



**INDOWIND ENERGY LIMITED**



## **NOTICE TO THE SHAREHOLDERS**

**NOTICE** is hereby given that the 14<sup>th</sup> Annual General Meeting of the Company will be held at Hotel 'The Accord Metropolitan', 35, G.N.Chetty Road, T.Nagar, Chennai – 600 017, at 3.30 PM on Wednesday 30<sup>th</sup> December, 2009 to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended 30<sup>th</sup> June 2009 and the Balance Sheet as on that date along with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. T.R. Jayaraman who retires at the end of this meeting and being eligible offers himself for re-appointment.
3. To appoint M/s.V.Ramaratnam & Co, Chartered Accountants, as Statutory Auditors, who retire and being eligible offer themselves for reappointment.

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER.
2. Proxy forms duly completed should reach the Company not less than 48 hours before the commencement of the meeting.
3. Members seeking any information are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
4. Members are requested to bring their copies of the Annual Report to the Annual General Meeting.
5. Relevant Explanatory Statement pursuant to section 173(2) of the Companies Act 1956 is annexed hereto.

**BY ORDER OF THE BOARD  
for INDOWIND ENERGY LIMITED**

**Place: Chennai  
Date: 11.09.2009**

**S.DIRAVIAM  
Company Secretary &  
Sr. Vice President Legal**

**REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSIONS AND ANALYSIS**

To

The Members

Your Directors have great pleasure in presenting this Fourteenth Annual Report of the company together with the audited accounts for the year ended 30<sup>th</sup> June 2009.

**FINANCIAL HIGHLIGHTS**

	<b>For the year ended</b>	
	<b>30<sup>th</sup> June, 2009</b>	<b>30<sup>th</sup> June, 2008</b>
	<b>(Rs. In Thousands)</b>	
<b>Total Income</b>	<b>647,520</b>	298,897
<b>Profit Before Depreciation &amp; Tax</b>	<b>167,198</b>	97,868
<b>Less: Depreciation</b>	<b>43,739</b>	19,046
<b>Tax Provision</b>	<b>8,876</b>	6,795
<b>Profit After Tax</b>	<b>114,592</b>	72,027

**THE PERFORMANCE**

During the year your company achieved a profit before tax of Rs.(in thousands)123,468/- and a profit after tax of Rs.(in thousands) 114,592/- Despite abnormal recessionary conditions, Your Company has managed to withstand the pressures to achieve the above net profit which registers 58% increase than that of the Previous Year.

**OVERVIEW OF THE INDIAN ECONOMY**

The Indian economy had moved to a high growth phase during 2003 to 2008, but suffered a major decline in 2008-09 on account of the global financial crisis. The factors responsible for rapid expansion of the economy from 2003-2008: robust investment growth, high rate of domestic savings, strong corporate performances and good tax buoyancy were largely undone by the global financial and economic crisis in the second half of 2008-09.

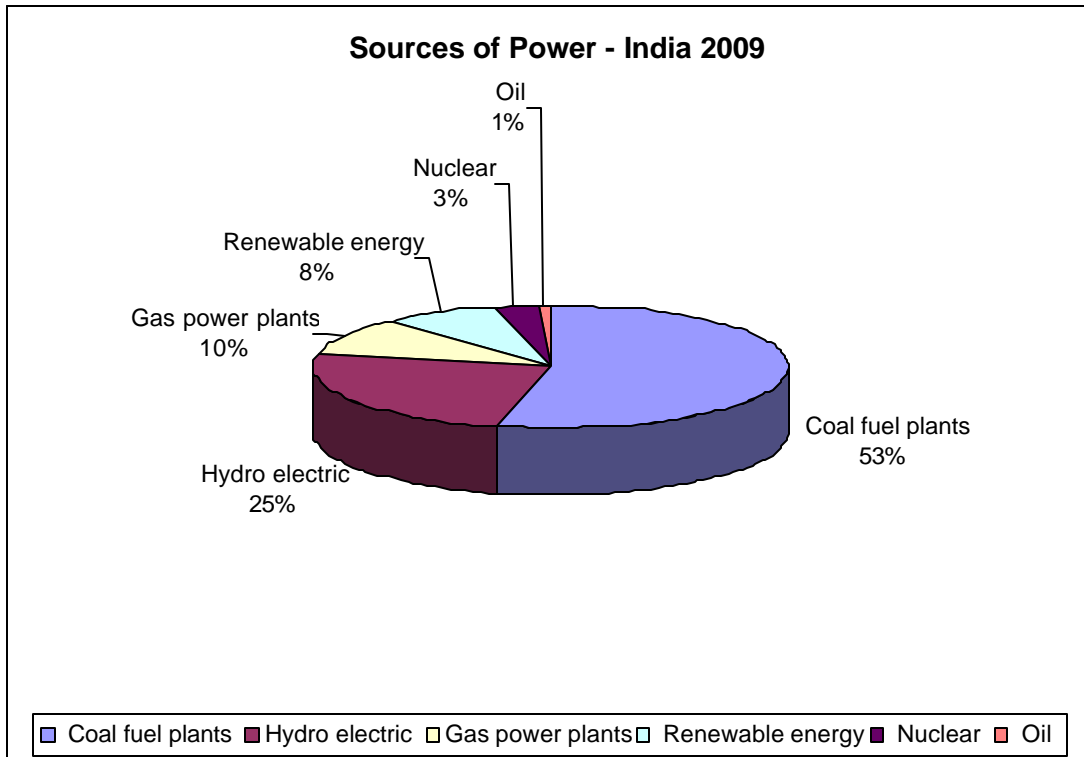
The impact of the slowdown has been broad-based in nature. Growth in Industrial and Agricultural sectors moderated significantly during the year. The services sector managed to minimize the effects of the slowdown with a 9.5% growth (compared to 10.9% last year). Merchandise exports grew by a mere 5.7% during 2008-09 as compared to a 26% growth during last year. The outlook for the Indian economy continues to be subdued with recovery expected only in the second half of 2009-10.

Gross Domestic Product (GDP) at current market prices is estimated at USD<sub>1</sub> 1.18 trillion in 2008-09 by the Central Statistical Organization (CSO) in its advance estimated (AE) of Gross Domestic Product. GDP at factor cost at constant 1999-2000 prices is estimated by the CSO to grow at 7.1% in 2009-10. This represents a deceleration from the high growth rates of 9.7% and 9.0% respectively, in the previous two years.



**INDIAN POWER SCENERIO**

While India has made impressive progress in the Power Sector since independence, it has not been sufficient. In terms of generation, while new capacity has been added, demand has far outstripped the supply leading to a widening gap. Some fundamental changes are imperative in the working of the power sector entities to realise the vision of “reliable, affordable and quality power for all by 2012”. The reform process is in progress in several states under the overall guidance of Ministry of Power and the Ministry of New & Renewable Energy. It is aimed at bringing about sustainable improvements in the operations of the utilities and making them viable businesses. The reforms have brought about various improvements in operational structure, commercial orientation, and transparency in operation and overall customer orientation in several states. Private investments allowed since 1991, increased participation of private domestic and global players



**KEY FINDINGS**

- ????? India consumes 3.4% of global energy
- ????????? Annual demand is increasing by 3.6% over last 30 years
- ????? Industrial sector “ 35.5%, Domestic sector “ 25.87%, Agri Sector – 38.63% (2006-07)
- ????? More than 64% of India’s total installed capacity is contributed by thermal power. Significant jump in unit size and steam parameters will result in higher efficiencies and better economics for the Indian power sector.
- ????? Western region accounts for largest share (30.09%) of the installed power in India followed by Southern region with 27.76%.
- ????? Unbalanced growth remains the cause of concern for the Indian power sector. Only about 56% of households have access to electricity, with the rural access being 44% and urban access about 82%.



## RENEWABLE POWER PROJECTS

Renewable Energy Technologies have matured enough to not only supplement conventional power; it also provides viable solutions in the Off-Grid mode to meet the electricity needs of remote villages in the country. Wind, small-hydro and biomass are major sources of Grid Interactive power. In the Field of wind power 789.85 MW Capacity has been achieved during the Year 2008-09. Small Hydro Power accounts for 63.25 MW, Biomass Power accounts for 61.50 MW and Biogases Cogeneration accounts for 193.00 MW for the same period. The total achievement during the year 2008-09 by grid Interactive Power is 1107.60 MW. India recorded total renewable deals of USD 134 million in 2008, which is about 7.3 per cent of total Asia Pacific renewable deals, and it stands third, behind China and Australia

## WIND POWER

India has the fifth largest installed capacity of wind power globally at 9,587 MW, accounts for nearly 6% of installed capacity in India. Additional 6,000 MW capacities will be installed by 2012. Southern region remains the dominant region in renewable energy source accounting for more than 57% of the total renewable energy installed capacity.

## ELECTRICITY TRENDS IN INDIA

By 2012, India will need another 60 to 70 GW of power; For the Indian economy to grow at 9% annually, additional capacity of 60 GW must be added every five years, requiring approx. US\$100 billion in investment every five years. Government promise of 100% electricity to domestic users will push up domestic consumption which will cross 29% by 2011-12.

## FUTURE PLANS AND PROSPECTS

Indowind is planning to add around 20 to 25MW by acquisitions in FY2010, through QIP placements or NCD issue which has received Investment grade rating of "A-" by CARE / ICRA.

