



INDOWIND ENERGY LIMITED



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 13th Annual General Meeting of the Company will be held at "Hotel Savera", 146, Dr. Radha krishnan Road, Chennai – 600 004, at 10.35 A.M on Monday 29th December. 2008 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet of the Company as at 31st June 2008 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Niranjana R Jagtap 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.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications the following Resolution as a Special Resolution:

"RESOLVED THAT subject to the consent of the financial institutions and or the Central Government, pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions if any read with Schedule XIII of the Companies Act, 1956 and pursuant to Article 167 of the Articles of Association of the Company the consent of the members be and is hereby accorded for the increase in remuneration and perquisites payable to Mr.K.S.Ravindranath, Wholetime Director of the Company as detailed hereunder and mentioned in the supplemental agreement to be entered with him, during the remaining term of his office commencing from 1st December 2008 till the expiry of his present term of office on i.e. on 31.10.2010

Remuneration.

1. Salary (Basic + DA) Rs.40,125/- (Rupees Forty thousand one hundred and twenty five only) per month
2. Special Allowance Rs.42,558/- (Rupees Forty two thousand five hundred and fifty eight only) per month
3. Housing / House Rent Allowance Rs.13,375/- (Rupees Thirteen thousand three hundred and seventy five only) per month.
4. Transport Allowance Rs.1,066/- (Rupees One thousand sixty six only) per month
5. Telephone Expenses Rs.1,500/- (Rupees One thousand five hundred only) per month
6. Club Membership Rs.20,000/- (Rupees Twenty thousand only) per annum

Perquisites.

Perquisites shall be allowed in addition to both salary and special allowance. However, it shall be restricted to an amount equal to the annual salary.

Perquisites are presently classified as follows:

1. Medical Reimbursement
Expenses incurred for the appointee and his family Rs.15,000/- (Rupees Fifteen thousand only) per annum.
2. Leave and Leave Travel Concession Rs.32,100/- (Rupees Thirty two thousand one hundred only) per annum.
3. Educational allowance Rs.3,204/- (Rupees Three thousand two hundred and four only) per annum.



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Minimum Remuneration.

In the event of loss, absence or inadequacy of profits, in any financial year during the currency of tenure of Mr.K.S.Ravindranath, the remuneration aforesaid shall be the minimum remuneration payable to him. However, any excess over the limits on minimum remuneration prescribed under the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 shall be payable to Mr.K.S.Ravindranath, with the approval of the Central Government, if so required".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to amend / alter / modify the agreement, referred to above, in terms of the aforesaid approval and as may be agreeable to Mr.K.S.Ravindranath ".

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

Sd/

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

**Place: Chennai
Date: 17.11.2008**



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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTIALED 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.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4.

The shareholders in the AGM held on 16th November 2007 approved the reappointment of Mr.K.S.Ravindranath for a period of 3 years commencing from 1.11.2007 and also approved the remuneration payable to him. It is now felt that variation in the terms and conditions of the appointment is required by upward revision in his salary and other emoluments. The Board of Directors at their meeting held on 17.11.2008 passed a resolution to increase the remuneration with effect from 1st December 2008.

Except Mr.K.S.Ravindranath, no other Director of the Company is in any way concerned with or interested in the Resolution.

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

Sd/-

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

**Place : Chennai
Date: 17.11. 2008**



INDOWIND ENERGY LIMITED



REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSIONS AND ANALYSIS

To

The Members

Your Directors have great pleasure in presenting this Thirteenth Annual Report of the company together with the audited accounts for the year ended 30th June 2008.

FINANCIAL HIGHLIGHTS:

	For the year ended	
	30th June, 2008	30th June, 2007
	(Rs. In Thousands)	
Total Income	298,897	274,800
Profit Before Depreciation & Tax	97,868	76,808
Less: Depreciation	19,046	10,118
Tax Provision	6,795	2,830
Deferred Tax Asset / (Liability)	Nil	1,938
Profit After Tax	72,027	65,798

THE PERFORMANCE:

The Company has made a turn over of Rs. 29.88 Crores during the year under review against the turn over of Rs. 27.48 Crores during the previous year. The depreciation for the year under review amounted to Rs.1.90 Crores and the depreciation for the previous year amounted to Rs. 1.01 Crores. The Company has registered a Profit after tax of Rs. 7.20 Crores during the year under review against the Profit after tax of Rs. 6.57 Crores during the previous year. Your company does not recommend any dividend for the year under review as the surplus is required for meeting out the proposed expansion activities.

