concentration could be exposures particular industries or swaps with highly geared companies	♦ Not applicable		
	The 'fair' value of the total swaps book. If the swaps are linked to specific assets, liabilities or commitments, the fair value would be the estimated amount that the entity would receive or pay to terminate the swap agreements at balance sheet date. For a trading swap, the fair value would be its mark to market value.	Particulars	Amount (FC/million)	Amount (Rs./Cr)
		<u>Liabilities</u> BOB Rupee Term Loan against US$ Deposit – ADB	Nil (Nil)	126.05 (133.75)

		Assets		
		BOB US$ Deposit – ADB	US$ 32.69 (US$ 34.39)	145.94 (155.24)
		BOB US$ Deposit – IBRD	US$ 0.28 (US$42.16)	1.26 (190.31)
		Canara Bank EURO Deposit – KFW-III	Euro 6.93 (-)	43.87 (-)
		Canara Bank Euro Deposit-KFW-I	Euro 0.90 (Euro 36.53)	5.70 (221.20)
		Canara Bank US$ Deposit-NIB	US$ 0.10 (US$0.03)	0.47 (0.15)

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

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

A) **Qualitative Disclosure:-**

(i) The company recognized various market risks including interest rate, foreign exchange fluctuation and other assets liability mismatches;

(ii) The company has also established Exchange Risk Administration Fund (ERAF) to protect itself against the exchange risk arising out of INR borrowings repayable in US$ terms.

(iii) The company is taking active action for protection against currency and interest rate risk by adopting hedging instrument on case to case basis. As per the CIRS swap, the company hedged the foreign currency loan liability and interest rate with ICICI Bank Ltd for KFW II and NIB Loan and Deutsche Bank for KFW-I,II,III.

B) Quantitative Disclosures:-

(Rupees in Crore)

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

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

Rs. In crores

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

(26) Figures are rounded off to the nearest rupee in crore. Previous year's figures have been re-arranged/re-grouped wherever considered necessary to make them comparable with the current year's figures.

OTHER NOTES TO REFORMATTED AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR 2009-10

B. NOTES TO ACCOUNTS:

(1) As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets issued under the Companies (Accounting Standards) Rules, 2006, the details of Provisions, Contingent Liabilities as on 31st March, 2010 are disclosed as under:-

a) Details of Provisions

(Rs. in Crore)

Sl. No.	Nature of the liability for which provision is made	Opening balance at the beginning of the financial year	Additions made during the financial year	Amount incurred and charged against the provision during the financial year	Closing balance at the end of the financial year
1	Standard assets	6.98 (76.98)	0.00 (0.00)	0.00 (70.00)	6.98 (6.98)
2	Income tax	151.30 (126.15)	63.85 (25.15)	0.00 (0.00)	215.15 (151.30
3	Fringe Benefit Tax	0.55 (0.40)	0.00 (0.15)	0.00 (0.00)	0.55 (0.55)
4	Proposed dividend	11.25 (9.60)	14.54 (11.25)	11.25 (9.60)	14.54 (11.25)
5	Dividend tax	1.91 (1.63)	2.41 (1.91)	1.91 (1.63)	2.41 (1.91)
6	Leave encashment	0.91 (0.52)	0.28 (0.52)	0.16 (0.13)	1.03 (0.91)
7	Gratuity	1.05 (0.54)	0.49 (0.51)	0.00 (0.00)	1.54 (1.05)
8	Post retirement medical benefit	0.49 (0.44)	0.14 (0.06)	0.01 (0.01)	0.62 (0.49)
9	Sick leave	0.94 (0.58)	0.00 (0.36)	0.00 (0.00)	0.94 (0.94)
10	Leave Travel Concession	0.23 (0.20)	0.02 (0.03)	0.00 (0.00)	0.25 (0.23)
11	Baggage Allowance	0.02 (0.00)	0.01 (0.02)	0.00 (0.00)	0.03 (0.02)
12	Pay Revision Arrear	3.48 (0.63)	1.68 (2.85)	2.90 (0.00)	2.26 (3.48)
13	Other Provisions	2.94 (1.45)	4.98 (5.33)	4.96 (3.84)	2.96 (2.94)
	Total	182.05 (219.12)	88.40 (48.14)	21.20 (85.21)	249.26 (182.05)

Previous year figures shown within bracket

b) **Capital Commitment**

Estimated value of contract to be executed on Capital Account and not provided for Rs. 0.26 Crore Lakhs (Previous year : Rs 0.22 Crore)

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

Income tax demand for Assessment Years 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 aggregating to Rs 53.23 Crores (Previous year : Rs. 40.70 crores) is outstanding. The company has filed appeals against the orders of the Income Tax Department for the respective assessment years and based upon the decision of the Hon'ble ITAT on similar issues for assessment years 1998-99 to 2002-03 and on opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India on provision for disputed income tax/interest demands raised by Income Tax Authorities in respect of which appeals are filed with higher authorities, no provision for the said demands has been made during the year.

(2) **MNRE Programme Funds**

(a) The Company besides its own activities implements Programmes on behalf of Ministry for New 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.

(b) MNRE had created a Revolving Fund out of UNDP – GEF sources with an initial contribution of US $ 1.40 million for the development of Small Hydro Project in Hilly Areas. The initial contribution to IREDA had been treated as a capital grant and interest accrued was credited to the said fund. Since IREDA has already complied with the term and conditions of the sanction, the matter was referred to MNRE for final decision. In response, MNRE vide its letter dated 29th March, 2010 confirmed that as per UNDP GEF Hilly Hydro Project document, the revolving fund is a grant extended to IREDA and the same is non-refundable. This revolving fund has been created essentially to fund Small Hydro Projects in the hilly region. Since, IREDA is already financing a large number of small hydro projects in hilly regions and the loan extended to these projects is much larger than the initial revolving fund, the purpose and objective of creating revolving fund, as stipulated in the project document is fulfilled. MNRE has no objection to IREDA giving appropriate accounting treatment for the said grant. Therefore, during the financial year 2009-10, IREDA has treated the total interest accrued on this grant amounting to Rs. 6.47 Crore as revenue grant and reflected the same in the statement of Profit & Loss under the head 'Miscellaneous Income'. The initial contribution of Rs. 6.01 Crore equivalent to US $ 1.40 million has been retained as a capital grant and reflected under the head 'Capital Reserves' in the Balance Sheet.

(3) **Subsidy**

(a) **Interest Subsidy**

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to programmes like Co-generation, Small Hydro, Briquetting, Biomass, Solar Thermal and Waste to Energy on NPV basis and for Solar and SPV programmes on actual basis. The interest subsidy is to be passed on to the borrowers on quarterly basis subject to the borrowers complying with the terms and conditions of the sanction.

The undisbursed interest subsidy as on 1-4-2009 was Rs.14.15 Crore (Previous year : Rs.28.92 Crore) and the company received during the year Rs. 8.27 Crore (Previous year : Rs. 9.65 Crore). Out of this, a sum of Rs. 18.53 Crore (Previous year: Rs.23.75 Crore) 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. 0.74 Crore (Previous year : Rs. 1.14 Crore) has been refunded to MNRE on account of

loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-3-2010 stands at Rs. 3.23 Crore (Previous year: Rs.14.15 Crore).

The programme-wise details of interest subsidy received, passed, refunded during the year and the balance as on 31st March, 2010 are as under:-

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

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2009	Interest Subsidy received during 2009-10	Amount refunded during 2009-10	Interest Subsidy passed on during 2009-10	Closing Balance as on 31.3.2010
1	Bio-mass Co-generation	7.10 (12.18)	0.00 (0.00)	0.18 (0.00)	3.43 (5.08)	3.49 (7.10)
2	Small Hydro	3.77 (6.37)	0.00 (0.00)	0.23 (0.00)	2.60 (2.60)	0.94 (3.77)
3	Waste to Energy	0.33 (1.98)	0.00 (0.00)	0.33 (1.14)	0.00 (0.51)	0.00 (0.33)
	Sub Total….A	11.20 (20.53)	0.00 (0.00)	0.74 (1.13)	6.03 (8.19)	4.43 (11.20)

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

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2009	Subsidy received during 2009-10	Amount refunded during 2009-10	Interest received on FDR	Subsidy passed on during 2009-10	Closing Balance as on 31.3.2010
1	Solar Thermal Sector	0.00 (0.44)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.44)	0.00 (0.00)
2	SPV WP 2000-01	0.00 (-) (0.69)	0.00 (1.20)	0.00 (0.00)	0.00 (0.00)	0.34 (0.51)	(-) 0.34 (0.00)
3	SPV WP 2001-02	(-),0.16 (0.00)	0.00 (0.65)	0.00 (0.00)	0.00 (0.00)	0.61 (0.81)	(-) 0.77 (-) (0.16)
4	SPV WP 2002-03	0.00 (0.00)	0.27 (0.33)	0.00 (0.00)	0.00 (0.00)	0.27 (0.33)	0.00 (0.00)
5	SPV WP 1999-00	0.00 (0.00)	0.00 (0.14)	0.00 (0.00)	0.00 (0.00)	0.07 (0.14)	(-) 0.07 (0.00)
6	SPV WP Manufacturing	0.00 (-) (0.18)	0.00 (0.47)	0.00 (0.00)	0.00 (0.00)	0.03 (0.29)	(-) 0.03 (0.00)
7	Accelerated SWH System	3.11 (8.82)	8.00 (6.85)	0.00 (0.00)	0.09 (0.47)	11.19 (13.03)	0.01 (3.11)
	Sub Total…..B	2.95 (8.39)	8,.27 (9.65)	0.00 (0.00)	0.08 (0.47)	12.50 (15.56)	(-) 1.20 (2.95)
	Grand Total (A + B)	14.15 (28.92)	8.27 (9.65)	0.74 (1.14)	0.08 (0.47)	18.53 (23.75)	3.23 (14.15)

Previous year figures shown within bracket

(b) **Capital subsidy**

The un-disbursed capital subsidy as on 1.4.2009 was Rs. 0.37 Crore (Previous year : Rs. 0.37 Crore) pending due to non compliance of the terms

and conditions of the capital subsidy scheme by the borrower. During the year an amount of Rs. Nil (Previous year: Rs. Nil) was received from MNRE. Out of the total capital subsidy amount available Rs. Nil (Previous year: Rs. Nil) was disbursed to the borrowers on compliance of the terms and conditions of the capital subsidy scheme. The sector-wise details of capital subsidy at the beginning, received during the year, passed/refunded during the year and the balance as on 31-3-2010 are as under:-

(Rs. in Crore)

Name of the sector	Opening balance as on 1.4.2009	Received during the year	Passed on during the year	Amount refunded to MNRE during the year	Adjustment	Closing balance as on 31.3.2010
Co- gen-eration	0.37 (0.37)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.37 (0.37)
Total	0.37 (0.37)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.37 (0.37)

Previous year figures shown within bracket

(4) Bank Balances under the head “Current Assets, Loan & Advances” include a sum of Rs. 0.62 crore (Previous year : Rs. 0.62 crore) in Current Account with Scheduled Banks on account of unutilized funds received from UNDP/MNRE for implementation of “Green House Gases Emission”. The equivalent amount is shown under the head Current Liabilities.

(5) (a) Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs. 0.41 crore (Previous year – Rs. 0.41 Crore) and office premises costing Rs.2.64 Crore (Previous year – Rs.2.64 Crore) are yet to be executed in favour of the Company. The cost includes proportionate value of land which has not been separately determined and accounted for. As such, depreciation has been charged on composite cost at the rates prescribed as per Schedule XIV to the Companies Act, 1956.

(b) The property tax in respect of office premises for the period upto 31st March, 2004 has been paid as per the demand raised by India Habitat Centre which was based on cost of the building. Municipal Corporation of Delhi has raised an issue with India Habitat Centre to include license fee received from the facilities area for the purpose of calculating rateable value. This matter is now pending with the Hon’ble Delhi High Court. In case the Hon’ble Delhi High Court decides against the

company, the liability on account of municipal tax will have to be reworked which is not ascertainable at this stage.

(6) While making provision for Non Performing Assets, the value of security and provision for doubtful cases has been derived from the balance sheet of the borrower(s) by applying the depreciation as per rates prescribed under Schedule XIV of the Companies Act, 1956. However, the balance sheet of the borrower(s) if older than 5 years from the financial year for which the shortfall is worked out, the same is ignored.

(7) IREDA is a Non Banking Financial Company registered with Reserve Bank of India and follows the guidelines in case of income recognition, asset classification and provisioning as approved by Board of Directors of IREDA in terms of Articles of Association and complies with the disclosure requirements as per RBI guidelines pertaining to Financial Institutions and other requirements as per NBFCs, as amended from time to time. Accordingly, the unrealized interest amounting to Rs 94.69 Crore (Previous year : Rs.97.91 Crore) on accounts classified as Non-Performing Asset (NPAs) has not been recognized as income for the year. Further, a sum of Rs. 3.43 Crore (Previous year : Rs. Nil) being the amount of unrealized interest upto 2008-09 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. 47.66 Crore (Previous year : Rs.27.96 Crore) has been recognized as income being interest realized during the year from NPA accounts.

(8) The company has created Exchange Risk Administration Fund (IREDA - ERAF) for management of foreign exchange risk on international lines of credit which is approved by Central Board of Direct Taxes vide Notification No.11220. The company has made a provision for an amount of Rs. Nil (Previous year – Rs.8.78 Crore) equivalent to liability of International Development Agency (IDA) credit Second Renewable Energy Project on Rupee basis. Books of account of ERAF are prepared and maintained separately.

(9) All the operations of the company are considered as a single business segment. Further, the company does not have any full-fledged branch. As such all the activities are considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on Segment Reporting issued under the Companies (Accounting Standards) Rules, 2006.