**MOU for 100MW Wind & 100MW solar power projects:** Indowind has in January 2009 signed an MOU with the Government of Gujarat during the Vibrant Gujarat Global Investor's Summit 2009 for setting up of 100 MW wind energy project & 100 MW Solar Energy project in Gujarat. The projects are in its initial phase & we have initiated the process of land acquisition with the Gujarat Govt. Indowind has started working on the financial closure for the projects and also is in discussion with vendors for sourcing of the equipments. These projects will be taken up as CDM (Clean Development Mechanism) projects to avail of CER (Certified Emission Reduction) benefits under the Kyoto Protocol.

## RISKS AND CONCERNS

The dependence on the SEB's for realisation of power receivables is a major concern, which we are trying to address by looking at opportunities by way of Sale of 'Green Power®' to corporates as a business strategy. The availability of good sites for wind projects which can generate higher PLF has become a constraint, this coupled with the high capital cost of Equipment & higher interest cost prevailing in the Banking industry, tends to make the projects financially unviable on standalone basis. Strategic funding on SPV models are being worked out to fund the projects with lower cost of funds.

## STATUS OF FCCB

The company issued a Foreign Currency Convertible Bonds (FCCB) in December 2007 and raised 30mn USD. The FCCBs are due for redemption in Dec.2012. Due to fall in share price of the company and to avoid the significant debt burden which would arise in the event that all or a significant amount of the FCCBs have to be redeemed on the due date, which may place considerable strain on the company's financial position, the company has proposed FCCB restructuring by changing them to zero coupon and reducing the conversion price to reflect current market realities. The share holders have approved the restructuring of FCCBs in their Extraordinary General Meeting held on 12<sup>th</sup> Aug, 2009. The company is in the process of obtaining approvals from RBI and FCCB holders.



## DEPOSITS

During the year, the company has not accepted any deposits with in the meaning of the provisions of Sec.58A of the Companies Act 1956.

## INDUSTRIAL RELATIONS AND PARTICULARS OF EMPLOYEES

As of 30<sup>th</sup> June 2009, Your Company has 62 employees on its rolls. The employees who are on probation will be inducted in to permanent services of the company after training, to fill up vacancies as and when arises.

The company does not have any employee drawing salary in excess of the amount stipulated u/s 217 (2A) of the Companies Act, 1956.

## DIRECTORS

Mr T.R.Jayaraman is retiring at the end of this AGM and being eligible offers himself for reappointment.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to clause 2(AA) of Section 217 of the Companies Act, 1956, the Board of Directors hereby state that;

1. In the presentation of the Annual accounts, applicable standards have been followed and there are no material departures.
2. The Directors have selected such accounting policies and apply them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30<sup>th</sup> June 2009 and profit for the company for the year ended 30<sup>th</sup> June 2009.
3. The Directors have taken proper and sufficient care in the maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

## CORPORATE GOVERNANCE

Your company has complied with the requirements regarding corporate governance as required under revised clause 49 of the Listing Agreement entered into with the stock exchanges where the Company's shares are listed. A report on the Corporate Governance in this regard is made a part of this Annual Report and a certificate from the Auditors of your Company regarding compliance of the conditions of the Corporate Governance is attached to this report.

## LISTING OF EQUITY SHARES

Your Company's equity shares are continued to be listed on the Bombay Stock Exchange Ltd, Mumbai, National Stock Exchange of India Ltd., Mumbai and FCCB's are listed at Singapore Exchange Securities Trading Ltd., (SGXST) during the year under report.

## AUDITORS

M/s.V.Ramaratnam & Co. continue to be the auditors of the company and they retire at the conclusion of this Annual General Meeting and are eligible for reappointment.



**ADEQUACY OF INTERNAL CONTROL**

Your company has effective and adequate internal control systems in combination with delegation of powers. The control system is also supported by internal audits and management reviews with documented policies and procedures.

M/s .S.Vasudevan & Associates are the internal auditors to continuously monitor and strengthen the financial control procedures in line with the growth operations of the company.

**INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956**

- |    |                           |   |                |
|----|---------------------------|---|----------------|
| a) | Conservation of Energy    | – | Not Applicable |
| b) | Technology Absorption     | – | Not Applicable |
| c) | Foreign Exchange Earnings | – | Not Applicable |
| d) | Foreign Exchange outgo    | – | Not Applicable |

**ACKNOWLEDGEMENT**

The Directors wish to place on record their sincere thanks and gratitude to all its Share holders, Bond holders, Bankers, State Governments, Central Government and its agencies, statutory bodies, suppliers, and customers, for their continued co-operation and excellent support extended to the Company from time to time.

Your Directors place on record their utmost appreciation for the sincere and devoted services rendered by the employees at all levels.

for and on behalf of  
**BOARD OF DIRECTORS OF  
INDOWIND ENERGY LTD.**

**Place : Chennai  
Date : 11.09.2009**

**K.V.BALA  
CHAIRMAN**



## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION

The Company is complying with the mandatory requirements of the Code of Corporate Governance (Code) introduced by the Securities and Exchange Board of India (SEBI) and incorporated in Clause 49 of the Listing Agreement in all material aspects, stipulated for listed companies.

#### A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to the highest standards of corporate governance in all its activities and business practices. The Company looks at Corporate Governance as a measure to ensure sustained better financial performance and to serve the shareholders by providing better service. The Company considers Corporate Governance in its widest sense. The Corporate Governance measures the delivery of Company's objects with a view to translate the ability, opportunity into reality and results. The Board ensures better implementation of the key elements in Corporate Governance like transparency, disclosures, internal controls etc. It takes feedback into account in its reviews of the principles of commitment and growth to ensure better improvement and growth.

The following is the report on the practices of the Company on major aspects of corporate governance:

##### a) COMPOSITION OF THE BOARD

The Company has complied with the corporate governance norm in terms of constitution of the Board. The Board comprises of 4 Directors details are given in Table 1.

##### b) NUMBER OF BOARD MEETINGS

Indowind Energy Limited held 7 Board Meetings during the year ended 30<sup>th</sup> June 2009. These were on 7<sup>th</sup> July 2008, 31<sup>st</sup> July 2008, 22<sup>nd</sup> October 2008, 17<sup>th</sup> November 2008, 24<sup>th</sup> January 2009, 20<sup>th</sup> April 2009, and 17<sup>th</sup> June 2009.

##### c) DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

Details of the above are given in table 1.

**Table 1: DETAILS ABOUT BOARD OF DIRECTORS OF INDOWIND ENERGY LIMITED**

Name	Designation	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Other Directorship
Mr. K.V.Bala	Chairman	7	7	Yes	Director in: 1.M/s.Ind Eco Ventures Ltd. 2.M/s.Subuthi Finance Ltd. 3)M/s.Indonet Global Ltd. 4) M/s.Loyal Credit & Investments Ltd
Mr. K.S.Ravindranath	Director	7	1	Yes	Nil
Mr. Niranjan R.Jagtap	* Independent Director	7	1	Yes	Nil
Mr. T.R.Jayaraman	* Independent Director	7	6	Yes	M/s.Subuthi Finance Ltd.

(\*) Independent Director means a Director who, apart from receiving a Director's remuneration does not have any other material pecuniary relationship or transactions with the company, its promoters, its management, or its subsidiaries, which in the judgment of the Board may affect the independence of judgment of the Director.

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

**d) INFORMATION SUPPLIED TO THE BOARD**

Among others, this includes:

- a) Annual operating plans and budgets and any updates.
- b) Quarterly financial results of the company
- c) Minutes of meeting of Audit Committee and other committees of the Board
- d) Materially important show cause, demand, prosecution and penalty notices
- e) Fatal or serious accidents of dangerous occurrences
- f) Any materially relevant default in financial obligations to and by the company.
- g) Any issue which involves possible public claims of substantial nature
- h) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- i) Sale of material nature, of investments, assets, which is not in the normal course of business
- j) Any issue which involves possible public claims of substantial nature
- k) Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.





The Board of M/s. Indowind Energy Limited is routinely presented with information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

#### e) COMMITTEES OF THE BOARD

##### 1) AUDIT COMMITTEE

A qualified and independent Audit Committee of the Board of the Company is functioning. It monitors and supervises the Management's financial reporting process with a view to ensure accurate and proper disclosure, transparency and quality of financial reporting. The committee reviews the financial and risk management policies and also the adequacy of internal control systems and holds discussions with Statutory Auditors and Internal Auditors. This is enhancing the credibility of the financial disclosures of the Company and also provides transparency.

The Company continued to drive immense benefit from the deliberation of the Audit Committee comprising of three Directors, Mr.T.R.Jayaraman, Mr.K.V.Bala and Mr.Niranjan R.Jagtap who are eminent professionals having knowledge in project finance, accounts and Company law. Mr.T.R.Jayaraman is the Chairman of the Audit Committee. The minutes of each Audit Committee meeting are placed before, and discussed in full by the Board.

The Audit Committee met 4 times during the year ended 30<sup>th</sup> June 2009.

Attendance records of Audit Committee Members are given in Table 2.

**Table 2:**

Name	Designation	Status	No. of meetings held	No. of meetings attended
Mr. T.R.Jayaraman	Chairman	Non-Executive and Independent Director	4	3
Mr. K..V. Bala	Member	Non-Executive Director	4	4
Mr. Niranjan R.Jagtap	Member	Non-Executive and Independent Director	4	1

The terms of reference of the Audit Committee are as follows:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of Auditor and the fixation of audit fees.
3. Approval of payment to Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference:
  - i. Matters required to be included in Director's responsibility statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act.
  - ii. Changes if any in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv. Significant adjustments made in the financial statement arising out of audit findings.
  - v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Qualifications in the audit report.