FUTURE PLANS AND PROSPECTS:

Your company is progressing with the expansion plans for further capacity addition in line with the long term goal of the Company and also by keeping a cautious approach due to the Global economic meltdown crisis. The company also has taken up the task of registering the new 9 MW project with United Nations Framework Convention on Climate Change (UNFCCC) for claiming Certified Emission Reduction (CER's) under the Clean Development Mechanism. All future projects also are proposed to be registered under CDM. Your company is also evaluating new opportunities in Small Hydro & Solar Power Projects as possible areas for diversification.

INDIAN ECONOMIC SCENARIO:

The Indian Economic Growth has slipped to about 7% in the current fiscal, due to Global financial meltdown, against the recorded economic growth of 9% during the previous financial year 2007-08. The Government forecasts a GDP of 7.7%. The RBI reviewed the GDP growth to 7.58% and the International Monetary Fund (IME) has projected a growth rate 7.8% for India. Even 7% growth would be considered the Second highest growth rate in the world after China. The Government is emphasizing & gives priority for the growth of energy sector. Therefore your Company would not have problems in getting adequate support from the Government for its growth & expansion activities.



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INDIAN POWER SCENARIO:

The Government of India and various state Governments have announced proactive policies to augment the Power Generation capacities which is encouraging. The National Electricity Policy (NEP) stipulates power for all by 2012 and annual per capita consumption of electricity to rise to 1000 units from the present level of 631 units. To fulfil the objectives of the NEP, a capacity addition of 78,577 MW has been proposed for the 11th plan. This capacity addition is expected to provide a growth of 9.5 % to the power sector. The all India installed power generation capacity as on January 2008 was 141080 MW comprising of 90896 MW thermal, 35208 MW hydro, 4120 MW nuclear and 10856 MW Renewable Energy Sources.

Year	Peak demand (MW)	Peak Met (MW)	Peak shortage (MW)	Peak Shortage (%)
2007-08	107010	90793	16217	15.2

The Demand Supply position in the Indian Power Sector still has a Peak Shortage of 16217 MW capacity provides an excellent opportunity for IPP's to increase their market share. As of July 2008 the installed capacity of wind power in India was 8,696 MW, which accounts for 6% of India's total installed power capacity, it generates only 1.6% of the country's power. The Ministry of New and Renewable Energy (MNRE) has fixed a capacity addition target of 10,500 MW for Wind Power between 2007-12. Your Company is confident of tapping the above potential to play a vital role.

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.

DIRECTORS:

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

AUDITORS:

M/s.V.Ramaratnam & Co., continue to be the auditors of the company while M/s.S.Vasudevan & Associates continue to act as the internal auditors to continuously monitor and strengthen the financial control procedures in line with the growth operations of the company.

EMPLOYEES:

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

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' 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.



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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 30th June, 2008 and profit for the company for the year ended 30th June, 2008.
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.

AUDIT COMMITTEE:

The Audit committee met and concluded its business as per the provisions of the Listing Agreement of the Companies Act, 1956.

EXPLANATION TO THE QUALIFICATIONS IN THE AUDITOR REPORT:

With reference to the remarks of the Auditor, vide para 10(a) of the Annexure to the Auditors' report dated 17th November, 2008 the Company is in the process of formulating a policy for investments of the gratuity provisions.

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.

for and on behalf of

BOARD OF DIRECTORS OF INDOWIND ENERGY LTD.

Place : Chennai
Date : 17.11. 2008

K.S.RAVINDRANATH
DIRECTOR

K.V.BALA
CHAIRMAN



REPORT ON CORPORATE GOVERNANCE

1. 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.

2. 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, disclosure, 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:

3. 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.

4. NUMBER OF BOARD MEETINGS:

Indowind Energy Limited held 9 Board Meetings during the year ended 30th June 2008. These were on 2nd July 2007, 14th July 2008, 1st August 2007, 12th August 2007, 27th August 2007, 6th September 2007, 10th October 2007, 31st January 2008, 16th April 2008.

5. DIRECTORS ATTENDANCE RECORD AND DIRECTORSHIP HELD:

Details of the above are given in table 1.



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

Name	Designation	Board Meetings held during the year	Board Meetings attended during theyear	Whether attended last AGM	Other Directorship
Mr. K.V.Bala	Chairman	9	8	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	9	8	Yes	Nil
Mr. Niranjan R.Jagtap	* Independent Director	9	2	Yes	Nil
Mr. T.R.Jayaraman	* Independent Director	9	9	Yes	Nil

(*) 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.

6 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.



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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.

7. COMMITTEES OF THE BOARD:

(i) 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 9 times during the year ended 30th June 2008.