(10) **Employee Benefits**

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

(a) Change in the present value of the obligation

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Bagg-age Allow-ance	Post Retirement Medical Benefit (Un funded)
Present value of obligation as at the beginning of the year	2.15 (1.42)	0.91 (0.52)	0.23 (0.20)	0.94 (0.58)	0.02 (0.00)	0.49 (0.44)
Interest cost	0.17 (0.11)	0.07 (0.04)	0.01 (0.00)	0.07 (0.04)	0.00 (0.00) -	0.04 (0.04)
Current service cost	0.21 (0.18)	0.10 (0.09)	0.13 (0.00)	0.08 (0.08)	0.00 (0.00) -	0.04 (0.04))

Past Service Cost	0.50 (0.00) -	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Benefits paid	(-) 0.25 (-) (0.12)	(-) 0.18 (-) (0.13)	(-) 0.08 (0.00)	0.00 (0.00)	0.00 (0.00)	(-) 0.01 (-) (0.01)
Actuarial loss/(gain) on obligations	(-) 0.12 (0.56)	0.12 (0.39)	(-) 0.05 (0.03)	(-) 0.14 (0.23)	0.00 (0.02)	0.05 (-) (0.01)
Present value of obligation at year end	2.67 (2,.15)	1.03 (90.96)	0.25 (0.23)	0.94 (0.94)	0.03 (0.02)	.62 (0.49)

(b) Change in fair value of plan asset

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encash-ment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Bagg-age Allow-ance	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	1.10 (0.87)	-	-	-	-	-
Expected return on plan assets	1.10 (0.08)	-	-	-	-	-
Employer's contribution	0.17 (0.26)	-	-	-	-	-
Benefits paid	(-) 0.25 (-) (0.12)	-	-	-	-	-
Actuarial loss/(gain) on obligations	0.00 (0.01)	-	-	-	-	-
Fair value of plan asset at the end of the year	1.13 (1.10)	-	-	-	-	-

(c) Amount recognized in balance sheet

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Bagg-age Allow-ance	Post Retirement Medical Benefit (Un funded)
Estimated present value of obligations as at the end of the year	2.67 (2.15)	1.03 (0.91)	0.25 (0.23)	0.94 (0.94)	0.03 (0.02)	0.62 (0.49)
Fair value of plan assets as at the end of the year	1.13 (1.10)	-	-	-	-	-
Unfunded net liability recognized in balance sheet	1.54 (1.05)	1.03 (0.91)	0.25 (0.23)	0.94 (0.94)	0.03 (0.02)	0.62 (0.49)

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

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Bagg-age Allowa-nce	Post Retirement Medical Benefit (Un funded)
Current service cost	0.21 (0.18)	0.10 (0.09)	0.13 (0.02)	0.08 (0.08)	0.00 (0.02)	0.04 (0.04)
Past service cost	0.50 -	-	-	-	-	-
Interest cost	0.17 (0.12)	0.07 (0.04)	0.02 -	0.07 (0.05)	0.00 -	0.04 (0.04)
Expected return on plan asset	(-) 0.10 (-) (0.08)	-	-	-	-	-
Net actuarial (Gain)/Loss recognized in the year	(-) 0.11 (0.55)	0.12 (0.39)	(-) (0.05) -	(-) 0.14 (0.23)	0.00 (0.02)	0.05 (-) (0.01)
Total expenses recognized in Profit & Loss Account	0.66 (0.76)	0.29 (0.52)	0.10 (0.03)	0.01 (0.36)	0.01 (0.02)	0.13 (0.06)

(e) Principal actuarial assumption as expressed as weighted average

(Rate per annum)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Allowance	Post Retirement Medical Benefit (Un funded)
Discount rate	8%	8%	8%	8%	8%	8%
Expected rate of return on plan assets	9.25%	-	-	-	-	-
Expected rate of salary increase	7%	7%	7%	7%	7%	7%
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

(f) Investment details of fund:

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

(g) Defined Contribution Plan

During the year, the company has recognized an expense of Rs 0.57 Crore (Previous year : Rs. 0.41 Crore) in respect of contribution to provident fund and Rs 0.01 Crore (Previous year : Rs. 0.01 Crore) in respect of contribution to benevolent fund.

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

(11) **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 under the Companies (Accounting Standards) Rules, 2006 are as under:-

(Rs. in Crore)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	0.63 (0.32)

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

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

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

(12) **Impairment of Assets**

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

(13) **Deferred Taxes**

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued under the Companies (Accounting Standards) Rules, 2006, the company has taken debit in the Profit & Loss Account towards deferred tax asset (net) on account of timing differences. After giving due consideration, deferred tax assets/liabilities are measured using the applicable current rates of Income Tax.

In accordance with the provisions of AS-22, the current year deferred tax debit of Rs. 4.51 Crore (Previous year : Rs. 4.39 Crore) has been debited to the profit and loss account.

b) The details of deferred tax assets (net) as on 31st March, 2010 is given below:-

A	**Deferred Tax Assets (+)**	(Rs. in Crore)	
	Arising on account of timing differences:-	As at 31/3/2010	As at 31/3/2009
	▪ Provision for Leave Salary, Gratuity, Sick Leave, LTC and Post Retirement Medical Benefit	1.46	1.24
	▪ Provision for doubtful debts and advances	96.87	92.74
	Total – A	**98.33**	**93.98**
B	**Deferred Tax Liabilities (-)**		
	▪ Depreciation	2.02	1.63
	▪ Stamp duty paid but not debited to P&L A/c	0.11	0.07
	▪ Special Reserve	69.64	61.22
	Total – B	**71.78**	**62.92**
	Deferred Tax Asset (+)/Liability (-) (**A-B**)	26.55	31.06
	Deferred Tax Asset	**26.55**	**31.06**

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

Particulars	As at 31.03.2010	As at 31.03.2009
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator Profit after Tax as per Profit & Loss A/c (Rs. in Crore)	72.69	56.21
Denominator		
▪ Number of equity shares (52+1.96) (in lakhs)	53.96	52.00
▪ Number of equity shares pending allotment (in lakhs)	0.00	0.00
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earning per share (in lakhs)	53.10**	50.96*
▪ Basic & Diluted Earning per share (Rs. per share)	136.88	110.30

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

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

(15) 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.

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

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

- For Statutory Audit : Rs.0.02 Crore (Previous year : Rs.0.02 Crore)
- For Tax Audit : Rs. 0.01 Crore (Previous year : Rs.0.01 Crore)
- For Limited Review : Rs. 0.01 Crore (Previous year : Rs. 0.00 Crore)
- For Certification : Rs. 0.00 Crore (Previous year : Rs.0.01 Crore)

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

(Rs. in Crore)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)
Salary & allowances	21.16 (0.09)	0.17 (0.09)	0.12 (0.07)
Medical allowance	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)
Provident Fund	0.03 (0.01)	0.02 (0.01)	0.01 (0.01)
Value of perquisites as per Income Tax Act, 1961	0.01 (0.01)	0.02 (0.01)	0.02 (0.01)
Total	0.26 (0.12)	0.21 (0.11)	0.16 (0.09)

Previous year figures shown within bracket

(19) Detail of Prior-period Items

(Rupees in Crore)

Particulars	2009-10	2008-09
Adjustment of Interest Subsidy	0.99 Cr.	---
Interest on Service Tax	0.23 Dr.	---
Miscellaneous Other Income	0.04 Cr.	0.24 Cr.
Miscellaneous Expenses	0.04 Dr.	0.27 Dr.
Total	0.77 Cr.	0.03 Dr.

(20) (i) For the assessment year 2004-05, income tax demand of Rs.10.34 Crore was raised out of which 50% was paid during 2006-07. No provision has been made in respect of the aforesaid amount as the Company had filed an appeal to the CIT(A) against the order of the Assessing Officer. The CIT(A) has granted partial relief. Further, the company has filed an appeal with ITAT against the order of CIT(A) which is pending.

(ii) For the assessment year 2005-06, income tax demand of Rs.14.44 Crore was raised out of which Rs.7.83 Crore was paid during 2007-08. No provision has been made in respect of the aforesaid amount as the Company had filed an appeal to the CIT(A) against the order of the Assessing Officer.

(iii) For the assessment year 2007-08, income tax demand of Rs.12.53 Crore was raised out of which no payment has been made. No provision has been made in respect of the aforesaid amount as the Company had filed an appeal to the CIT(A) against the order of the Assessing Officer.

(iv) Interest tax assessments have been completed upto the assessment year 2001-02. In respect of tax recoverable amounting to Rs.0.22 Crore lakhs (Previous year : Rs.0.22 crore) from the assessment years 1996-97 to 2000-01, the company is taking the necessary steps for its recovery.

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

a) Expenditure in Foreign Currency:
   - On Traveling Rs 0.07 Crore (Previous year : Rs.0.02 Crore)
   - Others Rs. 12.93 Crore (Previous year : Rs.31.78 Crore)

b) Earnings in Foreign Exchange:
   - Interest Rs 12.52 Crore (Previous year : Rs.35.21 crore)

c) Revenue Grant Rs Nil (Previous year : Rs. 1.09 Crore) (GEF)

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

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

(Rs. in crores)

Sl No	Particulars	Status
A)	**Capital**	
A	CRAR, core CRAR and supplementary CRAR	30.68% (31.80%)
B	The amount of subordinated debt raised and outstanding as Tier – II capital	Nil (Nil)
C	Risk weighted assets ♦ On balance sheet items ♦ Off balance sheet items	 3104.14 (2784.10) 26.62 (20.35)
D	The shareholding pattern as on the date of the balance sheet	100% owned by Govt. of India (100% owned by Govt. of India)
B)	**Asset quality and credit concentration**	
E	Percentage of net NPAs to net loans and advances	(-) 1.17% (3.27%)

F	Amount and % of net NPAs under the prescribed asset classification categories (excluding incidental charges)	Category	Amount			% age
			Gross	NPA provision	Net	Net
		S. Std	75.60 (69.84)	16.24 (10.45)	59.36 (59.39)	2.20% (2.61%)
		Doubtful	175.85 (268.68)	266.67 (253.71)	(-) 90.82 (14.97)	(-) 3.37% (0.66%)
		Loss	0.04 (0.05)	0.05 (0.05)	(-) 0.01 (0.00)	0.00% (0.00%)
		Total NPA	**251.49 (338.57)**	**282.96 (264.21)**	**(-) 31.47 (74.36)**	**(-) 1.17% (3.27%)**
		Standard Asset	2728.53 (2199.63)	6.98 (6.98)	2721.56 (2192.65)	-
		Total loan outstanding	**2980.02 (2538.20)**	**289.94 (271.18)**	**2690.09 (2267.02)**	**- -**

G	**Amount of provisions made during the year towards standard assets, NPAs, Investment (other than those in the nature of an advance), income tax etc.**		
	Category	**2009-10**	**2008-09**
	General provision for standard assets	-	-
	Adhoc provision for standard assets	-	-
	NPAs (including incidental charges) Against loan outstanding Against incidental charges	 18.76 0 18.76	 - - -
	Investments	-	-
	Income Tax including Fringe Benefit Tax	63.85	25.30
	Total	**82.61**	**25.30**

H	**Movement in net NPAs**			
	Particulars		**2009-10**	**2008-09**
	Net NPA as on 1st April		74.36	221.71
	Add: Additions during the year		57.79	0.59
	Less: Reduction during the year		75.85	34.38
	Less: Provision made during the year (excluding incidental charges)		18.76	-
	Less: Adhoc Provision Adjusted		-	70.00
	Less: NPA Loans Upgraded		51.69	1.19
	Less: Assets written off		17.32	42.37
	Net NPA as on 31st March		(-) 31.47	74.36
i	**Credit exposure as % to net worth and as % to total assets in respect of:**		**% to Net worth**	**% to total loan assets**
		Loan	950.25 (869.55)	2980.03 (2538.20)
♦	The largest single borrower	429.68 (359.04)	45.22% (41.29%)	14.42% (14.15 %)
♦	The largest borrower group	432.07 (362.84)	45.47% (41.73%)	14.50% (37.29%)
♦	**The 10 largest single borrowers:**			
	No. 1 ……..	429.68 (359.04)	45.22% (41.29%)	14.42% (14.15%)
	No. 2 ……..	259.83 (115.67)	27.34% (13.30%)	8.72% (4.56%)
	No. 3 ……..	103.75 (81.26)	10.92% (9.35%)	3.48% (3.20%)
	No. 4 ……..	100.54 (77.24)	10.58% (8.88%)	3.37% (3.04%)
	No. 5 ……..	96.62 (69.95)	10.17% (8.04%)	3.24% (2.76%)
	No. 6 ……..	91.10 (66.50)	9.59% (7.65%)	3.06% (2.62%)
	No. 7 ……..	82.53 (55.00)	8.69% (6.33%)	2.77% (2.17%)
	No. 8 ……..	79.26 (53.06)	8.34% (6.10%)	2.66% (5.45%)
	No. 9 ……..	75.52 (48.40)	7.95% (5.57%)	2.53% (1.91%)
	No. 10 ……..	71.97 (47.03)	7.57% (5.41%)	2.42% (1.85%)
	Total ……..…….	1390.82 **(973.15)**	146.36% **(111.91%)**	46.67% **(38.34 %)**
♦	**The 10 largest borrower groups:**			
	No. 1 ……..	432.07 (362.84)	45.47% (41.73%)	14.50% (37.29%)
	No. 2 ……..	259.83 (155.53)	27.34% (17.89%)	8.72% (15.98%)
	No. 3 ……..	103.75 (115.67)	10.92% (13.30%)	3.48% (11.89%)
	No. 4 ……..	102.60 (95.50)	10.80% (10.98%)	3.44% (9.81%)
	No. 5 ……..	100.54 (85.03)	10.58% (9.78%)	3.37% (8.74%)
	No. 6 ……..	96.62 (79.31)	10.17% (9.12%)	3.24% (8.15%)
	No. 7 ……..	91.10 (77.24)	9.59% (8.88%)	3.06% (7.94%)
	No. 8 ……..	90.50 (66.50)	9.52% (7.65%)	3.04% (6.83%)
	No. 9 ……..	82.53 (63.04)	8.69% (7.25%)	2.77% (6.48%)
	No. 10 ……..	79.26 (48.60)	8.34% (5.59%)	2.66% (4.99%)
	Total ……..	1438.82 **(1149.26)**	151.42% **(132.17%)**	48.28% **(45.28%)**

J	**Credit exposure to the 5 largest Industrial sectors as % to total loan assets**	**Industries**	**Loan O/S**	**% to total loan**
	No. 1 ……	Power	2062.80 (1508.48)	69.21% (59.43%)
	No. 2 ……	Sugar	341.58 (329.64)	11.46% (12.99%)
	No. 3 ……	Solar (FIs/NBFCs)	94.04 (129.68)	3.16% (5.11%)
	No. 4 ……	Steel	92.12 (103.70)	3.09% (4.09%)
	No. 5 ……	Infrastructure (Agriculture)	81.73 (89.55)	2.74% (3.53%)

C)	**Liquidity**
K	Maturity pattern of rupee assets and liabilities; and
L	Maturity pattern of foreign currency assets and liabilities:-

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	876.78 (398.08)	820.18 (697.98)	672.61 (591.76)	490.14 (383.11)	596.45 (630.25)	3456.16 (2701.18)
Foreign currency assets	28.87 (47.51)	61.44 (57.17)	68.92 (64.21)	77.73 (72.46)	330.41 (450.39)	567.37 (691.74)
Total Assets	**905.65 (445.59)**	**881.62 (755.15)**	**741.53 (655.97)**	**567.87 (455.57)**	**926.86 (1080.64)**	**4023.53 (3392.93)**
Rupee liabilities*	414.90 (354.00)	399.79 (250.43)	249.80 (372.16)	204.64 (157.51)	1949.53 (1574.29)	3218.66 (2708.39)
Foreign currency liabilities	28.25 (47.50)	107.07 (57.17)	176.48 (64.22)	130.38 (72.46)	362.69 (443.19)	804.87 (684.54)
Total liabilities	**443.15 (401.50)**	**506.86 (307.60)**	**426.28 (436.38)**	**335.02 (229.97)**	**2312.22 (2017.48)**	**4023.53 (3392.93)**

* includes IDA - 2nd loan received from MNRE in INR. However, the repayment liability is in foreign currency as per prevailing exchange rate at the time of repayment.