**(ii) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The Share holders' / Investors' grievance committee comprises of the following members of the Board as stated in Table 3.

**Table 3:**

Name	Designation	Status	No. of meetings held	No. of meetings attended
Mr. T.R.Jayaraman	Chairman	Non-Executive and Independent Director	4	3
Mr. K.S.Ravindranath	Member	Whole Time Director	4	1
Mr. Niranjana R.Jagtap	Member	Non-Executive and Independent Director	4	1

The terms of reference of the Shareholders' / Investors' Grievance Committee are as follows:

The shareholders' / Investors' grievance committee shall be responsible to look into redressal of the grievances of the shareholders' and non receipt of dividend if any.

**(iii) REMUNERATION COMMITTEE**

The Remuneration Committee consists of the following members of the Board as stated in Table 4.

**Table 4:**

Name	Designation	Status
Mr. T.R.Jayaraman	Chairman	Non-Executive and Independent Director
Mr. K.V.Bala	Member	Non-Executive Director
Mr. Niranjana R.Jagtap	Member	Non-Executive and Independent Director

The Committee met two times during the Financial Year 2008-09 ie, on 20<sup>th</sup> April 2009 & 17<sup>th</sup> June 2009.

The terms of reference of the Remuneration Committee of our Company are as follows:

The Remuneration Committee shall have all necessary powers and authority to ensure appropriate disclosure on the remuneration of the whole-time Director and to deal with all elements of remuneration package of all directors and employees.

**f. MANAGEMENT**

Disclosure by management to the Board

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board, and interested Directors neither participate in the discussion, nor do they vote on such matters.



## g. SHAREHOLDERS

### (i) Disclosure regarding appointment or re-appointment of Directors

According to the Articles of Association of Indowind, not less than 1/3<sup>rd</sup> of the Directors who are liable to retire by rotation, shall retire from office. All the Directors are eligible and are offering themselves for re-appointment as and when required.

Mr. T.R. Jayaraman is retiring at the conclusion of this AGM and being eligible, offers himself for re-appointment.

### (ii) Shareholding pattern of Directors

As per our Memorandum, the Directors need not hold any Equity Shares as Qualification Shares.

Details as to shareholding of the Directors are furnished in Table 5.

**Table 5:**

Name of Director	No. of Shares held as on 30.06.2009	% of Paid up Equity Share Capital
Mr. K.V.Bala	4,866,995	10.19
Mr. K.S.Ravindranath	1,784,995	3.74
Mr. Niranjan R.Jagtap	NIL	NIL
Mr. T.R.Jayaraman	NIL	NIL
Total	6,651,990	13.93

### (iii) Registrar and Share Transfer Agent

M/s.Big Share Services Pvt Ltd. who is registered with SEBI as a Category II Registrar, have been appointed as the registrar and share transfer agent of the company for both physical and electronic segment and have attended to share transfer formalities regularly.

### (iv) General Body Meetings

Details of last three annual general meetings are given in Table (6)

**Table 6:**

Year	Location	Date	Time
2007-08	"Hotel Savera" 146, Dr. Radhakrishnan Road, Chennai – 600 004.	29/12/08	10.35 A.M.
2006-07	"Hotel Savera" 146, Dr. Radhakrishnan Road, Chennai – 600 004.	28/12/07	04.00 P.M.
2005-06	Kakani Towers, IInd Floor,15, Khader Nawaz Khan Road, Chennai – 600 006	27/11/06	10.00 A.M.



**(v) Disclosures**

Disclosure on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

**(vi) Annual General Meeting for the year 2009**

Date	30 <sup>th</sup> December 2009
Time	03.30 P.M.
Venue	Hotel "The Accord Metropolitan" 35, G.N. Chetty Road, T. Nagar, Chennai – 600 017.
Date of Book Closure	23 <sup>rd</sup> December 2009 to 30 <sup>th</sup> December 2009
Registrar and Share Transfer Agent	M/s. Big Share Services Pvt Ltd.

**(vii) Distribution of Shareholding Pattern**

Name of the Company : INDOWIND ENERGY LIMITED  
Year ending : 30.06.2009

Statement Showing Shareholding Pattern								
Name of the Company : INDOWIND ENERGY LIMITED								
Scrip Code : 532894 Quarter Ended : 30 <sup>th</sup> June 2009								
Category code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of(A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of Shares	As a percentage (IX)= (VIII)/(IV)* 100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>(A)</b>	<b>Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	4	7982990	4039997	16.72	16.72	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	3	14540255	9157101	30.46	30.46	500000	3.44
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)							
	<b>Sub Total(A)(1)</b>	<b>7</b>	<b>22523245</b>	<b>13197098</b>	<b>47.18</b>	<b>47.18</b>	<b>500000</b>	<b>2.22</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)							
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>7</b>	<b>22523245</b>	<b>13197098</b>	<b>47.18</b>	<b>47.18</b>	<b>500000</b>	<b>2.22</b>



INDOWIND ENERGY LIMITED



**Statement Showing Shareholding Pattern**

**Name of the Company : INDOWIND ENERGY LIMITED**

**Scrip Code : 532894 Quarter Ended : 30<sup>th</sup> June 2009**

Category code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of(A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of Shares	As a percentage (IX)= (VIII)/(IV)* 100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks*	3	5475433	4008767	11.47	11.47	0	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>3</b>	<b>5475433</b>	<b>4008767</b>	<b>11.47</b>	<b>11.47</b>	<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	667	9768341	7668341	20.46	20.46	0	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	24968	6819722	6819716	14.28	14.28	0	0.00
II	ii. Individual share-holders holding nominal share capital in excess of Rs. 1 lakh.	64	2440886	2440886	5.11	5.11	0	0.00
(c)	Trusts	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(d-i)	Clearing Member	245	401910	401910	0.84	0.84	0	0.00
(d-ii)	NRI (Repat)	318	276289	276289	0.58	0.58	0	0.00
(d-iii)	Directors / Relative & Friends	13	35660	1500	0.07	0.07	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>26275</b>	<b>19742808</b>	<b>17608642</b>	<b>41.35</b>	<b>41.35</b>	<b>0</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>26278</b>	<b>25218241</b>	<b>21617409</b>	<b>52.82</b>	<b>52.82</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>26285</b>	<b>47741486</b>	<b>34814507</b>	<b>100</b>	<b>100</b>	<b>500000</b>	<b>1.05</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>26285</b>	<b>47741486</b>	<b>34814507</b>	<b>100</b>	<b>100</b>	<b>500000</b>	<b>1.05</b>

\* 5133333 shares which are standing in the name of a bank is under claim by the promoter company and its group company.



### **Dematerialisation of share and Liquidity**

16 Number of Demat requests for dematerialization of 3876782 equity shares were approved during the year 2008-09 amounting to 8.12% of the shares as against 0.47% for the previous year ended 30<sup>th</sup> June 2008. 72.92% of shares are in demat as on 30<sup>th</sup> June 2009.

The shares of the Company are listed in Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai.

### **Address for correspondence**

- 1) Indowind Energy Limited  
"Kothari Building" 4<sup>th</sup> Floor,  
114, M.G. Road,  
Nungambakkam,  
Chennai – 600 034.  
Phone: 044-2833 0867/ 2833 1310  
Fax: 044-2833 0208  
Email: [diraviam@indowind.com](mailto:diraviam@indowind.com)
  
- 2) M/s.Bigshare Services Pvt. Ltd.,  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E),  
Mumbai - 400 072.  
Phone: 022-40430200  
Fax: 022-2847 5207  
Email: [marketing@bigshareonline.com](mailto:marketing@bigshareonline.com)



INDOWIND ENERGY LIMITED



### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s. Indowind Energy Limited, for the year ended 30<sup>th</sup> June 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor's Grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **V. RAMARATNAM & CO**  
Chartered Accountants

**R. SUNDAR**

Partner

Membership No.12339

Place: Chennai  
Date : 11.09.2009

**AUDITORS' REPORT**

To

The Members  
INDOWIND ENERGY LIMITED

We have audited the attached Balance Sheet of INDOWIND ENERGY LIMITED, as at 30th June 2009 and the Profit and Loss Account of the Company for the year ended 30th June 2009 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies ( Auditor's report ) order 2003, ( as amended CARO ( by amendment 2004) ) , issued by the Central Government of India in terms of Section 227 (IV) (a) of the Companies Act, 1956, we annex hereto a statement of the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the statement referred to in paragraph 1 above, we report that:
  - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. in our opinion, proper books of account, as required by law have been kept by the company so far as appears from our examination of such books.
  - c. the Company's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - d. on the basis of written representations received from the Directors as on 30<sup>th</sup> June 2009 and taken on record by the by the Board of Directors, we report that none of the directors is disqualified as on 30th June 2009 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - e. in our opinion the Balance sheet , Profit & Loss account and Cash Flow Statements dealt with by the report comply with the Accounting Standard referred to in (3c) of section 211 of the Companies Act, 1956.
  - f. with out qualifying our opinion, we draw your attention to Note II, Clause 12 of Schedule 13 to Accounts to Financial statements. The management is of the view that the liability to pay premium on redemption of the Foreign Currency Convertible Bonds is contingent and it is too early to decide the issue and therefore no provision for any liability that may result in future, including creation of reserve for redemption, has been made in financial statements. Similarly, in Schedule 13, Clause 12 the impact of adoption of notification of Ministry of Corporate affairs with respect to Accounting Standard 11 is given.