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

Table 2:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. T.R.Jayaraman	9	9
Mr .K.V.Bala	9	8
Mr. Niranjan R.Jagtap	9	2

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 of 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 party transactions.
 - vii. Qualifications in the draft audit report.

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

The Share holders' / Investors' grievance committee comprises of the following members of the Board as take 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	4
Mr. K.S.Ravindranath	Member	Whole Time Director	4	4
Mr. Niranjan R.Jagtap	Member	Non-Executive and Independent Director	3	2

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. Niranjan R.Jagtap	Member	Non-Executive and Independent Director

The Committee met two times during the Financial Year 2007-08 ie, on 31st January 2008 & 16th April 2008.

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.

8. 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.



9. SHAREHOLDERS:

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

According to the Articles of Association of Indowind, not less than 1/3rd 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. Niranjan R Jagtap 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	% 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
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.
2004-05	Kakani Towers, IInd Floor,15, Khader Nawaz Khan Road, Chennai – 600 006	30/12/05	10.30 A.M.



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(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 2008:

Date	29 th December 2008
Time	10.35 A.M.
Venue	"Hotel Savera" 146, Dr. Radhakrishnan Road, Chennai – 600 004.
Date of Book Closure	22 nd December 2008 to 29 th December 2008
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 : 30.06.2008

Statement Showing Shareholding Pattern						
Name of the Company : INDOWIND ENERGY LIMITED						
Scrip Code : 532894 Quarter Ended : 30 th June 2008						
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	
					As a percentage of(A+B) ¹	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	4	7982990	3859997	16.72	16.72
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	3	14149165	6300611	29.64	29.64
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Others(Specify)					
(e-i)	Sub Total(A)(1)	7	22132155	10160608	46.36	46.36
2	Foreign					
a	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.00	0.00
b	Bodies Corporate	0	0	0	0.00	0.00
c	Institutions	0	0	0	0.00	0.00
d	Any Others(Specify)					
	Sub Total(A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	22132155	10160608	46.36	46.36



INDOWIND ENERGY LIMITED



Statement Showing Shareholding Pattern
Name of the Company : INDOWIND ENERGY LIMITED
Scrip Code : 532894 Quarter Ended : 30th June 2008

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	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)
(B) 1	Public shareholding Institutions					
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	2	3668767	3668767	7.68	7.68
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	6	6479504	6479504	13.57	13.57
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)					
	Sub-Total (B)(1)	8	10148271	10148271	21.26	21.26
B 2	Non-institutions					
(a)	Bodies Corporate	510	10304829	5530961	21.58	21.58
(b)	Individuals					
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	16943	3275677	3275676	6.86	6.86
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	35	1644206	1644206	3.44	3.44
(c)	Any Other (specify)	0	0	0	0.00	0.00
(c-i)	Clearing Member	56	11801	11801	0.02	0.02
(c-ii)	NRI	157	126207	126207	0.26	0.26
(c-iii)	Directors / Relative & Friends	18	98340	40000	0.21	0.21
(c-iv)	Trust	0	0	0	0.00	0.00
	Sub-Total (B)(2)	17719	15461060	10628851	32.38	32.38
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	17727	25609331	20777122	53.64	53.64
	TOTAL (A)+(B)	17734	47741486	30937730	100	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	17734	47741486	30937730	0.00	100.00



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AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s. Indowind Energy Limited, for the year ended 30th June 2008, 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
Sd/-

R. SUNDAR
Partner

Membership No.12339

Place: Chennai
Date : 17.11. 2008



AUDITORS' REPORT

To

The Members
INDOWIND ENERGY LIMITED

We have audited the attached Balance Sheet of INDOWIND ENERGY LIMITED, as at 30th June 2008 and the Profit and Loss Account of the Company for the year ended 30th June 2008 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 30th June 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June 2008 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 Financial statements. The management is of the view that the liability to pay premium on redemption 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. Since there is an option for conversion in to equity shares, foreign exchange fluctuations due to depreciation in rupee rate vice-versa USD not accounted at prevailing rate as on 30th June 2008 but accounted at an average rate of Rs. 41.12.



INDOWIND ENERGY LIMITED



- 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 principle generally accepted in India,

- 1 in the case of the Balance Sheet, of the state of affairs of the company as at 30th June 2008;
- 2 in the case of the Profit and Loss Account, profit for the year ended on that date; and
- 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

R. SUNDAR
Partner
Membership No. 12339

Place: Chennai
Date : 17.11.2008

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.