D)	**Operating Results**	
M	Interest Income (on loan) as a percentage to average working funds (Income from Operation as a percentage to average capital employed)	8.24% (9.57%)
N	Non-Interest Income as a percentage to average working funds (Non-operating income as % to average capital employed)	1.07% (0.01%)
O	Operating profit as a percentage to average working funds (Operating profit as a percentage to average capital employed)	4.85% (4.56%)
P	Return on average assets	2.12% (1.93%)
Q	Net profit per employee/Rs. in lakhs	60.57 (48.88)

E)	**Movement in Provisions**		
I)	**Provisions for Non Performing Assets comprising loans (excluding provisions for standard assets)**		
	Particulars	**2009-10**	**2008-09**
	Opening balance as at the beginning of the financial year	265.88	195.88
	Add: Provisions made during the year	18.76	-

	Add: Adjustment of Adhoc provision	-	70.00
	Less:		
	♦ Write off during the year including incidental charges	-	-
	♦ Write back during the year	-	-
	Closing balance at the close of the financial year	**284.64**	**265.88**
	Net charged to P&L A/c for NPA loans	18.76	-
	Provisions for Non Performing Assets comprising bonds and debentures in the nature of advance and inter-corporate deposits	-	-
II)	**Provisions for depreciation in investments**		
	Opening balance as at the beginning of the financial year	0.00	0.00*
	Add: Provisions made during the year	0.00	0.00
	Less:		
	♦ Write off during the year	0.00	0.00
	♦ Write back during the year	0.00	0.12
	Closing balance at the close of the financial year	**0.00**	**0.00**
	* Notional value of Re.1 is kept for investment in the books of accounts.		

F) Restructured Accounts

Sl. No	Particulars	31.3.2010	31.3.2009
1	Total amount of loan assets subjected to restructuring	251.43	177.26
2	Restructured installment of principal in the total amount of loan assets indicated out of 1 above subjected to restructuring	66.96	32.55
3	Amount of standard assets subjected to restructuring	243.15	104.99
4	Amount of sub standard/doubtful assets subjected to restructuring	8.28	72.27

G) Assets Sold to Securitisation Company/Reconstruction Company

Particulars	**2009-10**	**2008-09**
Number of accounts	-	-
Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
Aggregate consideration	-	-

	Additional consideration realized in respect of accounts transferred in earlier years	-	-
	Aggregate gain/loss over net book value	-	-
H)	**On forward rate agreements and interest rate swaps**		
♦	The notional principal of swap agreements	♦ A swap agreement was entered with Bank of Baroda for foreign exchange risk management of Asian Development Bank (ADB) line of credit. As per the arrangement, the loan drawn from ADB will be kept in $ deposit with Bank of Baroda, London which earns interest at 6 monthly LIBOR. Against this deposit, INR loan is drawn from Bank of Baroda, New Delhi at PLR less 3.75% as modified in their revised terms. ♦ A similar swap agreement was entered with Canara Bank for foreign exchange risk management of KfW line of credit. As per the arrangement, the loan drawn from KfW will be kept in Euro deposit with Canara Bank, London which earns interest at 6 monthly EURIBOR. Against this deposit INR loan is drawn from Canara Bank, New Delhi at PLR less 4.25%. ♦ Another similar swap arrangement was entered with Canara Bank for foreign exchange risk management of IBRD-II line of credit for IBRD portion of US$2.25 million. As per arrangement, the loan drawn from IBRD will be kept in US$ deposit with Canara Bank, London which earns interest at 6 monthly LIBOR. Against the deposit, INR loan is drawn from Canara Bank, New Delhi at PLR less 4.25% p.a. ♦ Further, after negotiation, another similar swap arrangement was entered with Bank of Baroda for foreign exchange risk management for balance amount of US$ 77.75 million of IBRD-II line of credit for IBRD portion. As per the arrangement, the loan drawn from IBRD will be kept in $ deposit with Bank of Baroda, London which earns interest at 6 monthly LIBOR + 0.30% p.a. Against this deposit, INR loan will be drawn from Bank of Baroda, New Delhi at PLR less 3.75%.	
♦	Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording	♦ Nature and terms of swap is indicated above. ♦ All foreign currency liabilities and assets have been translated at exchange rate prevailing at the year end, which is disclosed	

	the swaps	in the accounting policy number 3.		
♦	Quantification of the losses which would be incurred if the counter parties failed to fulfil their obligations under the agreements	♦ Not applicable		
♦	Collateral required by the entity upon entering into swaps	NIL		
♦	Any concentration of credit risk arising from the swaps. Examples of concentration could be exposures particular industries or swaps with highly geared companies	♦ Not applicable		
	The 'fair' value of the total swaps book. If the swaps are linked to specific assets, liabilities or commitments, the fair value would be the estimated amount that the entity would receive or pay to terminate the swap agreements at balance sheet date. For a trading swap, the fair value would be its mark to market value.	Particulars	Amount (FC/million)	Amount (Rs./Cr)
		<u>Liabilities</u>		
		BOB Rupee Term Loan against US$ deposit – ADB	Nil (Nil)	133.75 (140.74)
		Canara Bank Rupee Term Loan against Euro deposit-KfW	Nil (Nil)	184.05 (211.43)
		Bank of Baroda term loan against US$ deposit – IBRD	Nil (Nil)	196.30 (205.06)

		Assets		
		BOB $ Deposit – ADB	US$ 34.39 (US$ 35.94)	155.24 (183.11)
		Canara Bank Euro Deposit – KFW	Euro 36.53 (Euro 41.46)	221.20 (279.81)
		BOB $ Deposit-IBRD	US$ 42.16 (US$ 43.97)	190.31 (224.05)
		Canara Bank US$ Deposit (including Special Account – IBRD)	Nil (US$ 0.94)	0 (4.79)
		Canara Bank Euro Deposit – KFW II	Euro 0.08 (Nil)	0.46 (0)
		Canara Bank US$ Deposit – NIB	US$ 0.03 (Nil)	0.15 (0)

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

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

A) **Qualitative Disclosure:-**

(i) The company recognized various market risks including interest rate, foreign exchange fluctuation and other assets liability mismatches;

(ii) In order to protect the company from foreign exchange fluctuation risk, the company has entered into long term agreements with nationalized banks with adequate flexibility which enable the company to re-negotiate the term to get advantage of the interest rate regime.

(iii) The company has also established Exchange Risk Administration Fund (ERAF) to protect itself against the exchange risk arising out of INR borrowings repayable in US$ terms.

(iv) The company is taking active action for protection against currency and interest rate risk by adopting hedging instrument on case to case basis. As per the CIRS swap, the company hedged the foreign currency loan liability and interest rate with ICICI Bank Ltd for KFW II and NIB Loan.

B) Quantitative Disclosures:-

(Rupees in crore)

Sl. No.	Particular	Currency Derivatives	Interest rate derivatives
1	**Derivatives (Notional Principal Amount)**		
	a) For hedging	246.24	-
	b) For trading	-	-
2	**Marked to Market Positions(1)**		
	a) Asset (+)/Receivables	-	-
	b) Liability (-)/Payable	(-) 13.00	-
3	**Credit Exposure (2)**	-	-
4	**Likely impact of one percentage change in interest rate (100*PV01)**		
	a) on hedging derivatives	(-) 10.54	-
	b) on trading derivatives	-	-
5	**Maximum and Minimum of 100*PV01 observed during the year**		
	a) on hedging	Max (-) 10.54 Min (-) 9.95	-
	b) on trading	-	-

(24) **Exposures exceeded the prudential exposure limit**

(Rs. In crores)

	Particulars	**As on 31.3.2010**
♦	**Single Borrower**	
	Exposure Limit	190.05
	Single Borrowers exceeded the Limit	
(i)	Tata Power Company Ltd	429.68
(ii)	Green Infra Wind Energy Ltd	259.83
♦	**Group Borrower**	
	Exposure Limit	332.59
	Group Borrowers exceeded the Limit	
(i)	Tata Group	432.08

(25) Figures are rounded off to the nearest rupee in crore. Previous year's figures have been re-arranged/re-grouped wherever considered necessary to make them comparable with the current year's figures.

OTHER NOTES TO REFORMATTED AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR 2008-09

B. NOTES TO ACCOUNTS:

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

a) Details of Provisions

(Rupees in Crore)

Sl. No.	Nature of the liability for which provision is made	Opening balance at the beginning of the financial year	Additions made during the financial year	Amount incurred and charged against the provision during the financial year	Closing balance at the end of the financial year
1	Standard assets	76.98 (75.96)	0.00 (1.01)	70.00 (0.00)	6.98 (76.98)
2	Income tax	126.15 (94.65)	25.15 (31.50)	0.00 (0.00)	151.30 (126.15)
3	Fringe Benefit Tax	0.40 (0.20)	0.15 (0.20)	0.00 (0.00)	0.55 (0.40)
4	Proposed dividend	9.60 (7.00)	11.25 (9.60)	9.60 (7.00)	11.25 (9.60)
5	Dividend tax	1.63 (1.19)	1.91 (1.63)	1.63 (1.19)	1.91 (1.63)
6	Leave encashment	0.52 (0.46)	0.52 (0.12)	0.13 (0.06)	0.91 (0.52)
7	Gratuity	0.54 (0.00)	0.51 (0.54)	0.00 (0.00)	1.05 (0.54)
8	Post retirement medical benefit	0.44 (0.00)	0.06 (0.44)	0.01 (0.00)	0.49 (0.44)
9	Sick leave	0.58 (0.00)	0.36 (0.58)	0.00 (0.00)	0.94 (0.58)
10	Leave Travel Concession	0.20 (0.00)	0.03 (0.20)	0.00 (0.00)	0.23 (0.20)
11	Baggage Allowance	0.00 (0.00)	0.02 (0.00)	0.00 (0.00)	0.02 (0.00)
12	Pay Revision Arrear	0.63 (0.00)	2.85 (0.63)	0.00 (0.00)	3.48 (0.63)
13	Other Provisions	1.45 (0.77)	5.33 (1.96)	3.84 (1.27)	2.94 (1.45)
	Total	219.12 (180.23)	48.14 (48.42)	85.21 (9.52)	182.05 (219.12)

Previous year figures shown within bracket

b) **Capital Commitment**

Estimated value of contract to be executed on Capital Account and not provided for Rs. 0.22 Crores (Previous year : Rs. Nil)

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

Income tax demand for Assessment Years 2003-04, 2004-05, 2005-06 and 2006-07 aggregating to Rs. 40.70 Crores (Previous year : Rs. 23.59 Crores) is outstanding. The company has filed appeals against the orders of the Income Tax Department for the respective assessment years and based upon the decision of the Hon'ble ITAT on similar issues for assessment years 1998-99 to 2002-03 and on opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India on provision for disputed income tax/interest demands raised by Income Tax Authorities in respect of which appeals are filed with higher authorities, no provision for the said demands has been made during the year.

(2) **MNRE Programme Funds**

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

b) MNRE has created a Revolving Fund out of UNDP – GEF sources with an initial contribution of US $ 1.40 million for the development of Small Hydro Project in Hilly

Areas. The initial contribution to the company has been treated as a capital grant and interest accrued is credited to the said fund.

(3) **Subsidy**

(a) **Interest Subsidy**

As per the Government policy, MNRE is providing interest subsidy. The interest subsidy is released to programmes like Co-generation, Small Hydro, Briquetting, Biomass and Waste to Energy on NPV basis and for Solar and SPV programmes on actual basis. The interest subsidy is to be passed on to the borrowers on quarterly basis subject to the borrowers complying with the terms and conditions of the sanction.

The undisbursed interest subsidy as on 1-4-2008 was Rs. 28.92 Crores (Previous year : Rs.29.45 Crores) and the company received during the year Rs. 9.65 Crores (Previous year : Rs. 22.13 Crores). Out of this, a sum of Rs.23.75 Crores (Previous year: Rs.23.34 Crores) has been passed on during the year to the borrowers on compliance of the terms and conditions of the interest subsidy scheme. Further, during the year a sum of Rs.1.14 Crores (Previous year : Rs. Nil) has been refunded to MNRE on account of loan recalled/pre-closed by the borrowers. The total undisbursed interest subsidy as on 31-3-2009 stands at Rs. 14.15 Crores (Previous year: Rs.28.92 Crores).