- g. the notification for levy and deposit of cess U/s. 441A of the Companies Act has not yet been issued in the official gazette, hence in our opinion this clause is not applicable to the company.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon under Schedule give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- 1 in the case of the Balance Sheet, of the state of affairs of the company as at 30th June 2009 and
- 2 in the case of the Profit and Loss Account, for the profit for the year ended on that date.
- 3 In the case of cash flow statement, of the cash flows for the year ended on that date.

**For V. Ramaratnam & Co.,  
Chartered Accountants**

**Place: Chennai  
Date: 11.09.2009**

**R. Sundar  
Partner  
Membership No.12339**

### **Annexure**

**RE: INDO WIND ENERGY LIMITED  
Referred to Paragraph 2 of our report of even date**

#### **1. Fixed assets**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) According to the information and explanations provided to us the Company has regular programme of verification which, in our opinion, is reasonable having regard to the nature of the Company and its size. No material discrepancies were noticed.
- (c) During the year, there was no substantial disposal of fixed assets of the company having any bearing on the going concern basis of the company.

#### **2. Inventory**

- (a) Physical verification of inventory of units of electricity generated and work-in-progress by the management have been conducted by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) Procedures for physical verification of units of electricity generation and work-in-progress followed by the management are reasonable and adequate in relation to the size of the Company and its nature of business.
- (c) The Company is maintaining proper records of units of electricity generated and work-in-progress no material discrepancies have been noticed on verification between physical stocks and the book records.

#### **3. Loans taken**

The company has not taken unsecured loan from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act. Number of loan taken is NIL and total amount outstanding is Rs. NIL.

#### **4. Loans granted**

The company has not given any unsecured loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act.



**5. Internal control**

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

**6. Related party transactions**

(a) According to the information and explanations given to us, we are of the opinion that the transactions need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanation given to us, in the case of transactions made exceeding the value of Rs.500,000/- with parties in the register maintained under section 301 of the Companies Act, 1956, the prices are reasonable having regard to prevailing market prices. However, we are unable to comment on certain transactions of specialized items for which comparative prices are not available.

**7. Deposits**

In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which the provisions of section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under are applicable, and therefore paragraph 4(vi) of the Order is not applicable.

**8. Internal audit**

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. Internal audit is done by an outside firm M/s. Vasudevan & Associates, Chartered Accountants. The reports have been considered wherever applicable., while finalising the audit.

**9. Cost records**

We have reviewed the books of account relating to materials, labour and other items of cost records maintained by the Company pursuant to the Rules prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima-facie, the prescribed accounts and records have been maintained.

**10. Statutory dues**

(a) The Company is regular in depositing statutory dues with appropriate authorities except any disputed statutory dues including provident fund and ESI, Income Tax, Sales Tax, Service Tax, Customs duty and other materials statutory dues applicable to it. However, provision made for gratuity has not been deposited in any scheme. Amount estimated is Rs.2,202,515/- .

(b) As on 30th June 2009 according to the records of the company, the following are the particulars of disputed dues on account of Income Tax that have not been deposited:

Name of the Statute	Nature of dues	Amount of Demand (Rs.)	Assessment year to which demand relates	Forum where dispute is Pending
Income Tax Law	Income Tax	2,654,944	1998-99	Commissioner – Appeals
Income Tax Law	Income Tax	10,985,773	2006-07	Commissioner – Appeals



- 11.** The Company has neither accumulated losses nor incurred cash loss during the financial year covered under our audit and preceding financial year.
- 12.** In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to any financial institution or debenture holders.
- 13.** In our opinion the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 14.** In our opinion, the Company is not a chit fund or a Nidhi/Mutual benefit fund, society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15.** In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 16.** Based on the information and explanations given to us by the management, proceeds of term loans were applied for the purpose for which the loans were obtained. The company has availed term loans from various banks and amount outstanding as on the balance sheet date is Rs. 93,856,083/-.
- 17.** According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no short-term funds were raised by the company for long-term investment. Long-term funds have been used for permanent working capital.
- 18.** According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties covered in the register maintained under section 301 of the companies Act, 1956 during the year.
- 19.** We have verified that the end use of the money that was raised by issue of Foreign Currency Convertible Bonds due in 2012 is as disclosed in the notes to the financial statements vide Note II, Clause 13 of Schedule 13 to financial statements. According to the information and explanations given to us during the period covered under our audit, the company has not issued any debentures during the year and hence, the provisions of clause no 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company. ( See if same Clause No. continues)
- 20.** The company has not raised any money by way of public issue during the year.
- 21.** Based up on the Audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For V. Ramaratnam & Co.,  
Chartered Accountants

R. Sundar  
Partner

Place: Chennai  
Date : 11.09.2009



## BALANCE SHEET AS ON 30TH JUNE 2009

	Schedule	30/06/2009 Rs	30/06/2009 Rs	30/06/2008 Rs	30/06/2008 Rs
<b>I. SOURCES OF FUNDS</b>					
<b>1. SHARE HOLDERS FUNDS</b>					
A) Capital	1	517,414,860		517,414,860	
B) Reserves & Surplus	2	816,146,725	<b>1,333,561,585</b>	809,451,623	1,326,866,483
<b>2. LOAN FUNDS</b>					
A) Secured Loans	3	195,267,160		132,085,597	
B) Unsecured Loans Foreign Currency Convertible Bond		1,347,466,082	<b>1,542,733,242</b>	1,232,544,777	1,364,630,374
<b>3. NET DEFERRED TAX LIABILITY</b>					
	8		<b>159,306,131</b>		63,429,114
			<b>3,035,600,959</b>		<b>2,754,925,971</b>
<b>II. APPLICATION OF FUNDS</b>					
<b>1. FIXED ASSETS</b>					
Gross Block	4	1,505,143,022		861,477,930	
Less: Depreciation		132,479,901		88,823,170	
Net Block		1,372,663,121		772,654,760	
Guarantee Deposits		811,681,916		336,103,860	
Capital W.I.P - Agri Division		3,979,269	<b>2,188,324,306</b>	2,728,668	1,111,487,288
<b>2. INVESTMENTS</b>					
	5		<b>27,190,891</b>		27,190,891
<b>3. (A) CURRENT ASSETS</b>					
LESS:	6	1,167,569,085		1,583,904,837	
<b>(B) CURRENT LIABILITIES &amp; PROVISIONS</b>					
<b>NET CURRENT ASSETS ( A - B )</b>	7	383,543,813	<b>784,025,272</b>	63,140,256	1,520,764,581
<b>4. MISCELLANEOUS EXPENSES TO BE WRITTEN OFF</b>					
			<b>36,060,489</b>		95,483,211
			<b>3,035,600,959</b>		<b>2,754,925,971</b>

NOTES TO THE ACCOUNTS

13

for V.Ramaratnam & co.,  
Chartered Accountants

R.SUNDAR  
Partner  
Membership No. 12339

Place : Chennai  
Date : 11.09.2009

for Indowind Energy Limited

BALA K V  
Chairman

RAVINDRANATH K.S.  
Director

JAYARAMAN T R  
Director

NIRANJAN R JAGTAP  
Director

S. DIRAVIAM  
Company Secretary


**Profit & Loss Account for the Year ended 30th June 2009**

	Schedule	30/06/2009 Rs	30/06/2009 Rs	30/06/2008 Rs	30/06/2008 Rs
<b>I. INCOME</b>					
Power sale		220,354,426		125,557,423	
Project sale		389,000,000		130,334,538	
Other Income	9	38,165,577	<b>647,520,003</b>	43,004,706	298,896,667
<b>II. EXPENDITURE</b>					
(Increase) / Decrease in W I P	10	(166,183,488)		(121,895,284)	
Project Expenses		540,075,447		197,956,760	
Operation & Administration Expenses	11	75,717,780		96,689,763	
Financial Expenses	12	30,712,149		28,277,180	
			<b>480,321,888</b>		201,028,419
Profit before Depreciation			<b>167,198,115</b>		97,868,248
Depreciation			<b>43,729,931</b>		19,046,286
Profit before Tax			<b>123,468,184</b>		78,821,962
Provision for Tax			<b>8,875,902</b>		6,794,857
Profit after Tax transferred to Profit and Loss Appropriation account			<b>114,592,283</b>		72,027,105
<b>Profit and Loss Appropriation Account</b>					
Transferred from Profit and Loss account			<b>114,592,283</b>		72,027,105
Transfer from Reserves			<b>20,000,000</b>		122,466,269
Amount Available from Appropriation			<b>134,592,283</b>		194,493,374
Less: Extra-ordinary items					
Public issue expenses written off		12,020,163		13,494,681	
Rupee Fluctuation		-		47,844,777	
Deferred Tax Liability / (Asset)		95,877,017	<b>107,897,180</b>	61,126,811	122,466,269
Amount after Appropriation			<b>26,695,102</b>		72,027,105
Less : Transfer to Capital Redemption Reserve			<b>3,000,000</b>		3,000,000
Balance Transferred to Balance Sheet			<b>23,695,102</b>		69,027,105