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

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

(Rupees in Crores)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2008	Interest Subsidy received during 2008-09	Amount refunded during 2008-09	Interest Subsidy passed on during 2008-09	Closing Balance as on 31.3.2009
1	Bio-mass Co-generation	12.18 (15.80)	0.00 (2.77)	0.00 (0.00)	5.08 (6.40)	7.10 (12.18)
2	Bio Methanation	0.00 (0.02)	0.00 (0.00)	0.00 (0.00)	0.00 (0.02)	0.00 0.00
3	Biomass Briquetting	0.00 (0.04)	0.00 (0.00)	0.00 (0.00)	0.00 (0.04)	0.00 (0.00)
4	Small Hydro	6.37 (10.41)	0.00 (0.00)	0.00 (0.00)	2.60 (4.04)	3.77 (6.37)

5	Waste to Energy	1.98 (1.98)	0.00 (0.00)	1.14 (0.00)	0.51 (0.00)	0.33 (1.98
	Sub Total….A	20.53 (28.25)	0.00 (2.77)	1.14 (0.00)	8.19 (10.50)	11.20 (20.53)

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

(Rs. in Crore)

Sl. No.	Name of the sector	Opening Balance as on 1.4.2008	Interest Subsidy received during 2008-09	Amount refunded during 2008-09	Interest received on FDR	Subsidy passed on during 2008-09	Closing Balance as on 31.3.2009
1	Solar Thermal Sector	0.44 (1.71)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.44 (1.27)	0.00 (0.44)
2	SPV WP 2000-01	(-)0.68 (-)(0.86)	1.20 (0.86)	0.00 (0.00)	0.00 (0.00)	0.52 (0.68)	0.00 (0.68)
3	SPV WP 2001-02	0.00 (0.00)	0.65 (1.02)	0.00 (0.00)	0.00 (0.00)	0.81 (1.02)	(-)0.16 0.00
4	SPV WP 2002-03	0.00 (-)(0.46)	0.33 (0.85)	0.00 (0.00)	0.00 (0.00)	0.33 (0.39)	0.00 0.00
5	SPV WP 1999-00	0.00 (-)(0.29)	0.14 (0.51)	0.00 (0.00)	0.00 (0.00)	0.14 (0.22)	0.00 0.00
6	SPV WP Manufacturing	(-)0.18 (-)(0.48)	0.47 (0.50)	0.00 (0.00)	0.00 (0.00)	0.29 (0.20)	0.00 (-)(0.18)
7	Accelerated SWH System	8.82 (1.58)	6.85 (15.61)	0.00 (0.00)	0.47 (0.68)	13.03 (9.06)	3.11 (8.82)
	Sub Total…..B	8.39 (1.20)	9.65 (19.36)	0.00 (0.00)	0.47 (0.68)	15.56 (12.85)	2.95 (8.39)
	Grand Total (A + B)	28.92 (29.45)	9.65 (22.13)	1.14 (0.00)	0.47 (0.68)	23.75 (23.34)	14.15 (28.92)

Previous year figures shown within bracket

(b) **Capital subsidy**

The un-disbursed capital subsidy as on 1.4.2008 was Rs. 0.37 Crores (Previous year : Rs.3.53 Crores) pending due to non compliance of the terms and conditions of the capital subsidy scheme by the borrower. During the year an amount of Rs. NIL (Previous year: Rs.2.65 Crores) was received from MNRE. Out of the total capital subsidy amount available, Rs. NIL (Previous year: Rs.5.81 Crores) was disbursed to the borrowers on compliance of the terms and conditions of the capital subsidy scheme. The sector-wise details of capital subsidy at the beginning, received during the year, passed/refunded during the year and the balance as on 31-3-2009 are as under:-

(Rs. in Crore)

Name of the sector	Opening balance as on 1.4.2008	Received during the year	Passed on during the year	Amount refunded to MNRE	Adjustment	Closing balance as on 31.3.2009

				during the year		
Co- gen-eration	0.37 (3.53)	0.00 (0.00)	0.00 (3.16)	0.00 (0.00)	0.00 (0.00)	0.37 (0.37)
Small hydro	0.00 (0.00)	0.00 (2.65)	0.00 (2.65)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total	0.37 (3.53)	0.00 (2.65)	0.00 (5.81)	0.00 (0.00)	0.00 (0.00)	0.37 (0.37)

Previous year figures shown within bracket

(4) Bank Balances under the head "Current Assets, Loan & Advances" include a sum of Rs. 0.62 Crores (Previous year : Rs.0.63 Crores) in Current Account with Scheduled Banks on account of unutilized funds received from UNDP/MNRE for implementation of "Green House Gases Emission". The equivalent amount is shown under the head Current Liabilities.

(5) (a) Conveyance deeds in respect of leasehold buildings - a residential flat costing Rs.0.41 Crores (Previous year – Rs.0.41 Crores) and office premises costing Rs. 2.64 Crores (Previous year – Rs.2.64 Crores) are yet to be executed in favour of the Company. The cost includes proportionate value of land which has not been separately determined and accounted for. As such, depreciation has been charged on composite cost at the rates prescribed as per Schedule XIV to the Companies Act, 1956.

(b) The property tax in respect of office premises for the period upto 31st March, 2004 has been paid as per the demand raised by India Habitat Centre which was based on cost of the building. Municipal Corporation of Delhi has raised an issue with India Habitat Centre to include license fee received from the facilities area for the purpose of calculating rateable value. This matter is now pending with the Hon'ble Delhi High Court. In case the Hon'ble Delhi High Court decides against the company, the liability on account of municipal tax will have to be reworked which is not ascertainable at this stage.

(6) The scales of pay of Executives (including Board level appointees)/Non-unionized Supervisors and Non-executives of the company are due for revision w.e.f. 1st January, 2007 and 1st August, 2007 respectively. The Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India vide Office Memorandums No.2(70)/08-DPE(WC)-GL-XVI/08 dated 26th November, 2008, No.2(70)/08-DPE(WC)-GL-IV/09 dated 9th February, 2009 and No. 2(70)/08-

DPE (WC)-GL-VII/09 dated 2nd April, 2009 has conveyed revision of scales of pay and allowances in respect of Board level and below Board level executives and Non-unionised Supervisors w.e.f. 1.1.2007. The Department of Public Enterprises has also issued guidelines vide Office Memorandum No. 2(7)/2006-DPE(WC)-GL-XIV dated 9th November, 2006 for holding 7th Round of Wage Negotiations with unionized workers. In terms of the above referred Office Memorandums issued by the Department of Public Enterprises, provision of Rs.2.85 Crores (Previous Year: Rs.0.63 Crores) has been made in respect of Board level and below Board level Executives, Non-unionized Supervisors and Non-executives w.e.f. 1st January, 2007 on account of pay revision arrears. A further provision for Performance Incentive of Rs.1.22 Crores (Previous year : Rs. 0.84 Crores) has been made in terms the said office memorandum of Department of Public Enterprises.

(7) While making provision for Non Performing Assets, the value of security and provision for doubtful cases has been derived from the balance sheet of the borrower(s) by applying the depreciation as per rates prescribed under Schedule XIV of the Companies Act, 1956. However, the balance sheet of the borrower(s) if older than 5 years from the financial year for which the shortfall is worked out, the same is ignored.

(8) IREDA is a Non Banking Financial Company registered with Reserve Bank of India and follows the guidelines in case of income recognition, asset classification and provisioning as approved by Board of Directors of IREDA in terms of Articles of Association and complies with the disclosure requirements as per RBI guidelines pertaining to Financial Institutions and other requirements as per NBFCs, as amended from time to time. Accordingly, the unrealized interest amounting to Rs. 97.91 Crores (Previous year : Rs.118.58 Crores) on accounts classified as Non-Performing Asset (NPAs) has not been recognized as income for the year. Further, a sum of Rs. NIL/- (Previous year : Rs.2.02 Crores) being the amount of unrealized interest upto 2007-08 has been reversed in respect of those accounts which have been classified as NPA for the first time during the year. An amount of Rs. 27.96

Crores (Previous year : Rs. 28.12 Crores) has been recognized as income being interest realized during the year from NPA accounts.

(9) The company has created Exchange Risk Administration Fund (IREDA - ERAF) for management of foreign exchange risk on international lines of credit which is approved by Central Board of Direct Taxes vide notification No.11220. The company has made a provision for an amount of Rs. 8.78 Crores (Previous year – Nil) equivalent to liability of International Development Agency (IDA) credit Second Renewable Energy Project on Rupee basis. Books of account of ERAF are prepared and maintained separately.

(10) All the operations of the company are considered as a single business segment. Further, the company does not have any full-fledged branch. As such all the activities are considered as a single business/geographical segment for the purpose of Accounting Standard (AS) -17 on Segment Reporting issued under the Companies (Accounting Standards) Rules, 2006.

(11) The company had made an investment in 1,68,000 equity shares of Rs.10 each, including 48,000 equity shares allotted as bonus shares in M/s M.P. Wind Farms Ltd., a joint sector company promoted by M/s Consolidated Energy Consultants Ltd., M/s M.P.Urja Vikas Nigam Ltd. and Indian Renewable Energy Development Agency Ltd. The face value of equity shares invested was Rs.0.12 Crores. The company had subsequently sanctioned two loans to M/s M.P.Wind Farms Ltd., for their wind projects which were classified as Non Performing Assets (NPA) since 2000-01 and 100% provision was made against the said investment in the year 2004-05 in terms of RBI Circular No.:REF.DBS.FID.No.C-5/01.02.00/2004-05 dated 9th August 2004 applicable to financial institutions and the investment was written off in the books of account during the financial year 2004-05 after retaining a nominal value of Rs.1.

During the year 2008-09, M/s M. P. Wind Farms Ltd has repaid the dues as per the One Time Settlement and the loan account has been closed. Therefore the investment has been reinstated in the books to the original value of Rs. 0.12 Crores. The difference of Rs.0.12 Crores has been credited to Investment Written Back.

(12) **Employee Benefits**

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

(a) Change in the present value of the obligation

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Bagg-age Allow-ance	Post Retirement Medical Benefit (Un funded)
Present value of obligation as at the beginning of the year	1.42 (1.20)	0.52 (0.46)	0.20 (0.00)	0.58 (0.50)	0.00 (0.00)	0.44 (0.00)
Interest cost	0.11 (0.10)	0.04 (0.04)	0.00 (0.00)	0.05 (0.04)	0.00 (0.00)	0.04
Current service cost	0.18 (0.12)	0.09 (0.05)	0.00 (0.00)	0.08 (0.05)	0.00 (0.00)	0.04 (0.03)
Benefits paid	(-)0.12 (-)(0.04)	(-)(0.13) (-)(0.06)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	(-) 0.1 (-)(0.1)
Actuarial loss/(gain) on obligations	0.56 (0.04)	0.39 (0.03)	0.03 (0.00)	0.23 (-) (0.01)	0.02 (0.00)	(-) 0.01 (0.42)
Present value of obligation at year end	2.15 (1.42	0.91 (0.52)	0.23 (0.20)	0.94 (0.58)	0.02 (0.00)	0.49 (0.44)

(b) Change in fair value of plan asset

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encash-ment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Bagg-age Allow-ance	Post Retirement Medical Benefit (Un funded)
Fair value of plan assets at the beginning of the year	0.88 (0.80)	0.00	0.00	0.00	0.00	0.00
Expected return on plan assets	0.08 (0.06)	0.00	0.00	0.00	0.00	0.00
Employer's contribution	0.26 (0.04)	0.00	0.00	0.00	0.00	0.00
Benefits paid	(-) 0.12 (-) (0.04)	0.00	0.00	0.00	0.00	0.00
Actuarial loss/(gain) on obligations	0.01 (0.01)	0.00	0.00	0.00	0.00	0.00
Fair value of plan asset at the end of the year	1.10 (0.88)	0.00	0.00	0.00	0.00	0.00

(c) Amount recognized in balance sheet

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Bagg-age Allow-ance	Post Retirement Medical Benefit (Un funded)
Estimated present value of obligations as at the end of the year	2.15 (1.42)	0.91 (0.52)	0.23 (0.20)	0.94 (0.58)	0.02 (0.00)	0.49 (0.44)
Fair value of plan assets as at the end of the year	1.10 (0.88)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Unfunded net liability recognized in balance sheet	1.05 (0.54)	0.91 (0.52)	0.23 (0.20)	0.94 (0.58)	0.02 (0.00)	0.49 (0.44)

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

(Rs. in Crore)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)	Leave Travel Concession (Un funded)	Sick Leave (Un funded)	Baggage Allowance	Post Retirement Medical Benefit (Un funded)
Current service cost	0.18 (0.12)	0.09 (0.05)	0.03 (0.20)	0.08 (0.05)	0.02 (0.00l)	0.04 (0.03)
Interest cost	0.11 (0.10)	0.04 (0.04)	0.00 (0.00)	0.05 (0.04)	0.00 (0.00)	0.04 (0.00)
Expected return on plan asset	(-) 0.08 (-) (0.06)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Net actuarial (Gain)/Loss recognized in the year	0.55 (0.03)	0.39 (0.03)	0.00 (0.00)	0.23 (-) (0.01)	0.02 (0.00)	(-) 0.01 (0.42)
Total expenses recognized in Profit & Loss Account	0.76 (0.18)	0.52 (0.12)	0.03 (0.20)	0.36 (0.08)	0.02 (0.00)	0.06 (0.45)

(e) Principal actuarial assumption as expressed as weighted average

(Rate per annum)

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

(f) Investment details of fund:

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

(g) Defined Contribution Plan

During the year, the company has recognized an expense of Rs. 0.41 Crores (Previous year : Rs. 0.33 Crores) in respect of contribution to provident fund and Rs. 0.01 Crores (Previous year : Rs. 0.01 Crores) in respect of contribution to benevolent fund.

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

(13) **Change in Accounting Policy**

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

(i) Interest amounting to Rs. 2.81 Crores has been accounted for as income in the statement of profit and loss account. Had the accounting policy not been changed, the said amount of interest would not be recognized as income.

(ii) The impact of the change in policy has resulted in reduction of provision for NPAs during the year by Rs.17.30 Crores. However, the company has decided not to reverse such excess provision and to retain the same in its books of account as a prudent measure. Thereby the aforesaid change in the policy has no

impact on the Profit & Loss Account for the year ended 31st March, 2009.