NOTES TO THE ACCOUNTS

13

**for Indowind Energy Limited**
**for V.Ramaratnam & co.,  
Chartered Accountants**
**BALA K V  
Chairman**
**RAVINDRANATH K.S.  
Director**
**R.SUNDAR  
Partner  
Membership No. 12339**
**JAYARAMAN T R  
Director**
**NIRANJAN R JAGTAP  
Director**
**Place : Chennai  
Date : 11.09.2009**
**S. DIRAVIAM  
Company Secretary**



**SCHEDULES FORMING PART OF BALANCE SHEET**

	30/06/2009 Rs	30/06/2009 Rs	30/06/2008 Rs	30/06/2008 Rs
<b>1. SHARE CAPITAL</b>				
<b>EQUITY SHARE CAPITAL</b>				
<b>AUTHORIZED</b>				
49,000,000 Equity Shares of Rs. 10 / - each			490,000,000	
63,000,000 Equity Shares of Rs. 10 / - each	630,000,000			
<b>ISSUED AND SUBSCRIBED</b>				
47,741,486 Equity Shares of Rs.10/- each		477,414,860		477,414,860
<b>PREFERENCE SHARE CAPITAL</b>				
<b>AUTHORIZED</b>				
7 Preference Shares of Rs.10,000,000/- each	70,000,000		70,000,000	
<b>ISSUED AND SUBSCRIBED</b>				
6% Redeemable Preference Shares		40,000,000		40,000,000
		<b>517,414,860</b>		<b>517,414,860</b>
<b>2. RESERVES &amp; SURPLUS</b>				
<b>A. GENERAL RESERVE</b>				
As Per Last Balance Sheet	79,018,623		133,833,807	
Add: Transfer during the year	23,695,102		69,027,105	
Less: Drawn from reserves	20,000,000		122,466,269	
	82,713,725		80,394,643	
Less: Provision made in the last year	-	82,713,725	1,376,020	79,018,623
<b>B. SHARE PREMIUM ACCOUNT</b>				
As per last Balance Sheet	705,433,000		84,780,000	
Add: Additions during the year	-	705,433,000	620,653,000	705,433,000
<b>C. REVALUATION RESERVE</b>		6,000,000		6,000,000
<b>D. CAPITAL REDEMPTION RESERVE</b>				
As per last Balance Sheet	19,000,000		16,000,000	
Add: Additions during the year	3,000,000	22,000,000	3,000,000	19,000,000
		<b>816,146,725</b>		<b>809,451,623</b>
<b>3. SECURED LOANS</b>				
<b>A. TERM LOANS</b>				
Bank of India	28,070,891		35,486,891	
Andhra Bank	60,380,151		-	
Canara Bank - Agricultural Loan	1,686,912		1,686,912	
Vehicle Loan	3,718,129		179,670	
<b>B. OTHER LOANS</b>				
Bank of India Over draft	90,906,714		85,848,400	
Loan on Key man insurance policy	10,504,363	195,267,160	8,883,724	132,085,597



SCHEDULES FORMING PART OF BALANCE SHEET

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	1.7.2008	Additions	Deductions	30/6/2009	Rate %	UP TO		AS AT		30/6/2009
						current period	Deletion	30/6/2009	30/6/2008	
LAND	43,507,030	5,143,555	-	48,650,585	-	-	-	-	43,507,030	48,650,585
LEASE HOLD LAND	10,800,000	10,800,000	720,000	20,880,000	-	-	-	-	10,800,000	20,880,000
PLANT & MACH.	782,239,109	618,445,331	-	1,400,684,440	5.28	41,486,278	-	122,490,744	701,234,643	1,278,193,696
BUILDING	3,341,480	3,985,456	-	7,326,936	1.63	210,690	-	1,056,361	2,495,809	6,270,575
OFFICE EQUIPMENTS	15,975,306	1,252,502	-	17,227,808	6.33	1,219,966	-	5,780,767	11,414,505	11,447,041
VEHICLES	5,615,005	4,880,248	122,000	10,373,253	9.50	812,997	73,200	3,152,029	3,202,773	7,221,224
	<b>861,477,930</b>	<b>644,507,092</b>	<b>842,000</b>	<b>1,505,143,022</b>		<b>43,729,931</b>	<b>73,200</b>	<b>132,479,901</b>	<b>772,654,760</b>	<b>1,372,663,121</b>

Note : The Plant and Machinery Includes Revaluation amount of Rs 6,000,000/-, whose W D V as on 30th June 2009 is Rs 41,68,400/-



**SCHEDULES FORMING PART OF BALANCE SHEET**

		30/06/2009 Rs	30/06/2009 Rs	30/06/2008 Rs	30/06/2008 Rs
<b>5. INVESTMENTS</b>					
<b>Unquoted</b>					
The Jain Sahakari Bank Ltd (4,247 Shares)		124,500		124,500	
Key Man Insurance Policy		27,066,391	<b>27,190,891</b>	27,066,391	27,190,891
<b>6. CURRENT ASSETS</b>					
Work - in - Progress		422,805,700			256,622,212
Sundry Debtors - Unsecured					
Above Six Months	-			2,586,116	
Below Six Months	79,667,357	79,667,357		166,320,183	168,906,299
Advances & Prepayments					
a) Secured Advances	16,860,481			36,092,818	
b) Trade Advances	527,739,327			342,074,218	
c) Other Advances	34,191,855			25,430,733	
d) Deposits	8,776,522			670,521,427	
e) Prepaid Expenses	1,762,671	589,330,856		934,077	1,075,053,273
Energy stock		31,994,903			33,233,312
Cash & Bank Balances		43,770,269			50,089,741
			<b>1,167,569,085</b>		<b>1,583,904,837</b>
<b>7. CURRENT LIABILITIES</b>					
For Expenses		2,906,678		4,688,760	
Provisions		5,750,320		3,951,829	
Sundry Creditors		374,886,815	<b>383,543,813</b>	54,499,667	63,140,256
<b>8. NET DEFERRED TAX LIABILITY</b>					
DEFERRED TAX LIABILITY		177,116,573		63,429,114	
LESS: MAT CREDIT		17,810,442	<b>159,306,131</b>	-	63,429,114





**SCHEDULES FORMING PART OF MANUFACTURING, TRADING AND PROFIT & LOSS ACCOUNT**

	30/06/2009 Rs	30/06/2009 Rs	30/06/2008 Rs	30/06/2008 Rs
<b>9. OTHER INCOME</b>				
CER Income	17,061,191		5,477,081	
Financial Income	1,130,500		37,416,667	
Misc Income	19,973,886	<b>38,165,577</b>	110,958	43,004,706
<b>10. (INCREASE) / DECREASE IN W-I-P</b>				
Opening stock	256,622,212		134,726,928	
Closing Stock	422,805,700	<b>166,183,488</b>	256,622,212	121,895,284
<b>11. OPERATIONS &amp; ADMINISTRATION EXPENSES</b>				
Repairs & Maintenance	25,677,450		14,506,563	
Electricity	430,988		623,978	
Travelling & Conveyance	7,393,509		3,927,515	
Vehicle Maintenance	1,629,626		1,383,625	
Telephone	1,550,275		1,416,325	
Miscellaneous	1,003,796		777,298	
Security	2,828,771		2,418,929	
Insurance	2,904,904		4,397,305	
Building Maintenance	407,230		116,355	
Rent	907,112		197,963	
Bank Charges	222,262		191,988	
Salaries	9,150,819		6,282,781	
Staff Welfare	951,847		438,633	
Gratuity	1,701,015		64,455	
PF Contribution	329,233		262,598	
E S I Contribution	15,625		1,903	
Advertisement	974,800		91,083	
Books & Periodicals	30,410		44,333	
Business Promotion	4,738,705		1,939,429	
Postage	116,316		172,256	
Printing & Stationery	694,431		685,340	
Legal and Professional charges	8,487,240		1,769,280	
Fees, Rates & Taxes	2,358,319		6,679,210	
Bad Debts Written Off	-		48,071,603	
Fringe Benefit Tax	1,213,097	<b>75,717,780</b>	229,015	96,689,763
<b>12. FINANCIAL EXPENSES</b>				
Interest and Financial Charges	19,911,390		16,886,965	
Lease Rentals	9,742,940		10,259,375	
Processing Charges	1,057,819	<b>30,712,149</b>	1,130,840	28,277,180



### **13. NOTES ON ACCOUNTS**

#### **I SIGNIFICANT ACCOUNTING POLICY**

The accounts are prepared under the historical cost convention (except for revaluation of certain fixed assets as stated below) and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are as stated below:

#### **USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized.

#### **A. FIXED ASSETS**

Fixed assets are stated at cost net of MODVAT/ CENVAT/ VAT less Accumulated depreciation and impairment loss if any. The cost comprises of purchase price (net of rebates and discounts), import duties, levies (net of Cenvat) and any directly attributable cost of bringing the assets to its working condition for the intended use.

The Company treats Non Refundable Guarantee Deposits paid for Wind Electric Generators as Capital assets, since related assets are in its control, earning income of power generation.

#### **B. DEPRECIATION**

Depreciation on Fixed Assets is provided on Straight Line Method at the rate and in the manner prescribed in Schedule XIII of the Companies Act, 1956 on cost including revaluation cost, Capitalization of Rupee Fluctuation cost in terms notification issued by The Ministry of Corporate Affairs on March 31, 2009 in relation to AS 11, less accumulated depreciation.