(14) **Related Party Disclosure**

(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 under the Companies (Accounting Standards) Rules, 2006 are as under:-

(Rs. in Crore)

Particulars	Key Management Personnel (KMP)
Managerial remuneration	0.32 (0.19)
Borrowings (interest accrued)	
▪ Opening balance	0.00 (0.00)
▪ Less Repaid during the year	0.00 (0.00)
▪ Closing balance	0.00 (0.00)

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

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

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

(15) **Impairment of Assets**

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

(16) **Deferred Taxes**

a) In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) issued under the Companies (Accounting Standards) Rules, 2006, the company has taken debit in the Profit & Loss Account towards deferred tax asset (net) on account of timing differences. After giving due consideration, deferred tax assets/liabilities are measured using the applicable current rates of Income Tax. In accordance with the provisions of AS-22, the current year deferred tax debit of Rs.4.39 Crores (Previous year : credit Rs. 6.44 Crores) has been debited to the profit and loss account.

b) The details of deferred tax assets (net) as on 31st March, 2009 is given below:-

A	**Deferred Tax Assets (+)**		
			(Rs. in Crores)
	Arising on account of timing differences:-	As at 31/3/2009	As at 31/3/2008
	▪ Provision for Leave Salary, Gratuity, Sick Leave, LTC and Post Retirement Medical Benefit	1.24	0.78
	▪ Provision for doubtful debts and advances	92.74	91.11
	▪ Provision for Performance Incentive	0.00	0.28
	▪ Provision for Pay Revision	0.00	0.21
	▪ Stamp duty debited to P&L A/c but not paid	0.00	.01
	Total – A	**93.98**	**92.39**
B	**Deferred Tax Liabilities (-)**		
	▪ Depreciation	1.63	1.23
	▪ Stamp duty paid but not debited to P&L A/c	0.07	0.00
	▪ Special Reserve	61.22	56.02
	Total – B	**62.92**	**57.25**
	Deferred Tax Asset (+)/Liability (-) (**A-B**)	31.06	35.14
	Deferred Tax Asset on account of AS-15 –		
	▪ General Reserve	0.00	0.14
	▪ Prior period	0.00	0.17
	Deferred Tax Asset	**31.06**	**35.45**

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

Particulars	As at 31.03.2009	As at 31.03.2008
Nominal value of Equity share (Rs. per share)	1000	1000
Numerator Profit after Tax as per Profit & Loss A/c (Rs. in crores)	56.21	47.96
Denominator		
▪ Number of equity shares	52,00,000	49,00,000
▪ Number of equity shares pending allotment (in lakhs)	0.00	0.00
▪ Weighted average number of Equity shares for calculating Basic and Diluted Earning per share	50,96,438	46,15,847
▪ Basic & Diluted Earning per share (Rs. per share)	110.30	103.91

* weighted average (44,00,000 x 12/12 + 5,00,000 x 158/366 = 46,15,847)
** weighted average (49,00,000 x 12/12 + 3,00,000 x 239/365 = 50,96,438)

(18) Loan to constituents of IREDA include a sum of Rs. NIL (Previous year : Rs.43.79 Crores) in respect of which the execution of final security documents are in the process of being completed by the constituents and has been treated as unsecured.

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

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

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

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

- For Statutory Audit :Rs. 0.02 Crores(Previous year: Rs.0.02 Crores*)
- For Tax Audit :Rs.0.01 Crores (Previous year : Rs.0.01 Crores)
- For Limited Review : Rs. 0.00 Crores (Previous year : Rs. Nil)
- For Certification : Rs. 0.01 Crores (Previous year: Rs.0.01 Crores)

* As approved in AGM held on 26.09.2008

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

(Rs. in Crore)

Particulars	Chairman and Managing Director	Director (Finance)	Director (Technical)*
Salary & allowances	0.09 (0.07)	0.09 (0.07)	0.07 (0.01)
Medical allowance	0.01 (0.00)	0.01 (0.00)	0.01 (0.00)
Provident Fund	0.01 (0.01)	0.01 (0.01)	0.01 (0.00)
Value of perquisite as per Income Tax Act, 1961	0.01 (0.01)	0.01 (0.00)	0.01 (0.01)
Total	0.12 (0.09)	0.11 (0.08)	0.09 (0.02)

Previous year figures shown within bracket

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

(24) (i) For the assessment year 2004-05, income tax demand of Rs.10.34 crores was raised out of which 50% was paid during 2006-07. No provision has been made in respect of the aforesaid amount as the Company had filed an appeal to the CIT(A) against the order of the Assessing Officer. The CIT(A) has granted partial relief. Further, the company has filed an appeal with ITAT against the order of CIT(A) which is pending.

(ii) For the assessment year 2005-06, income tax demand of Rs.14.44 crores was raised out of which Rs.7.83 crores was paid during 2007-08. No provision has been made in respect of the aforesaid amount as the Company had filed an appeal to the CIT(A) against the order of the Assessing Officer.

(iii) Interest tax assessment have been completed upto the assessment year 2001-02. In respect of tax recoverable amounting to Rs.0.22 crores (Previous year : Rs.0.22 crores) from the assessment years 1996-97 to 2000-01, the company is taking the necessary steps for its recovery.

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

a) Expenditure in Foreign Currency:

- On Traveling Rs. 0.02 crores (Previous year : Rs.0.01 crores)

- ♦ Others Rs. 31.78 crores (Previous year : Rs.34.22 crores)

b) Earnings in Foreign Exchange:

- ♦ Interest Rs. 35.21 crores (Previous year : Rs.37.04 crores)

c) Revenue Grant Rs. 1.09 crores (Previous year : Rs. 4.97 crores) (GEF)

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

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

(Rs. in crores)

Sl No	Particulars		Status			
A)	**Capital**					
A	CRAR, core CRAR and supplementary CRAR		31.80% (34.31%)			
B	The amount of subordinated debt raised and outstanding as Tier – II capital		Nil (Nil)			
C	Risk weighted assets ♦ On balance sheet items ♦ Off balance sheet items		2784.10 (2374.91) 20.35 (11.80)			
D	The shareholding pattern as on the date of the balance sheet		100% owned by Govt. of India (100% owned by Govt. of India)			
B)	**Asset quality and credit concentration**					
E	Percentage of net NPAs to net loans and advances		3.27% (11.28%)			
F	Amount and % of net NPAs under the prescribed asset classification categories (excluding incidental charges)	Category	Amount			% age
			Gross	NPA provision	Net	Net
		S. Std	69.84 (104.52)	10.45 (10.45)	59.39 (94.07)	2.61% (4.79%)
		Doubtful	268.68 (311.37)	253.71 (183.73)	14.97 (127.64)	0.66% (6.49%)
		Loss	0.05 (0.03)	0.05 (0.03)	0.00 (0.00)	0.00% (0.00%)
		Total NPA	**338.57 (415.92)**	**264.21 (194.21)**	**74.36 (221.71)**	**3.27% (11.28%)**
		Standard Asset	2199.63 (1744.21)	6.98 (0.00)	2192.65 (1744.21)	-
		Total loan outstanding	**2538.20 (2160.13)**	**271.18 (194.21)**	**2267.02 (1965.92)**	**- -**

G	**Amount of provisions made during the year towards standard assets, NPAs, Investment (other than those in the nature of an advance), income tax etc.**			
	Category		**2008-09**	**2007-08**
	General provision for standard assets		-	1.01
	Adhoc provision for standard assets		-	0
	NPAs (including incidental charges) Against loan outstanding Against incidental charges		 - - -	 38.11 0.46 38.57
	Investments		-	0.00
	Income Tax including Fringe Benefit Tax		25.30	31.70
	Total		**25.30**	**71.28**
H	**Movement in net NPAs**			
	Particulars		**2008-09**	**2007-08**
	Net NPA as on 1st April		221.71	213.39
	Add: Additions during the year		0.59	108.56
	Less: Reduction during the year		34.38	62.13
	Less: Provision made during the year (excluding incidental charges)		-	38.11
	Less: Adhoc Provision Adjusted		70.00	0.00
	Less: NPA Loans Upgraded		1.19	0.00
	Less: Assets written off		42.37	0.00
	Net NPA as on 31st March		74.36	221.71
I	**Credit exposure as % to net worth and as % to total assets in respect of:**		**% to Net worth**	**% to total loan assets**
		Loan	869.55 (797.13)	2538.20 (2160.13)
♦	The largest single borrower	359.04 (108.76)	41.29% (13.64%)	14.15 % (5.03%)
♦	The largest borrower group	362.84 (130.09)	41.73% (16.32%)	37.29 % (6.02%)
♦	**The 10 largest single borrowers:** No. 1 ..... No. 2 ..... No. 3 ..... No. 4 ..... No. 5 ..... No. 6 ..... No. 7 ..... No. 8 ..... No. 9 ..... No. 10 ..... **Total .....**	 359.04 (108.76) 115.67 (91.35) 81.26 (74.22) 77.24 (70.87) 69.95 (68.30) 66.50 (48.40) 55.00 (47.07) 53.06 (47.03) 48.40 (46.54) 47.03 (44.42) **973.15** **(646.96)**	 41.29 % (13.64%) 13.30 % (11.46%) 9.35 % (9.31%) 8.88 % (8.89%) 8.04 % (8.57%) 7.65 % (6.07%) 6.33 % (5.90%) 6.10 % (5.90%) 5.57 % (5.84%) 5.41 % (5.57%) 111.91% **(81.16%)**	 14.15 % (5.03%) 4.56 % (4.23%) 3.20 % (3.44%) 3.04 % (3.28%) 2.76 % (3.16%) 2.62 % (2.24%) 2.17 % (2.18%) 5.45 % (2.18%) 1.91 % (2.15%) 1.85 % (2.06%) **38.34 %** **(29.95%)**

♦	**The 10 largest borrower groups:**			
	No. 1 ……	362.84 (130.09)	41.73 % (16.32%)	37.29 % (6.02%)
	No. 2 ……	155.53 (97.51)	17.89 % (12.23%)	15.98 % (4.51%)
	No. 3 ……	115.67 (63.04)	13.30 % (7.91%)	11.89 % (2.92%)
	No. 4 ……	95.50 (46.96)	10.98 % (5.89%)	9.81 % (2.17%)
	No. 5 ……	85.03 (43.67)	9.78 % (5.48%)	8.74 % (2.02%)
	No. 6 ……	79.31 (40.46)	9.12 % (5.08%)	8.15 % (1.87%)
	No. 7 ……	77.24 (32.57)	8.88 % (4.09%)	7.94 % (1.51%)
	No. 8 ……	66.50 (24.47)	7.65 % (3.07%)	6.83 % (1.13%)
	No. 9 ……	63.04 (22.35)	7.25 % (2.80%)	6.48 % (1.03%)
	No. 10 ……	48.60 (19.85)	5.59 % (2.49%)	4.99 % (0.92%)
	Total ……	**1149.26 (520.97)**	132.17% **(65.36%)**	**45.28 % (24.12%)**

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

C) Liquidity

K Maturity pattern of rupee assets and liabilities;

L Maturity pattern of foreign currency assets and liabilities:-

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	398.08 (505.66)	697.98 (615.11)	591.76 (475.48)	383.11 (296.05)	630.25 (457.05)	2701.18 (2349.35)
Foreign currency assets	47.51 (45.99)	57.17 (76.95)	64.21 (56.86)	72.46 (63.51)	450.39 (362.61)	691.74 (605.92)
Total Assets	**445.59 (551.65)**	**755.15 (692.06)**	**655.97 (532.34)**	**455.57 (359.56)**	**1080.64 (819.66)**	**3392.93 (2955.27)**
Rupee liabilities*	354.00 (447.84)	250.43 (211.49)	372.16 (215.85)	157.51 (153.14)	1574.29 (1324.19)	2708.39 (2352.51)
Foreign currency liabilities	47.50 (45.76)	57.17 (76.95)	64.22 (56.86)	72.46 (63.52)	443.19 (359.67)	684.54 (602.76)
Total liabilities	**401.50 (493.60)**	**307.60 (288.44)**	**436.38 (272.71)**	**229.97 (216.66)**	**2017.48 (1683.86)**	**3392.93 (2955.27)**

* includes IDA - 2nd loan received from MNRE in INR. However, the repayment liability is in foreign currency as per prevailing exchange rate at the time of repayment.

D)	**Operating Results**	
M	Income from Operation as a percentage to average capital employed	9.57% (9.30%)
N	Non-operating income as % to average capital employed	0.01% (0.02%)
O	Operating profit as a percentage to average capital	4.56%

	employed		(4.35%)
P	Return on average assets		1.93% (1.79%)
Q	Net profit per employee/Rs. in lakhs		48.88 (41.71)
E)	**Movement in Provisions**		
I)	**Provisions for Non Performing Assets comprising loans (excluding provisions for standard assets)**		
	Particulars	**2008-09**	**2007-08**
	Opening balance as at the beginning of the financial year	195.88	157.31
	Add: Provisions made during the year	-	62.63
	Add: Adjustment of Adhoc provision	70.00	-
	Less:		
	♦ Write off during the year including incidental charges	-	0
	♦ Write back during the year	-	24.06
	Closing balance at the close of the financial year	**265.88**	**195.88**
	Net charged to P&L A/c for NPA loans	-	38.57
	Provisions for Non Performing Assets comprising bonds and debentures in the nature of advance and inter-corporate deposits	-	Nil
II)	**Provisions for depreciation in investments**		
	Opening balance as at the beginning of the financial year	0.00*	0.00
	Add: Provisions made during the year	0	0.00
	Less:		
	♦ Write off during the year	0	0.00
	♦ Write back during the year	0.12	0.00
	Closing balance at the close of the financial year	**0.00**	**0.00***
	* Notional value of Re.1 is kept for investment in the books of accounts.		

F)	**Restructured Accounts**			
	Sl. No	Particulars	31.3.2009	31.3.2008
	1	Total amount of loan assets subjected to restructuring	177.26	108.97
	2	Restructured installment of principal in the total amount of loan assets indicated out of 1 above subjected to restructuring	32.55	43.44
	3	Amount of standard assets subjected to restructuring	104.99	59.05
	4	Amount of sub standard/doubtful assets subjected to restructuring	72.27	49.92
G)	**Assets Sold to Securitisation Company/Reconstruction Company**			
	Particulars		**2008-09**	**2007-08**
	Number of accounts		-	Nil
	Aggregate value (net of provisions) of accounts sold to SC/RC		-	Nil
	Aggregate consideration		-	Nil
	Additional consideration realized in respect of accounts transferred in earlier years		-	Nil
	Aggregate gain/loss over net book value		-	Nil
H)	**On forward rate agreements and interest rate swaps**			
♦	The notional principal of swap agreements	♦ A swap agreement was entered with Bank of Baroda for foreign exchange risk management of Asian Development Bank (ADB) line of credit. As per the arrangement, the loan drawn from ADB will be kept in $ deposit with Bank of Baroda, London which earns interest at 6 monthly LIBOR. Against this deposit, INR loan is drawn from Bank of Baroda, New Delhi at PLR less 3.75% as modified in their revised terms. ♦ A similar swap agreement was entered with Canara Bank for foreign exchange risk management of KfW line of credit. As per the arrangement, the loan drawn from KfW will be kept in Euro deposit with Canara Bank, London which earns interest at 6 monthly EURIBOR. Against this deposit INR loan is drawn from Canara Bank, New Delhi at PLR less 4.25%. ♦ Another similar swap arrangement was entered with Canara Bank for foreign exchange risk management of IBRD-II line of credit for IBRD portion of US$2.25 million.		

		As per arrangement, the loan drawn from IBRD will be kept in US$ deposit with Canara Bank, London which earns interest at 6 monthly LIBOR. Against the deposit, INR loan is drawn from Canara Bank, New Delhi at PLR less 4.25% p.a. ♦ Further, after negotiation, another similar swap arrangement was entered with Bank of Baroda for foreign exchange risk management for balance amount of US$ 77.75 million of IBRD-II line of credit for IBRD portion. As per the arrangement, the loan drawn from IBRD will be kept in $ deposit with Bank of Baroda, London which earns interest at 6 monthly LIBOR + 0.30% p.a. Against this deposit, INR loan will be drawn from Bank of Baroda, New Delhi at PLR less 3.75%.		
♦	Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps	♦ Nature and terms of swap is indicated above. ♦ All foreign currency liabilities and assets have been translated at exchange rate prevailing at the year end, which is disclosed in the accounting policy number 3.		
♦	Quantification of the losses which would be incurred if the counter parties failed to fulfil their obligations under the agreements	♦ Not applicable		
♦	Collateral required by the entity upon entering into swaps	NIL		
♦	Any concentration of credit risk arising from the swaps. Examples of concentration could be exposures particular industries or swaps with highly geared companies	♦ Not applicable		
	The 'fair' value of the total swaps book. If the swaps are linked to specific assets, liabilities or commitments, the fair value would be the estimated amount that the entity would receive or pay to terminate the swap agreements at balance sheet date. For a trading swap, the	Particulars	Amount (FC/million)	Amount (Rs./Cr)
		<u>Liabilities</u>		
		BOB Rupee Term Loan against US$ deposit – ADB	Nil (Nil)	140.74 (147.07)
		Canara Bank Rupee Term Loan against	Nil (Nil)	211.43 (235.73)

	fair value would be its mark to market value.	Euro deposit-KfW Bank of Baroda term loan against US$ deposit – IBRD	 Nil (Nil)	 205.06 (142.44)
		<u>Assets</u> BOB $ Deposit – ADB Canara Bank Euro Deposit – KfW BOB $ Deposit-IBRD Canara Bank US$ Deposit (including Special Account – IBRD)	 US$ 35.94 (US$ 37.34) Euro 41.46 (Euro 45.55) US$ 43.97 (US$ 40.66) US$ 0.94 (US$ 0.94)	 183.11 (149.81) 279.81 (288.99) 224.05 (163.12) 4.79 (3.77)

I) Interest Rate Derivatives

During the financial year 2004-05, the company has finalized the interest rate swap for KfW loan with Standard Chartered Bank with effect from 12-1-2005 for 5 years. The status as on 31st March, 2009 are as under:-

Sl. No.	Particulars	Amount (Euro million)
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	Nil (Nil)
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March, 2009 (instrument-wise)	40.44 (45.08)
3	Notional principal amount of exchange traded interest rate derivatives and not “highly effective” (instrument-wise)	40.44 (45.08)
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not “highly effective” (instrument-wise)	0.31 (-) (1.01)

Previous year figures shown within bracket

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

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

A) **Qualitative Disclosure:-**

(i) The company recognized various market risks including interest rate, foreign exchange fluctuation and other assets liability mismatches;

(ii) In order to protect the company from foreign exchange fluctuation risk, the company has entered into long term agreements with nationalized banks with adequate flexibility which enable the company to re-negotiate the term to get advantage of the interest rate regime.

(iii) The company has also established Exchange Risk Administration Fund (ERAF) to protect itself against the exchange risk arising out of INR borrowings repayable in US$ terms.

(iv) The company is taking active action for protection against interest rate risk by adopting hedging instrument on case to case basis. In this regard, during the financial year 2004-05, an interest rate swap has been finalized with Standard Chartered Bank for KfW loan. As per the swap, the company hedged variable interest rate receivable by fixed interest rate receivable against fixed interest rate liability.

B) Quantitative Disclosures:-

(Rupees in crore)

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

(28) Figures are rounded off to the nearest crore. 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

Sd/-	Sd/-	Sd/-
G K Agrawal	Surender Suyal	S K Bhargava
Partner	Company Secretary	Director (Finance)
Membership No. 081603		

Sd/-
Debashish Majumdar
Chairman & Managing Director

Place: New Delhi
Date : 24/12/2013

Annexure-VI

Statement of Accounting Ratios

(Rs in Cr)

Description	Period ended 30.9.13	Year ended 31.3.13	Year ended 31.3.12	Year ended 31.3.11	Year ended 31.3.10	Year ended 31.3.09
Net Profit After Tax	119.87	202.65	173.13	120.46	72.69	56.21
Weighted Average No of shares	7395452	6734630	6338623	5758322	5310000	5096000
Net Worth	1853.20	1688.35	1457.99	1264.12	960.56	891.93
Accounting Ratio						
Basic & Diluted Earning Per Share (in Rs) (Net Profit after tax/ Weighted Average No of Shares)	324.18 *	300.90	273.14	209.20	136.88	110.30
Net Assets Value per Share (Total Assets/ No of Shares)	10860.45	10281.75	9519.31	7007.58	7456.52	6523.63
Return on Average Net Worth (%) (Net Profit after tax/ Average Net Worth)	6.77%	12.88%	12.72%	10.83%	7.85%	6.75%
Long Term Debts /Net Worth (Total Long Term Debts/ Net Worth)	3.10	3.02	2.84	1.96	2.87	2.53

* Annualized

Annexure-VII

Capitalisation Statement

(Rs in Cr)

Description	Period ended 30.9.13	Year ended 31.3.13	Year ended 31.3.12	Year ended 31.3.11	Year ended 31.3.10	Year ended 31.3.09
Debts						
Short term Debts-Current	0.00	0.00	0.02	0.00	0.00	0.00
Long Term Debts-Non Current	5482.86	4916.63	3959.15	2398.06	2620.85	2103.63
- Current	262.41	176.55	184.68	77.13	133.96	153.34
Total Debts	5745.27	5093.18	4143.85	2475.19	2754.81	2256.97
Share Holder's Fund						
Share Capital	744.60	699.60	639.60	589.60	539.60	520.00
Reserves & Surplus	1108.60	988.75	818.39	674.52	420.96	371.93
Less : Misc Expenditure to the extent not written off	0.00	0.00	0.00	0.00	1.22	0.81
Net Worth	**1853.20**	**1688.35**	**1457.99**	**1264.12**	**959.34**	**891.12**
Long Term Debts /Net Worth (Long term Debts-Non Current/net Worth)	**2.96**	**2.91**	**2.72**	**1.90**	**2.73**	**2.36**
Debt to Equity Ratio (Total Long term Debts/Share Holder's Fund)	**3.10**	**3.02**	**2.84**	**1.96**	**2.87**	**2.53**

Annexure-VIII

Statement of Dividend paid

(Rs in Cr)

Description	Period ended 30.9.13	Year ended 31.3.13	Year ended 31.3.12	Year ended 31.3.11	Year ended 31.3.10	Year ended 31.3.09
Equity Share Capital	744.60	699.60	639.60	589.60	539.60	520.00
No of Shares	7446000	6996000	6396000	5896000	5396000	5200000
Face Value of each share (in Rs)	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
Dividend Paid-Final	0.00	27.50	25.00	20.00	14.54	11.25
Rate of Dividend-Final	0.00	3.93	3.91	3.39	2.69	2.16
Corporate Dividend tax	0.00	4.67	4.06	3.24	2.41	1.91

Annexure-IX

Statement of Tax Shelter

(Rs in Cr)

Description	Period ended 30.9.13	Year ended 31.3.13	Year ended 31.3.12	Year ended 31.3.11	Year ended 31.3.10	Year ended 31.3.09
PBT (Before Prior Period	166.98	253.87	205.78	166.79	140.27	85.93
Income Tax Rate	33.990%	33.990%	32.445%	33.218%	33.990%	33.990%
Tax at above rate	56.76	86.29	66.77	55.40	47.68	29.21
Adjustments Arising on Account of Timimg Difference						
Deferred Tax Assets:-						
Disallowance Under Section 43B (Provision for Leave Salary, Gratuity, Sick Leave, Baggage Allowance, Post Medical Benefit, CSR)		4.09	2.01	0.90	1.46	1.24
Provision for doubtful debts and advances		76.64	58.87	59.51	96.87	92.74
Total (I)	0	80.73	60.88	60.41	98.33	93.98
Deferred Tax Liabilities:-						
Difference between book depreciation & tax depreciation		3.36	2.82	2.31	2.02	1.63
Stamp Duty paid/Arranger Fees & Others but not debited to P&L A/C		-0.30	-0.28	-0.28	0.12	0.07
Special Reserve		0.00	0.00	0.00	69.64	61.22
Total (II)		3.06	2.54	2.03	71.78	62.92
Net Deffered Tax Asset III= (I - II)		77.67	58.34	58.38	26.55	31.06

ANNEXURE B – CREDIT RATING AND RATIONALE

Date: 07/01/2014

To,

Indian Renewable Energy Development Agency Limited
Corporate Office:-
3rd Floor, August Kranti Bawan, Bhikaiji Cama Place, New Delhi - 110 066.
Head Office;-
India Habitat Center, East Court, Core 4'A', , Lodhi Raod, New Delhi - 110 003.
E-mail- ishwarmadiwal@ireda.gov.in, Mob- +91 9818 997457

Dear Sirs,

Re: Public issue by Indian Renewable Energy Development Agency Limited (the "Company" or "IREDA" or "Issuer") of tax-free bonds of face value of Rs. 1,000 each in the nature of secured, redeemable, non-convertible debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended, (the "Bonds"), aggregating up to Rs. 1000 crores(the "Issue") for the year ending March 31, 2014, under Notification No. 61/2013/F. No. 178/37/2013-(ITA.I) dated August 8, 2013, issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, (the "CBDT Notification") ,in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Debt Regulations")

Subject: Credit Rating Agency Consent

We, *Brickwork Ratings India P Ltd*, do hereby consent to act as the credit rating agency to the Issue, to our name being inserted as Credit Rating Agency and to the disclosure of rating rationale dated 22/11/2013 and credit rating letter dated 19/11/2013 & 31/12/2013 or extracts thereof issued by us in connection with the Issue, in the draft shelf prospectus ("**Draft Shelf Prospectus**") to be filed with the BSE Limited and/or National Stock Exchange of India Limited ("**Relevant Stock Exchanges**") for the purposes of receiving public comments and Securities and Exchange Board of India ("**SEBI**") and the shelf prospectus ("**Shelf Prospectus**") and the tranche prospectus ("**Tranche Prospectus**") to be filed with the SEBI, Relevant Stock Exchanges and Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**")which the Company intends to issue in respect of the proposed Issue and all related advertisements, and subsequent communications sent to the holders of Bonds pursuant to the Issue. We also consent to our name being disclosed as an expert to the Company under section 58 of the Companies Act, 1956 in the Offer Documents.

We hereby authorize you/your representatives to deliver this letter of consent to the Relevant Stock Exchange(s), SEBI, RoC and/or such other statutory and/or regulatory authority, as may be required.

We confirm that as on date, we have not been debarred from functioning as a credit rating agency. Further, the following details with respect to us may be disclosed:

For Brickwork Ratings India Pvt. Ltd.

Name: Brickwork Ratings India P Ltd
Fax:080-40409941

Contact Person
Ms Sharada Shivaram Sharada Shivaram

Address: 29/2 &32/3, III Floor, Raj Alkaa Park, Bannerghatta Road, Bangalore 560076
Email: info@brickworkratings.com

Authorised Signatory

SEBI Registration No.
IN/CRA/005/2008

Tel:080-40409940 Website:
www.brickworkratings.com

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. Enclosed please find our SEBI registration certificate and further certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues, nor have we been debarred from functioning by any regulatory authority.

We also agree to keep strictly confidential, until such time the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this respect; and (ii) Our knowledge of the proposed transaction of the Company.

We shall immediately intimate Karvy Investor Services Limited, A.K. Capital Services Limited and RR Investors Capital Services Private Limited (the **"Lead Managers"**) to the Issue of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Company, offered, issued and allotted pursuant to the Issue, are traded on the Indian stock exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Bonds on the Relevant Stock Exchanges.

This letter has been issued as per Sec 238 of Companies Act 1956

Yours faithfully,

For Brickwork Ratings India Pvt. Ltd.

Sharada Shivaram

Authorized Signatory
Name: Sharada Shivaram
Designation: Manager Finance

Authorised Signatory

BWR/BNG/RL/2013-14/NS/0226
November 19, 2013

Shri. Debashish Majumdar
Chairman and Managing Director
Indian Renewable Energy Development Agency (IREDA)
New Delhi.

Dear Sir,

Sub: Validation of Rating – IREDA's proposed Tax-free Bonds (Series-XIII) for ₹ 1000 Crores (INR One Thousand Crores only)

Ref: (1) Your Letter No. IREDA/F&A/2013-14/TF dated November 14, 2013
(2) Our rating Letter No. BWR/BNG/RL/2013-14/NS/0216 dated November 12, 2013

We refer to your letter dated November 14, 2013 and advise that the rating of **BWR AAA (SO) [Pronounced BWR Triple A (Structured Obligation)] (Outlook: Stable)** for IREDA's proposed Tax Free Bonds Issue of ₹ 1000 Crores (INR One Thousand Crores only) rated by us and advised vide Letter No. BWR/BNG/RL/2013-14/NS/0216 dated November 12, 2013 is valid up to November 11, 2014.

Instruments with **BWR AAA (SO)** Rating are considered to have the **highest degree of safety** regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Please note that all terms and conditions of our letter BWR/BNG/RL/2013-14/NS/0216 dated November 12, 2013 remain unchanged.

On completion of the borrowing, please furnish details of security and other aspects related to the borrowing.