#### **C. INVESTMENTS**

Investments are held by the company as long term asset. The market fluctuation for the increase/ decrease in the value of the investments are not accounted as the investments are unlisted. Company treats key man insurance as investments along with accrued bonus.

#### **D. IMPAIRMENT OF ASSETS**

As the assets are treated as impaired when the carrying cost of assets exceeds its recoverable value, an impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



#### **E. INVENTORIES**

Inventories are valued at cost, net realizable value in the case of unsold power and in case of work-in-progress it is valued to the extent of its completion.

#### **F. REVENUE RECOGNITION**

Revenue consists of sale of power, sale of projects and other income.

Sale of power is recognized at the point of dispatch of electricity generated from Plant and Stock points. Sale of projects is recognized at the point of sale less manufacturing expenses. Other Income is recognized on accrual basis. Company recognized income from carbon Credit based on eligible criteria.

#### **G. RETIREMENT BENEFITS**

The Company has provided for retirement benefits to the employees such as gratuity, Provident Fund and ESI. But, in the case of gratuity, only provision is made as per management's estimate and the management has not formulated any policy for investments of the said gratuity provision.

#### **H. FOREIGN CURRENCY TRANSACTION**

Transactions in foreign currency are recorded at the exchange rate, prevailing on the date of transaction and in the case of Foreign Currency Convertible Bonds, as per the Notification issued by The Ministry of Corporate Affairs Dt. March 31, 2009. Companies ( Accounting Standard ) Rules, 2009.

#### **I. TAX ON INCOME**

Provision is made for Income Tax, estimated to arise on the results for the year, at the current rate of Tax, in accordance with the income tax act, 1961. Deferred tax on account of timing difference between accounting and taxable profit is accounted for on the liability method, at the current rate of tax to the extent the timing differences are expected to crystallize. The company has provided Rs 8,875,902/- taking in to account the profit for the period April to March.

#### **J. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

#### **K. SEGMENT REPORTING**

Company is operating business unit wise, according to the nature of products. Services provided are recognized in segments representing one or more strategic business units that offer products or services of different nature and to different markets.



Company's operations could not be analyzed under geographical segments in considering the guiding factors as per Accounting standard -17 issued by the Institute Of Chartered Accountants of India.

#### L. LOANS AND ADVANCES AND DEBTORS

Doubtful debtors /Advances are written off in the year in which these are considered to be irrecoverable. However, during the year the company has not recognized any bad debts.

#### M. EARNING PER SHARE

The company reports basic and diluted earnings per share in accordance with Accounting Standard issued by the Institute of Chartered Accountants of India. Basic earnings per share is computed dividing the net profit for the year by the Weighted Average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the net profit for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where results are anti-dilutive.

### II NOTES ON ACCOUNTS

#### 1. SHARE CAPITAL

Equity share capital

(i) The Equity share Capital includes 16,060,000 Equity Shares of Rs 10/- each allotted as fully paid up Bonus shares as follows:-

500,000 Equity shares in 1997-1998 by capitalization of Reserves

500,000 Equity shares in 1998-1999 by capitalization of share Premium

7,530,000 Equity shares in 2003-2004 by capitalization of share premium @ the ratio 1: 1

7,530,000 Equity shares in 2004-2005 by capitalization of share premium @ the ratio of 1:2

(ii) The Equity share Capital includes 5,037,778 Equity shares of Rs 10/- each allotted as fully paid up shares on conversion of Convertible Preference Shares as follows:-

120,000 Equity shares of Rs.10/- each in 1998-1999 at a premium of Rs.490/-

100,000 Equity shares of Rs.10/- each in 2000-2001 at a premium of Rs.490/-

2,040,000 Equity shares of Rs.10/- in 2001- 2002 of which 40,000/- shares were issued at a premium of Rs.490/- and 2,000,000/- shares at par.

2,777,778 Equity shares of Rs.10/- in 2004- 2005 at a premium of Rs.8/-.

(iii) The Equity share Capital includes 10,000 Equity shares allotted as fully paid up shares for consideration for Land, issued during 1999-2000 at a premium of Rs.50/-.

(iv) 1,01,47,108 Equity shares in 2005-2006 by capitalization of reserves by bonus issue @ the ratio of 2: 5

(v) The company, during the year 2005-06, allotted 9,42,000 Equity shares at a premium of Rs 90 per share to discharge its liability against capital goods.



(vi) The company, during the year 2007-08, allotted 1,12,84,600 Equity shares at a premium of Rs.55 per share through public issue of shares.

## 2. SECURED LOANS

- a. Term Loan of Rs. 500.00 lakhs availed from Bank of India secured by 13 WEG situate in the State Tamil Nadu Outstanding as on 30th June 2009 - Rs.28,070,891.
- b. Term loan availed from Axis Bank Limited secured against the motor vehicle of the company. Amount outstanding as on 30th June 2009 - Rs.37,18,129.
- c. OCC availed from Bank of India, against the hypothecation of stocks. Amount outstanding as on 30th June 2009 - Rs.90,906,714.
- d. Term loan for agricultural activities from Canara Bank. Amount outstanding as on 30<sup>th</sup> June 2009 - Rs 16,86,912.
- e. During the year the Company has availed a term loan of Rs.585.00 Lakhs from Andhra Bank, Ahmedabad secured by 5 Wegs situated in the State Tamil Nadu Outstanding as on 30<sup>th</sup> June 2009 – Rs.60,380,151.

## 3. DEFERRED TAX LIABILITY

Opening Liability	Rs. 63,429,114
Deferred Liability recognized during the year	Rs. 95,877,017
Closing balance	Rs. 159,306,131

## 4. CURRENT LIABILITIES

Sundry creditors and trade creditors are subject to confirmation.

## 5. FIXED ASSETS

### a) Work-in-progress -Agri Division

Fixed assets include Rs.3,979,269 /- spent for the agricultural division to be written off over the period of time proportionate to the substantial agricultural income that would accrue to the company.

### b) Plant & machinery

Plant & Machinery includes revaluation amount of Rs. 6,000,000/- which has depreciated to Rs. 4,168,400/-

**c) Guarantee Deposits**

The deposits constitute deposits given to owners of the WEGs which are maintained by the company. The Company has provided security deposits to extent of Rs. 811,681,916/- to the owners of windmills and the concerned windmills are under company's management.

**6. INVESTMENTS**

Investments constitute investment in The Jain Sahakhari Bank amounting to Rs. 124,500/-, which is unquoted and shown at cost. Investment in Key man Insurance policy totaling to Rs. 2,70,66,391/- is inclusive of accrued bonus of Rs 1,12,50,000.

**7. SUNDRY DEBTORS**

Sundry debtors recoverable in cash or in kind are unsecured and are subject to confirmation.

**8. LOANS & ADVANCES**

Loans and advances includes secured loan of Rs. 16,860,481/- for which the company holds various securities for its value and the balances are subject to confirmation.

**9. MISCELLANEOUS EXPENSES**

This relates to the expenses incurred in connection with Initial public offering of Equity shares of the Company, to the extent not written off during the year.

**10. RELATED PARTY DISCLOSURE UNDER ACCOUNTING STANDARD-18**

The details of related parties, as identified by the management are as under:

## i) Key Management Personnel:

Mr. Bala K V	- Chairman
Mr. Ravindranath K.S.	- Whole Time Director
Mr. Niranjana R Jagtap	- Independent Director
Mr. T.R. Jayaraman	- Independent Director

## ii) Associates:

Subuthi Finance Ltd.  
Indonet Global Ltd.  
Loyal Credit & Investment P Ltd.  
Subuthi Investments P Ltd.  
S G M Windfarms P Ltd.  
Bekae Properties P Ltd.  
Bewind Power P Ltd.  
Ind Eco Ventures Ltd.,



## 11. RELATED PARTY TRANSACTIONS

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made and no amounts have been written off or written back during the year in respect of debts due from or to related parties. There are no other related parties where control exists that need to be disclosed.

### The following transactions were carried out with the Related Parties

Particulars	Associates	Key management personnel
<b>EXPENSES</b>		
Generation of Power	Rs. 9,62,594	—
Traveling expenses	—	Rs. 2,815,440
Salary	—	Rs. 923,747
Sitting fee	—	Rs. 120,000
Rent	—	Rs. 60,000
<b>Finance:</b>		
Rent Deposit	Rs. 60,00,000	Rs. 678,750
<b>Income</b>		
Power	Rs. 24,36,392	

## 12. FOREIGN CURRENCY CONVERTIBLE BONDS

During the year 2007-2008, the company issued at par 5 years 2.5% Coupon US\$ denominated Foreign Currency Convertible Bonds (FCCB) aggregating to US\$ 30 million (INR. 1,184,700,000 as on date of issue) comprising of 300 US bonds of US \$ 100,000 each to finance capital expenditure. The bond holders have an option of converting these bonds into equity shares at an initial conversion price of Rs. 167.11 per share (Face value Rs.10 each) with a fixed rate of exchange on conversion of Rs. 39.405 / US\$ at any time prior to close of business on 21st December 2012, unless redeemed. The FCC Bonds have been restructured, subject to statutory approvals, with the existing Bondholders. Accordingly, the FCCB will have a 50% mandatory conversion (i.e., US\$ 15 million) in to ordinary equity shares at a price equivalent to the 10 DWA subject to a cap of Rs.65/- and the balance 50% of the Bonds (i.e., US\$ 15 million) will have the option to convert at the same premium level applicable for the mandatory conversion price or redeem @ 111% upon maturity on December 12, 2012.