Best Regards,

M.S.R. Manjunatha
Director – Ratings

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Rating Rationale

Brickwork Ratings assigns 'BWR AAA (SO)' for Indian Renewable Energy Development Agency's proposed Tax-free Bonds (Series-XIII) Issue for ₹ 1000 Cr

Brickwork Ratings has assigned the **Rating**[1] BWR AAA (SO) [BWR Triple A (Structured Obligation)] with **'Stable' Outlook** to Indian Renewable Energy Development Agency Ltd's *('IREDA' of 'the Company')* proposed Tax-free Bonds (Series-XIII) Issue for an amount of ₹ 1000 Cr proposed to be issued in FY 2013-14. The said Tax free Bonds are backed by Letter of Comfort from the Ministry of New and Renewable Energy (MNRE), Government of India.

BWR has also reaffirmed outstanding ratings for Taxable Bonds Issues - Series II, Series III, Series-IV & Series-V amounting ₹ 150 Cr, ₹ 400 Cr, ₹ 450 and ₹ 1000 Cr respectively. Instruments with BWR AAA (SO) rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The Rating has factored, inter alia, GoI's 100% ownership of IREDA and regular financial support through equity infusion, the Letter of Comfort issued by MNRE (GoI) for the said Tax Free Bonds issue aggregating ₹ 1000 Cr, comfortable capital adequacy, asset quality & earnings. Brickwork also recognizes that the Ministry of New & Renewable Energy (MNRE) of Government of India has been regularly providing equity capital to IREDA to support its business plans & will ensure that IREDA meets its payment obligations on the said Bonds in a timely manner.

Outstanding Ratings

Instrument	Amount (₹ Cr)	Rating	Tenure	Initial Rating	Assigned/ Reaffirmed
NCD [Taxable Bonds (Series-V)]	1000	BWR AAA (SO) (Stable)	10 years	March 2013	Reaffirmed, November 2013
NCD [Taxable Bonds (Series-IV)]	450	BWR AAA (SO) (Stable)	10 years	January 2012	Reaffirmed, November 2013
NCD [Taxable Bonds (Series-III)]	400	BWR AAA (SO) (Stable)	10 years	September 2010	Reaffirmed, November 2013
NCD [Taxable Bonds (Series-II)]	150	BWR AAA (SO) (Stable)	10 years	October 2009	Reaffirmed, November 2013

Proposed Tax Free Bonds Issue

IREDA, a public sector enterprise under the administrative control of MNRE (GOI), finances renewable energy and energy efficiency projects. To meet the credit needs of such sectors

[1] ***Please refer to www.brickworkratings.com for definition of the Rating***

निदेशक (वित्त) डायरी सं. 10861
Director (Fin.) Dy. No. .....
दिनांक/ Date 18-12-13
अध्यक्ष एवं निदेशक कार्यालय, इरेडा
भारत पर्यावास केन्द्र, नई दिल्ली
18 DEC 2013
CMD Cell, IHC, New Delhi
डायरी नं. 10861

IREDA plans to augment its resource base by raising up to ₹ 1000 Cr by issue of Tax-free bonds (Series-XIII) during FY14.

The Central Government (GOI) has presently authorized 13 public sector entities, including IREDA, to issue tax free, secured, redeemable, non-convertible bonds during the financial year 2013-14. The Term Sheet for the said Bonds is yet to be finalized and would comply with the guidelines specified by the Ministry of Finance, GOI.

MNRE (GOI) has issued a Letter of Comfort to IREDA which states, inter alia, that the Ministry has been providing equity capital to IREDA to support its business plans and will continue to support in future whenever required. Besides, the Ministry will ensure that IREDA meets its payment obligations on the said Tax Free Bonds in a timely manner.

Company Profile

Indian Renewable Energy Development Agency Ltd. (IREDA) was incorporated on March 11, 1987 as a fully owned Government of India enterprise under the administrative control of the Ministry of New and Renewable Energy (MNRE). Further, the Company was notified as a public financial institution under Section 4A of Companies Act, 1956 and also registered as Non-Banking Finance Company with RBI. The Company operates a revolving fund for promotion, development and commercialization of New and Renewable Sources of Energy and provides financial assistance to energy efficiency and conservation projects. The sectors financed by IREDA can be broadly classified under - wind energy, hydro energy, bio energy, solar energy, energy efficiency and conservation, and emerging technologies.

Board of Directors

The Board of Directors of IREDA comprises a mix of executive and non-executive Directors, presently having six members, all serving Government Officers. Mr. Debashish Majumdar is the Chairman and Managing Director (CMD) of the Company.

Operations and Financial Performance

IREDA is a leading organization providing financial support to projects in renewable energy, energy efficiency and conservation. The Company's loan portfolio is largely concentrated on four renewable energy sectors viz. wind power, hydro power, biomass power and co-generation, which together account for about 90% of the cumulative loans disbursed till FY2013.

IREDA's loan disbursements have grown at CAGR of about 29% during the period 2009-2013 while gross income recorded a CAGR of about 28% during the same period. Disbursements stood at ₹ 2125.50 Cr as of FY2013 as compared to ₹ 770.95 Cr during FY2009. Gross income stood at ₹ 729.56 Cr during FY2013 compared to ₹ 275.11 Cr during FY2009. PAT stood at ₹ 202.65 Cr as of FY2013 compared to ₹ 56.21 Cr in FY2009.

IREDA's sources of financing projects comprised equity from Government of India, internal accruals, loans, tax-free bonds and funding available from international agencies including World Bank and The Asian Development Bank.

The Government of India has been regularly providing financial support in the form of equity infusion and has also guaranteed loans raised from international agencies. The Company's equity capital increased from ₹ 639.60 Cr in FY12 to ₹ 699.60 Cr in FY13. Total debt as of March 2013 stood at ₹ 5093.20 Cr as compared to ₹ 4143.84 Cr in FY2012. The Company had a comfortable capital adequacy ratio of 24.75% during FY13, lower than the previous year figure of 28.61%.

The Company's asset quality which had witnessed deterioration during FY2012 improved during FY2013. Gross NPAs were at ₹ 254.79 Cr (3.86%) as at FY2013, compared to ₹ 267.98 Cr (5.46%) previously. Net NPAs declined from ₹ 118.85 Cr (2.50%) in FY2012 to ₹ 59.12 Cr (0.92%) in FY2013 due to higher provisions. NPAs under co-generation, small hydro and energy efficiency sectors accounted for 87% of Gross NPAs. IREDA has adopted various strategies such as One Time Settlement, action under SARFAESI Act, rescheduling debt and regular follow up, and this is reflected in reduction of NPAs.

The Company essentially operates in financing of unconventional energy projects, the success of which is dependent on product acceptance by the end-users and pricing. The Company faces competition from Commercial Banks for quality assets, interest rate risk on its borrowings and foreign exchange risks on its foreign currency loans.

Key Financials of the Company are as per Table below.

Particulars (₹ Cr)	FY13	FY12	FY11	FY10
Loans Sanctions	3747.4	3406.0	3126.4	1823.9
Disbursements	2125.5	1855.0	1224.2	890.0
Income from Operations	719.1	519.7	360.1	320.9
Other Income	10.5	15.2	42.3	24.2
Profit Before Tax	250.6	208.1	166.7	141.0
Profit After Tax	202.6	173.1	120.5	72.7
Total Assets	7193.1	6088.6	3739.3	3715.4
Share Capital	699.6	639.6	589.6	539.6
Reserves and Surplus	988.7	818.4	674.5	420.9
Total Debt	5093.2	4143.8	2475.2	2754.7
Loans & Advances	6830.4	5241.1	3640.7	3022.3
Gross NPA (%)	3.86%	5.46%	5.31%	8.44%
Net NPA (%)	0.92%	2.50%	0.79%	-1.17%
CRAR	24.75%	28.61%	35.38%	30.68%
Return on Assets	2.82%	2.84%	3.23%	1.96%

Rating Outlook

IREDA has shown improved performance, and going forward, outlook for its business is considered 'Stable.' Company's ability to sustain growth with improved credit risk management including initial appraisal, periodical review, monitoring developing delinquencies and initiating timely recovery steps, are considered key rating sensitivities. Brickwork Ratings expects continued support of the Govt. of India for all the business initiatives of IREDA, given its crucial role in the alternative power sector.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	**Media Contact**
1-860-425-2742	media@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

BWR/BNG/RL/2013-14/NS/0282
December 31, 2013

Shri. Debashish Majumdar
Chairman and Managing Director
Indian Renewable Energy Development Agency (IREDA)
India Habitat Centre, East Court, Core 4A, Ist Floor,
New Delhi - 110003

Dear Sir,

Sub: Revalidation of Rating – IREDA's proposed long term Tax-free Bonds (Series-XIII) for ₹ 1000 Crores (INR One Thousand Crores only)

Ref: (1) Your email dated December 30, 2013
(2) Our rating Letters no. BWR/BNG/RL/2013-14/NS/0216 dated November 12, 2013 and BWR/BNG/RL/2013-14/NS/0226 dated November 19, 2013

We refer to the above and advise that IREDA's proposed long term Tax-Free bonds (Series-XIII) for ₹ 1000 Crores carries **BWR AAA (SO) [Pronounced BWR Triple A (Structured Obligation)] (Outlook: Stable)** Rating which is valid up to November 11, 2014. Instruments with **BWR AAA (SO)** Rating are considered to have the **highest degree of safety** regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

On completion of the borrowing, please furnish details of security and other aspects related to the borrowing.

Best Regards,

M.S.R. Manjunatha
Director – Ratings

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

13th Floor, E-1 Block, Videocon Tower
Jhandewalan Extension
New Delhi-110055
Tel. : + 91 11 45333200, 23716199
Fax : + 91 11 45333238

Celebrating Two Decades of Analytical Excellence

CONSENT LETTER FROM THE CREDIT RATING AGENCY

Date: January 20, 2014

To,

Dear Sirs,

Re: Public issue by Indian Renewable Energy Development Agency Limited (the "Company" or "IREDA" or "Issuer") of tax-free bonds of face value of Rs. 1,000 each in the nature of secured, redeemable, non-convertible debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended, (the "Bonds"), aggregating up to Rs. 1000 crores(the "Issue") for the year ending March 31, 2014, under Notification No. 61/2013/F. No. 178/37/2013-(ITA.I) dated August 8, 2013, issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, (the "CBDT Notification") in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Debt Regulations")

Subject: Credit Rating Agency Consent

We, Credit Analysis & Research Limited, do hereby consent to act as the credit rating agency to the Issue, to our name being inserted as Credit Rating Agency and to the disclosure of rating rationale dated November 27, 2013, credit rating letter dated November 20, 2013 and revalidation letter dated December 31, 2013 or extracts thereof issued by us in connection with the Issue, in the draft shelf prospectus ("**Draft Shelf Prospectus**") to be filed with the BSE Limited and/or National Stock Exchange of India Limited ("**Relevant Stock Exchanges**") for the purposes of receiving public comments and Securities and Exchange Board of India ("**SEBI**") and the shelf prospectus ("**Shelf Prospectus**") and the tranche prospectus ("**Tranche Prospectus**") to be filed with the SEBI, Relevant Stock Exchanges and Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**")which the Company intends to issue in respect of the proposed Issue and all related advertisements, and subsequent communications sent to the holders of Bonds pursuant to the Issue. We also consent to our name being disclosed as an expert to the Company under section 58 of the Companies Act, 1956 in the Offer Documents.

We hereby authorise you/your representatives to deliver this letter of consent to the Relevant Stock Exchange(s), SEBI, RoC and/or such other statutory and/or regulatory authority, as may be required.

We confirm that as on date, we have not been debarred from functioning as a credit rating agency. Further, the following details with respect to us may be disclosed:

Name: Credit Analysis & Research Limited	Fax: 011-45333238	Contact Person: Ms. Jasmeen Kaur
Address: 13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi - 110055	Email: jasmeen.kaur@careratings.com	SEBI Registration No: IN/CRA/004/1999
Tel: 011-45333245	Website: www.careratings.com	

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. Enclosed please find our SEBI registration certificate and further certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues, nor have we been debarred from functioning by any regulatory authority.

We also agree to keep strictly confidential, until such time the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this respect; and (ii) Our knowledge of the proposed transaction of the Company.

We shall immediately intimate Karvy Investor Services Limited, A.K. Capital Services Limited and RR Investors Capital Services Private Limited (the "**Lead Managers**") to the Issue of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Company, offered, issued and allotted pursuant to the Issue, are traded on the Indian stock exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Bonds on the Relevant Stock Exchanges.

Yours faithfully,
For Credit Analysis & Research Limited

Authorised Signatory
Name: Ms. Jasmeen Kaur
Designation: Assistant General Manager

CREDIT ANALYSIS & RESEARCH LTD.

B-47, 3rd Floor, Inner Circle
Connaught Place, New Delhi-110001
Tel. : + 91 11 45333200, 23716199
Fax : + 91 11 45333238, 23318701
Website : www.careratings.com

Mr. Debashish Majumdar
CMD
Indian Renewable Energy Development Agency Ltd.
August Kranti Bhawan,
3rd Floor, Bhikaji Cama Place,
New Delhi – 110 066

November 20, 2013

Confidential

Dear Sir,

Credit rating for Long-Term Tax-Free Bonds of Rs. 1,000 crore

Please refer to your request for rating of proposed long-term tax-free bonds aggregating to Rs. 1,000 crore of your company.

2. Our rating committee has assigned a **'CARE AAA (SO)' [Triple A (Structured Obligation)]** rating to the long-term tax-free bonds aggregating to Rs. 1,000 crore backed by a Letter of Comfort from Ministry of New and Renewable Energy (MNRE), Government of India. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Our rating symbols for various medium and long term instruments are annexed. The rationale for the rating will be communicated to you separately.

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is November 11, 2013).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

Mgr (FSA)(IM)

निदेशक (वित्त) डायरी सं. 10147
Director (Fin.) Dy. No. .....
दिनांक/ Date 26.11.13

28 NOV 2013
10147

CARE Ratings

5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest-rate, date of payment of interest, date and amount of repayment, etc.] as soon as the bonds have been placed.

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the bonds issue, including the offer document and the trust deed.

7. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

8. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.

9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

10. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

for Gram D.A.