In view of the companies ( Accounting Standard ) Rules, 2009 issued by the Ministry of Corporate Affairs on March 31, 2009, which the company has adopted, has resulted in capitalization of foreign exchange fluctuation cost of Rs. 7,69,25,081 added to the cost of depreciable capital assets, which shall be depreciated over the balance life of the asset. Further, the fluctuation cost with respect to over seas investments held abroad, are not recognized.

## 13 UTILISATION OF FCCB PROCEEDS

Rs.

Utilisation of FCCB Proceeds are as under	2008 - 2009
Issue proceeds	1,184,700,000
Less: Indian Utilisation	734,581,400
Less: Overseas Investments	450,118,600
Balance with banks	-

**14. PROFIT AND LOSS ACCOUNT**

## (i) APPROPRIATIONS

The company has withdrawn from Reserves, Rs. 20,000,000 for appropriation. Also, during the year, the company has transferred Rs. 3,000,000 to capital redemption reserve.

## (ii) INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

## (a) Power generation:

Year/place	Capacity (installed)	Production (Units)	Sale (units)	Income (Rs.)	Avg.price Per unit (Rs.)
<b>2007-2008</b>					
Tamil Nadu Increase in Stock	13.525 MW	21,294,752	19,712,631	54,476,262 10,271,726	2.76
Karnataka Increase in Stock	13.100 MW	12,045,553	10,582,818	39,476,666 5,943,010	3.73
<b>Total</b>	<b>26.625 MW</b>	<b>33,340,305</b>	<b>30,295,449</b>	<b>110,167,664</b>	
		<b>Power share from other Transactions</b>		<b>1,53,89,759</b>	
		<b>Total Power Income</b>		<b>125,557,423</b>	
<b>2008-2009</b>					
Tamil Nadu Decrease in Stock	24.725 MW	26,948,962	29,035,960	83,924,339 (6,230,979)	2.90
Karnataka Increase in Stock	19.520 MW	37,873,982	36,058,097	128,065,766 4,992,570	3.55
<b>Total</b>	<b>44.245 MW</b>	<b>64,822,944</b>	<b>65,094,057</b>	<b>210,751,696</b>	
		<b>Power Share from other Transactions</b>		<b>9,602,730</b>	
		<b>Total Power Income</b>		<b>220,354,426</b>	

## (b) WEGs Sale:

Project under implementation - Opening	3.20 MW
Additional Projects commenced during the year	9.00 MW
Projects Completed during the year	11.00 MW
Project under implementation - Closing	1.20 MW

## (iii) Expenditure in Foreign Currency :

- Travel – Rs.1,091,572 /- (previous year 2007-08 Rs. 122,150/-)

## (iv) Remuneration paid to Directors:

The company has paid Rs.923,747/- by way of remuneration to the whole time director. Sitting fees paid during the year Rs.120,000/-





- (v) Administrative and other expenses include remuneration to Auditors towards:

	2008-2009	2007-2008
	(Rs. in thousands)	
Statutory Audit	100.00	50.00
Tax Audit	15.00	15.00
Certification	5.00	5.00

- (vi) Information with regard to other matters specified in Schedule VI of the Companies Act, 1956, are either Nil, or not applicable to the Company for the period under Audit.
- (vii) Value of imports during the year – Rs NIL/- ( Previous Year – The Company has utilised imported components for its projects amounting to Rs.35.26 Crores)

## 15 CONTINGENT LIABILITIES

Income Tax demand for the A Y 1998-99 is Rs. 2,654,944/- and for A Y 2006-07 is Rs.10,985,773/-. The company has been legally advised that the demand is likely to be deleted or substantially reduced. The company has preferred appeals and the said appeals are pending before the appellate authorities.

In the case of Foreign Currency Convertible Bonds, in case the Bond holders opt for 50% redemption, the company shall redeem the same i.e., USD15Mn worth of Bonds at @111%.

The company has deposited, under the direction of The Hon'ble High Court of Madras, an amount of Rs.10.81 Crores which can not be utilized by the management unless the disputed claims of ICICI Bank Limited relating to sale of Wind mills to the company, Lease rentals and issues relating to Preference shares are settled. Both the parties have raised claims against each other and waiting for the final outcome from the competent authorities. Hence no amount is quantified.

## 16 SEGMENT INFORMATION

Based on Accounting Standard 17, issued by the Institute of Chartered Accountant of India the Company's primary business segment is wind Power generation, project sale, financial income and other income, whose details are as under:

( in Rs.)

Particulars	Power	Project	Others	Total
Segment Income	220,354,426	389,000,000	38,165,577	647,520,003
Segment expenses	116,200,355	373,891,959	4,268,546	494,360,860
Segment results	104,154,071	15,108,041	33,897,031	153,159,143
Unallocable Exp.				29,690,959
Net profit				123,468,184
Segment assets	2,252,624,390	15,367,273	1,151,153,107	3,419,144,770
Segment liability	1,920,526,735		165,056,451	2,085,583,186
Capital Employed	332,097,655	15,367,273	986,096,656	1,333,561,585



INDOWIND ENERGY LIMITED



17. Previous year's figures have been regrouped wherever necessary.

**18. EARNING PER SHARE**

Profit after tax	Rs. 114,592,283
No. of Shares	47,741,486

Earning Per share - (Annualised) Rs. 2.40

As per our report of even date

**for V.Ramaratnam & co.,**  
**Chartered Accountants**

**R.SUNDAR**  
**Partner**  
Membership No. 12339

**Place : Chennai**  
**Date : 11.09.2009**

(By Order of the Board)

**for Indowind Energy Limited**

**BALA K V**  
**Chairman**

**RAVINDRANATH K.S.**  
**Director**

**JAYARAMAN T R**  
**Director**

**NIRANJAN R JAGTAP**  
**Director**

**S. DIRAVIAM**  
**Company Secretary**



**INDOWIND ENERGY LIMITED**



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I REGISTRATION DETAILS**

Regn. No.  State code   
 Balance sheet date

**II CAPITAL RAISED DURING THE YEAR ( AMOUNT IN Rs. THOUSANDS )**

Public issue <input type="text" value="NIL"/>	Rights issue <input type="text" value="NIL"/>
Bonus issue <input type="text" value="NIL"/>	Private Placement <input type="text" value="NIL"/>

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS ( AMOUNT IN Rs. THOUSANDS )**

Total liabilities <input type="text" value="3419145"/>	Total assets <input type="text" value="3419145"/>
---	--

**SOURCES OF FUNDS**

Paid up capital <input type="text" value="517415"/>	Reserves & Surplus <input type="text" value="816147"/>
Secured loans <input type="text" value="195267"/>	Unsecured loans <input type="text" value="1347466"/>

**APPLICATION OF FUNDS**

Net fixed assets <input type="text" value="1372663"/>	Investments <input type="text" value="27191"/>
Net current assets <input type="text" value="784025"/>	Misc. Expenditure <input type="text" value="36060"/>
Accumulated losses <input type="text" value="NIL"/>	

**IV PERFORMANCE OF COMPANY ( AMOUNT IN Rs. THOUSANDS )**

Turnover <input type="text" value="647520"/>	Total Expenditure <input type="text" value="524052"/>
Profit/(Loss) before tax <input type="text" value="123468"/>	Profit/(Loss) after tax <input type="text" value="114592"/>
Earning/share (Rs.) <input type="text" value="2.40"/>	

(By Order of the Board)

**for Indowind Energy Limited**

**BALA K V**  
Chairman

**RAVINDRANATH K.S.**  
Director

Place : Chennai

**JAYARAMAN T R**  
Director

**NIRANJAN R JAGTAP**  
Director

Date : 11.09.2009

**S. DIRAVIAM**  
Company Secretary



INDOWIND ENERGY LIMITED



## Cash Flow Statement for the year ended 30th June 2009

(Rs.)

	As on 30.6.09	As on 30.6.08
<b>A. Cash inflow / (outflow) from operating activities</b>	123,468,184	78,821,962
NET RESULT BEFORE TAXES	<b>123,468,184</b>	<b>78,821,962</b>
<b>Adjustments to reconcile net income before tax to net cash provided by operating activities:</b>		
Depreciation and amortization	43,729,931	19,046,286
Financial income, net	1,130,500	37,416,667
	<b>168,328,615</b>	<b>135,284,915</b>
<b>Changes in operating assets and liabilities</b>		
Restricted cash (Deposits)	661,744,905	(672,643,905)
Accounts receivable and other assets	(86,783,546)	(404,955,918)
Inventory	(164,945,079)	(138,110,020)
Accounts payable and other liabilities	311,527,655	6,660,033
<b>Net Changes in operating assets and liabilities</b>	<b>721,543,935</b>	<b>(1,209,049,810)</b>
<b>Net cash provided by operating activities</b>	<b>889,872,550</b>	<b>(1,073,764,895)</b>
<b>B. Cash inflow / (outflow) from investing activities</b>		
Payments for purchase of property plant and equipment	(644,507,092)	(612,570,470)
Increase in Guarantee Deposits	(475,578,056)	(34,204,365)
Increase in Agri Division Assets	(1,250,601)	(1,020,727)
Proceeds from sale of property plant and equipment	768,800	14,700,000
Purchase / sale of investments	-	-
Interest Income, net	(1,130,500)	(37,416,667)
<b>Net cash used in Investing activities</b>	<b>(1,121,697,449)</b>	<b>(670,512,229)</b>
<b>C. Cash inflow / (outflow) from Financing activities</b>		
Proceeds from secured loan	64,098,280	1,686,912
Repayment of secured loans	(916,717)	(28,795,850)
Repayment of Unsecured Loans	114,921,305	-
Proceeds from Unsecured Loans	-	1,233,548,023
Proceeds from issue of share capital	-	733,499,000
Misc. Expenses	47,402,559	(57,906,118)
FCCB Issue & Forex Fluctuation Account	-	(96,486,457)
<b>Net cash provided by financing activities</b>	<b>225,505,427</b>	<b>1,785,545,510</b>
<b>Net increase in cash and cash equivalents</b>	<b>(6,319,472)</b>	41,268,386
Cash & Cash equivalents at the beginning of the year	50,089,741	8,821,355
Cash & Cash equivalents at the end of the year	<b>43,770,269</b>	<b>50,089,741</b>
<b>Cash &amp; Cash equivalents comprise</b>		
Cash in hand	416,447	930,438
Balances with banks	43,353,822	49,159,303
	<b>43,770,269</b>	<b>50,089,741</b>