Jasmeen Kaur
[Assistant General Manager]

Jaspal Kaur
[Deputy Manager]

Encl : As above

CARE Ratings

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE Ratings

Annexure

Rating Symbols and Definitions for Long /Medium Term Debt Instruments (Structured Obligation)

Symbols	Rating Definition
CARE AAA (SO)	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA (SO)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A (SO)	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB (SO)	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB (SO)	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B (SO)	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C (SO)	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D (SO)	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. **The modifiers reflect the comparative standing within the category.**

CARE Ratings

CREDIT ANALYSIS & RESEARCH LTD.

B-47, 3rd Floor, Inner Circle
Connaught Place, New Delhi-110001
Tel. : + 91 11 45333200, 23716199
Fax : + 91 11 45333238, 23318701
Website : www.careratings.com

Mr. Debashish Majumdar
CMD
Indian Renewable Energy Development Agency Ltd.
August Kranti Bhawan,
3rd Floor, Bhikaiji Cama Place,
New Delhi – 110 066

November 27, 2013

Dear Sir,

Credit Rating of Long-Term Tax Free Bonds of Rs. 1,000 crore

Please refer to our letter dated November 20, 2013 on the above subject.

2. The rationale for the rating(s) is attached as **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.

3. A write-up (brief rationale) on the above rating is proposed to be issued to the press shortly. A draft of this is enclosed for your perusal as **Annexure - II**.

4. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by November 28, 2013, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

Jasmeen

[Jasmeen Kaur]
Assistant General Manager

RP 2/12/13

Jaspal

[Jaspal Kaur]
Deputy Manager

Encl: As above

D/F

DGM/F

C. M. D. OFFICE
02 DEC 2013
10330

Mgr(F&A)(IM)

निदेशक (वित्त) डायरी सं. 10330
Director (Fin.) Dy. No. .....
दिनांक/ Date 2-12-13

Head Office : 4th Floor, Godrej Coliseum Somaiya Hospital Road, Behind Everand Nagar
Off. Eastern Express Highway, Sion (East), Mumbai-400 022

CARE Ratings

Annexure I
Rationale

Indian Renewable Energy Development Agency Ltd. (IREDA)

Ratings

Instrument	Amount Rated (Rs. crore)	Ratings[1]	Remarks
Long-term tax free bonds	1,000	CARE AAA (SO)* [Triple A (Structured Obligation)]	Assigned

* The rating is backed by letter of comfort from Ministry of New and Renewable Energy (MNRE), GOI

Rating Rationale

The rating primarily takes into account credit enhancement of the bonds in the form of 'Letter of Comfort' from Ministry of New and Renewable Energy, Government of India (GoI) which states that Ministry of New and Renewable Energy will ensure that IREDA meets its payment obligation on the above-mentioned bonds in a timely manner. The rating also factors in the 100% ownership of IREDA by the GoI, demonstrated government support in the form of regular equity infusions and sovereign guarantees to IREDA's debt, strong capitalization levels, stable profitability and moderate asset quality.

Going forward, the continued support from GoI and the ability of the entity to maintain its profitability and improve asset quality would be the key rating sensitivities.

Background

Incorporated in 1987, Indian Renewable Energy Development Agency Limited (IREDA) is a wholly owned Government of India enterprise working under the administrative control of Ministry of New and Renewal Energy (MNRE).

[1] *Complete definition of the ratings assigned are available at www.careratings.com and in other CARE publications*

IREDA has been notified as a "Public Financial Institution" under the Companies Act, 1956 and registered as NBFC with RBI, formed for the purpose of promoting, developing and financing Renewable Energy (RE) & Energy Efficiency (EE) projects in India.

IREDA mainly finances projects in the wind, hydro, solar, bio-energy sectors as well as emerging sector like battery powered vehicles. Of late, wind energy and small- hydro sectors have emerged as the key growth areas for the company on account of incentives offered by the Centre as well as some state governments.

Credit Risk Assessment

Ownership and support by GoI

IREDA is a Government-owned enterprise and has received regular support in the form of equity infusions from the government. In FY13, the government infused Rs.60 crore of additional capital in IREDA while Rs. 45 crore has been infused during FY14 till June 30, 2013. The government has also extended its support by guaranteeing its borrowings from overseas agencies and providing letter of comfort for the domestic bonds.

Strong capitalization levels

Regular equity infusions from the government as well accretion of profits have resulted in IREDA having a robust net-worth base and capital adequacy ratio of 24.75% as on March 31, 2013.

Stable profitability

During FY13, total income registered a growth of 36% to Rs.730 crore and net interest income registered a growth of 63% primarily due to 52% rise in interest income on loans portfolio and growth in the loan book. Further, NIM increased 75 bps to 5.10% due to a 120 bps rise in interest income to 11.38%.

IREDA's interest rates for lending are in the range of 11.50% – 13.75% with an additional 1% (0.5% for wind sector) interest during construction. However no additional interest during construction is charged for entities with 'AAA' rating, PSUs and State Sector Borrowers who are engaged in power sector and have successfully implemented not less than 200 MW of hydroelectric projects or are engaged in power sector and implementing wind sector projects.

Moderate asset quality

Asset quality of IREDA has improved with Gross NPA reducing from 5.46% as on March 31, 2012 to 3.86% at the end of FY13. On similar lines, net NPA ratio also reduced from 2.50% at the end of FY12 to 0.92% as on March 31, 2013. This is mainly on account of increase in gross advances to Rs. 6,675 crore as on March 31, 2013 (compared to Rs. 4,972 crore as on March 31, 2012). Also during FY13, the company recovered Rs. 12.92 crore from non-performing assets which includes an amount of Rs. 3.90 crore recovered in respect of written off assets. As on March 31, 2013, IREDA reported highest gross NPAs in the energy efficiency (1.62%) and co-generation sector (1.18%).

Diversified Resource profile

IREDA has the flexibility of raising resources by way of various instruments like taxable & tax free bonds, loans from banks against foreign currency deposits, borrowing from various overseas agencies like ADB, KfW, International Bank for Reconstruction and Development and International Development Agency. It also receives regular equity infusion from Government of India. During FY13, IREDA raised taxable bonds of Rs. 300 crore in addition to raising funds from KfW (Germany), Agence Francaise De Development (AFD) and Japan International Corporation Agency (JICA).

Prospects

Indian Renewable Energy installed capacity reached 28.9 GW with addition of 0.8GW during Apr-Jul 2013, primarily led by 610 MW of wind and 152 MW of solar capacity addition, respectively. Wind capacity addition remained sluggish on account of weak economic conditions, stressed financial condition of DISCOMS and grid connectivity constraints (especially in Southern region). MNRE has kept a capacity addition target of 4325MW for FY14. Various schemes of the government and continued thrust on renewable energy sources augur well for IREDA.

Going forward, the continued support of the government and the ability of the entity to maintain its profitability and improve asset quality would be the key rating drivers.

Financial Results

(Rs. crore)

As on/ Year Ended March 31,	2011 *(12M, A)*	2012 *(12M, A)*	2013 *(12M, A)*
Interest Income	366	459	690
Interest Expenses	183	253	365
Net Interest Income	183	206	325
Other Income	37	76	39
Total Income	402	535	730
Operating Expenses	24	30	49
Write off/ Prov. for NPAs	23	46	62
PBT	167	208	251
PAT	120	173	203
Equity Share Capital	590	640	700
Tangible Net worth	1206	1400	1610
Gross Loan Portfolio	3403	4908	6597
Total Borrowings	2475	4144	5093
Total Assets	4073	6030	7114
Key Ratios (%)			
PAT Margin	29.93	32.38	27.78
Interest Income/ Avg. interest earning assets	9.98	10.18	11.38
Interest / Avg. Borrowed Funds	7.22	7.64	7.91
Interest spread	2.86	2.54	3.47
ROTA	2.99	3.43	3.08

As on/ Year Ended March 31,	2011 *(12M, A)*	2012 *(12M, A)*	2013 *(12M, A)*
Capital Adequacy Ratio	35.38	28.61	24.75
Operating Exp/Average Total Assets	0.66	0.58	0.73
Return On Net worth (RONW)	11.27	13.29	13.47
Net Interest Margin	4.39	4.35	5.10
Gross NPA ratio	5.31	5.46	3.86
Net NPA ratio	0.79	2.50	0.92
Net NPA/Net worth	2.12	8.49	3.79
Provision Coverage Ratio	85.85	50.98	76.95

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure II

Brief Rationale

CARE assigns 'CARE AAA (SO)' rating to the long-term tax-free bonds of IREDA

Ratings

Instrument	Amount Rated (Rs. crore)	Ratings[1]	Remarks
Long-term tax free bonds	1,000	CARE AAA (SO)* [Triple A (Structured Obligation)]	Assigned

* The rating is backed by letter of comfort from Ministry of New and Renewable Energy (MNRE), GOI

Rating Rationale

The rating primarily takes into account credit enhancement of the bonds in the form of 'Letter of Comfort' from Ministry of New and Renewable Energy, Government of India (GoI) which states that Ministry of New and Renewable Energy will ensure that IREDA meets its payment obligation on the above-mentioned bonds in a timely manner. The rating also factors in the 100% ownership of IREDA by the GoI, demonstrated government support in the form of regular equity infusions and sovereign guarantees to IREDA's debt, strong capitalization levels, stable profitability and moderate asset quality.

Going forward, the continued support from GoI and the ability of the entity to maintain its profitability and improve asset quality would be the key rating sensitivities.

Background

Incorporated in 1987, Indian Renewable Energy Development Agency Limited (IREDA) is a wholly owned Government of India enterprise working under the administrative control of Ministry of New and Renewal Energy (MNRE).

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IREDA has been notified as a "Public Financial Institution" under the Companies Act, 1956 and registered as NBFC with RBI, formed for the purpose of promoting, developing and financing Renewable Energy (RE) & Energy Efficiency (EE) projects in India.

IREDA mainly finances projects in the wind, hydro, solar, bio-energy sectors as well as emerging areas like battery powered vehicles sectors. Of late, wind energy and small- hydro sectors have emerged as the key growth areas for the company on account of incentives offered by the Centre as well as some state governments.

During FY13 (refers to the period from April 1, 2012 to March 31, 2013), IREDA earned a net profit of Rs. 203 crore on a total income of Rs. 730 crore. Gross NPA% and Net NPA% stood at 3.86% and 0.92%, respectively, as on March 31, 2013. Total CAR stood at 24.75% at the end of FY13.

Analyst Contact
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CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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Celebrating Two Decades of Analytical Excellence

Mr. Debashish Majumdar,
CMD,
Indian Renewable Energy Development Agency Ltd.
August Kranti Bhawan,
3rd Floor, Bhikaji Cama Place
New Delhi – 110 066

December 31, 2013

Confidential

Dear Sir,

Credit rating for proposed issue of long-term tax free bonds aggregating Rs. 1,000 crore

Please refer to our letter dated November 20, 2013 and your request for revalidation of the rating assigned to the proposed long-term tax-free bond issue of Indian Renewable Energy Development Agency Limited (the company) aggregating to Rs. 1,000 crore.

2. It has been decided to reaffirm the rating of **'CARE AAA (SO) [Triple A (Structured Obligation)]'** assigned to the proposed issue of long-term tax-free bonds of the company, aggregating to Rs. 1,000 crore.
3. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Our rating symbols for various medium and long-term instruments and explanatory notes thereon are annexed.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.
5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE. CARE shall also

be entitled to publicize / disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without any reference to you.

8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Jasmeen Kaur
Assistant General Manager

Jaspal Kaur
Deputy Manager

Encl: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure

A. Rating Symbols and Definitions for Long /Medium Term Debt Instruments –

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. **The modifiers reflect the comparative standing within the category.**

ANNEXURE C – CONSENT FROM THE DEBENTURE TRUSTEE

SBICAP Trustee Company Ltd.

ANNEXURE A

No. 3076/STCL/DT/2013-14
Date: 06th January 2014

To,
Indian Renewable Energy Development Agency Limited
India Habitate Center, East Court, Core 4'A',
Lodhi Raod, New delhi – 110 003.

Dear Sirs,

Re; Public issue by Indian Renewable Energy Development Agency Limited (the "Company" or "IREDA" or "Issuer") of tax-free bonds of face value of Rs. 1,000 each in the nature of secured, redeemable, non-convertible debentures having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended, (the "Bonds"), aggregating up to Rs. 1000 crores(the "Issue") for the year ending March 31, 2014, under Notification No. 61/2013/F. No. 178/37/2013-(ITA.I) dated August 8, 2013, issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, (the "CBDT Notification") in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Debt Regulations")

Subject: Debenture Trustee Consent

We, **SBICAP Trustee Company Limited**, do hereby consent to act as the Debenture Trustee to the Company in accordance with Regulation 4 (4) of the Securities and Exchange Board Of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, with respect to the Issue and to our name being inserted as the Debenture Trustee to the Issue, in the draft shelf prospectus to be filed with the stock exchange(s) for the purposes of receiving public comments and the final shelf prospectus to be filed with the Registrar of Companies, SEBI and stock exchanges which the Company intends to issue in respect of the Issue and also all related advertisements and the subsequent communications sent to the holders of debt securities pursuant to the Issue.

We hereby authorise you/your representatives to deliver this letter of consent to the stock exchange(s) or any other regulatory authorities as may be required by law. The following details with respect to us may be disclosed:

Name	: SBICAP Trustee Company Limited
Address	: Apeejay House, 6th floor, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020.
Tel	: 022 – 43025555
Fax	: 022 – 43025550
E-mail	: corporate@sbicaptrustee.com
Investor Grievance e-mail	: investor.cell@sbicaptrustee.com
Website	: www.sbicaptrustee.com
Contact Person	: Mr.Ajit Joshi (Company Secretary/ Compliance Officer)
SEBI Registration Number	: IND000000536

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. Enclosed please find our SEBI registration certificate and further certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues nor have we been debarred from functioning by any regulatory authority.

We also agree to keep strictly confidential, until such time the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this respect; and (ii) ur knowledge of the proposed transaction of the Company.

We shall immediately intimate Karvy Investor Services Limited, A.K. Capital Services Limited and RR Investors Capital Services Private Limited (the "**Lead Managers**") to the Issue of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Company, offered, issued and allotted pursuant to the Issue, are traded on the Indian stock exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Bonds on the stock exchanges.

Yours faithfully,

For SBICAP Trustee Company Limited

Ajit Joshi
Company Secretary