for V.Ramaratnam & co.,  
Chartered AccountantsR.SUNDAR  
Partner  
Membership No. 12339Place : Chennai  
Date : 11.09.2009

for Indowind Energy Limited

BALA K V  
ChairmanJAYARAMAN T R  
DirectorS. DIRAVIAM  
Company SecretaryRAVINDRANATH K.S.  
DirectorNIRANJAN R JAGTAP  
Director



INDOWIND ENERGY LIMITED



## ADDENDUM TO AGM NOTICE TO SHARE HOLDERS.

### SPECIAL BUSINESS:

#### 4. SPECIAL RESOLUTION:

To receive, consider and if thought fit, to pass the following Resolution, with or without modification(s), as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), if any, and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India (“SEBI”), the applicable provisions of Foreign Exchange Management Act, 1999 (“FEMA”), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, Stock Exchanges, Reserve Bank of India (“RBI”), and all other authorities as may be required, whether in India or outside India, (hereinafter collectively referred to as “Appropriate Authorities”), and subject to such conditions/modifications as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as “Requisite Approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, which the Board of Directors of the Company may have constituted or may hereinafter constitute and/or any Director(s) of the Company, delegated with the powers necessary for the purpose, including the powers conferred by this Resolution), the consent of the Members of the Company be and is hereby granted for the Board to create, offer, issue and allot in one or more tranches, in the course of domestic/international offerings to Domestic/Foreign Investors/Institutional investors/Foreign institutional Investors, Members, Employees, Non-Resident Indians, Companies or Bodies Corporate (whether incorporated in India or abroad), Trusts, Mutual Funds, Banks, Financial Institutions, Insurance Companies, Pension Funds, Individuals or otherwise, whether shareholders of the Company or not (collectively “the Investors”), through a Public Issue, Rights Issue, Preferential Issue and/or **Private Placement**, with or without an over-allotment option, equity shares and/or equity shares through Global Depository Receipts (“GDRs”) and/or American Depository Receipts (“ADRs”) and/or Foreign Currency Convertible Bonds (“FCCBs”) and/or any securities convertible into equity shares at the option of the Company and/or holder(s) of the securities and/or securities linked to equity shares and/or securities with warrants including any instruments or securities representing equity shares and/or Foreign Currency Convertible Bonds or Convertible Securities linked to equity shares or securities with equity shares/Fully Convertible Debentures (FCDs)/Partly Convertible Debentures (PCDs)/Non Convertible Debentures (NCDs) with or without warrants or any securities, which are convertible or exchangeable with equity shares at a later date, (hereinafter collectively referred to as “Securities”), or any combination of Securities, secured or unsecured, listed on any stock exchange inside India or any international stock exchange outside India, through an offer document and/or prospectus and/or offer letter and/or offering circular, and/or listing particulars, and/or private placement(s) or a combination thereof at such time or times, at a discount or premium to the market price or prices in such manner and on such terms and conditions, including security, rate of interest, tenor, etc., as may be decided and deemed appropriate by the Board in its sole discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with lead managers, for an amount not exceeding **Rs. 500 Crores (Rupees Five Hundred Crores) inclusive of such premium** as may from time to time be decided.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and **SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 (“ICDR Regulations)** and the provisions of the Foreign Exchange Management Act, 2000, Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the consent granted to the Board of Directors in terms of the preceding Resolution to create, issue, offer and allot Securities of amount not exceeding Rs.



INDOWIND ENERGY LIMITED



500 Crores (Rupees Five Hundred crores) (inclusive of premium), includes the consent granted to the Board of Directors to issue Securities, in its sole discretion, to Qualified Institutional Buyers ( **as defined in SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 ("ICDR Regulations) pursuant to a qualified institutional placement, as provided under Chapter VIII of the ICDR Guidelines."**

**"RESOLVED FURTHER THAT** the relevant date for determining the pricing of the Securities to be allotted pursuant to the qualified institutional placement, if any, would be the date as provided **under Chapter VIII of the ICDR Guidelines."**

**"RESOLVED FURTHER THAT** pursuant to the provisions of, and further to the existing consents under Section 293(1)(a) and other applicable provisions of the Companies Act, 1956 (the Act), the consent of the Members be and is hereby granted to the Board to create security, if necessary, for all or any of the above securities to be issued by the creation of mortgage and /or charge on all or any of the Company's immovable and/or movable assets, both present and future, in such form and manner and on such terms as may be deemed fit and appropriate by the Board."

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid issue of the securities may have all or any terms or conditions or combination of terms in accordance with prevalent market practices, including but not limited to terms and conditions relating to payment of interest, dividend, premium on redemption at the option of the Company and/or holders of any securities, or variation of the price or period of conversion of securities into equity shares or issue of equity shares during the period of the securities or terms pertaining to voting rights or option(s) for early redemption of securities."

**"RESOLVED FURTHER THAT** the Company and/or any agency or body or person may issue depository receipts representing the underlying equity shares in the capital of the Company or such other securities in negotiable, registered or bearer form with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more Stock Exchange(s) in or outside India)."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint the Lead Managers, Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agents, Trustees, Bankers, Advisors, Paying, Transfer and Conversion Agents, Listing Agents, and all such Agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents etc. with such agencies."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to, in consultation with the Lead Managers, Managers, Underwriters, Advisors, Depository, Custodian, Registrars, and/or other persons as appointed for the purpose, to determine the form and other terms and conditions of the issue(s)/offering(s) including finalisation of the letters of offer, offer documents, application forms and any other document(s) in respect of the issue; pricing of the Securities, the investors to whom the Securities are to be allotted, face value, number of equity shares or other securities to be issued upon conversion or redemption or cancellation of the Securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion, in accordance with all applicable laws and regulations and to determine all other related or incidental matters, as the Board in its absolute discretion may deem fit."

**"RESOLVED FURTHER THAT** the equity shares as may be required to be issued and allotted, including issue and allotment of equity shares upon conversion of any securities referred to above or as may be necessary in accordance with the terms of the offer, all such equity shares shall rank

pari passu inter-se and with the then existing equity shares of the Company inter alia respects, except Provided otherwise under the terms of issue/offering and in the offer document and/or prospectus and/or offer letter and/or offering circular and/or listing particulars."

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorized, in its absolute discretion, to dispose off such of these securities as are not subscribed, in such manner, as the Board may deem fit and as permissible by law."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of the aforesaid



INDOWIND ENERGY LIMITED



Securities and listing thereof with the stock exchange(s) and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the aforesaid Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any person and/or employee of the Company individually or as Committee of such persons/ employees, on such terms and conditions as it may deem fit and revoke and substitute such delegation as permitted by the regulatory authorities, the Companies Act, 1956 and other applicable provisions. “

By Order of the Board  
**For Indo Wind Energy Ltd**

**Place: Chennai**  
**Date: 11.9.2009**

**S.DIRAVIAM**  
**Company Secretary &**  
**Sr. Vice President Legal**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) THE COMPANIES ACT.**

**ITEM NO ( 4 )**

***The Company proposes to raise capital through issue of equity shares by private placement or convertible instruments or ordinary shares through depository receipt mechanism major part of issue proceeds (net of issue expenses) would be used for acquisition / expansion / creation of Renewable Energy assets and or investments in infrastructure which includes office and housing premises. The Company may also use a portion of the issue proceeds towards pre closure of term loans, and to meet working capital needs etc. This Capital raising would enable the Company to save on interest costs, tap the business opportunities and provide a stable platform for future growth***

The mechanism, terms and conditions of the offering will be determined by the Board in consultation with the relevant Advisors, Lead Managers, Underwriters and such other agencies or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed on the Stock Exchanges. The issue/ allotment/ conversion would be subject to the availability of regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges under the provisions of the Listing Agreement.

The Special Resolution seeks to give the Board, powers to issue Securities in one or more tranches at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board may in its absolute discretion deem fit.

The Board of Directors accordingly recommends the Resolution set out in the accompanying Notice for the approval of the Members as a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of his shareholding in the Company.

By Order of the Board  
**For Indo Wind Energy Ltd**

**Place: Chennai**  
**Date: 11.9.2009**

**S.DIRAVIAM**  
**Company Secretary &**  
**Sr. Vice Preesident Legal**