4. Loans granted:

The company has given unsecured loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act. Number of loans taken is 2 and amount outstanding is Rs. 68,70,607/-.

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 finalizing 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.501,500/- .

(b) As on 30th June 2008 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

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 of 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. In our opinion, the company has given guarantee for Rs. 20,000,000 for the availment of loan by a company under same management. The terms and conditions were not prejudicial to the interest of the company.

17. 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 on the balance sheet date is Rs.37,353,473/-. This amount includes term loan availed for agricultural purposes amounting to Rs.1,686,912/-, availed during the year.

18. 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.

19. 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.



INDOWIND ENERGY LIMITED



20. 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.

21. According to the information and explanations given to us, the company has issued 11,284,600 Equity shares of Rs.10/- each by way of Initial Public offer at a premium of Rs.55/- per share.

22. 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
Membership No.12339**

**Place: Chennai
Date: 17.11.2008**



INDOWIND ENERGY LIMITED



INDOWIND ENERGY LIMITED

BALANCE SHEET AS ON 30TH JUNE 2008

	Schedule	30/06/2008 Rs	30/06/2008 Rs	30/06/2007 Rs	30/06/2007 Rs
I. SOURCES OF FUNDS					
1. SHARE HOLDERS FUNDS					
A) Capital	1	517,414,860		404,568,860	
B) Reserves & Surplus Convertible	2	809,451,623	1,326,866,483	240,613,807	645,182,667
2. LOAN FUNDS					
A) Secured Loans	3	132,085,597		159,194,535	
B) Unsecured Loans Foreign Currency Convertible Bond		1,232,544,777	1,364,630,374	-	159,194,535
3. NET DEFERRED TAX LIABILITY					
			63,429,114		2,302,303
			2,754,925,971		806,679,505
II. APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block	4	850,677,930		252,807,460	
Less: Depreciation		88,823,170		69,776,884	
Net Block		761,854,760		183,030,576	
Guarantee Deposits		336,103,860		301,899,495	
Capital W.I.P - Agri Division		2,728,668	1,100,687,288	1,707,941	486,638,012
2. INVESTMENTS					
	5		27,190,891		27,190,891
3. (A) CURRENT ASSETS					
LESS:	6	1,594,704,837		337,726,608	
(B) CURRENT LIABILITIES & PROVISIONS					
NET CURRENT ASSETS (A - B)	7	63,140,256		48,309,346	
			1,531,564,581		289,417,262
4. MISCELLANEOUS EXPENSES					
	8		95,483,211		3,433,340
			2,754,925,971		806,679,505
NOTES TO THE ACCOUNTS					
	13				

for V.Ramaratnam & co.,
Chartered Accountants

R.SUNDAR
Partner
Membership No. 12339

Place : Chennai
Date : 17.11.2008

for Indowind Energy Limited

BALA K V
Chairman

RAVINDRANATH K.S.
Director

JAYARAMAN T R
Director

NIRJAN R JAGTAP
Director



INDOWIND ENERGY LIMITED



INDOWIND ENERGY LIMITED

Manufacturing, Trading and Profit & Loss Account for the Year ended 30th June 2008

	Schedule	30/06/2008 Rs	30/06/2008 Rs	30/06/2007 Rs	30/06/2007 Rs
I. INCOME					
Power sale		125,557,423		79,668,809	
Project sale		130,334,538		164,000,000	
Other Income	9	43,004,706	298,896,667	32,075,361	275,744,170
II. EXPENDITURE					
(Increase) / Decrease in W I P	10	(121,895,284)		(83,184,182)	
Purchases		194,045,685		195,714,294	
Production Expenses		3,911,075		12,849,361	
Financial Expenses	11	28,277,180		37,166,090	
Establishment & Administration Expenses	12	96,689,763	201,028,419	36,390,492	198,936,055
Profit before Depreciation			97,868,248		76,808,115
Depreciation			19,046,286		10,118,098
Profit after Depreciation			78,821,962		66,690,017
Extra-ordinary items:					
Public issue expenses written off		13,494,681		-	
Rupee Fluctuation		47,844,777		-	
Deferred Tax Liability / (Asset)		61,126,811		(1,937,928)	
Less: Withdrawn from Share Premium		122,466,269	-	-	(1,937,928)
Profit before Tax			78,821,962		68,627,945
Provision for Tax			6,794,857		2,830,165
Profit after Tax			72,027,105		65,797,780
Less : Transfer to Capital Redemption Reserve			3,000,000		3,000,000
Balance Transferred to Balance Sheet			69,027,105		62,797,780
NOTES TO THE ACCOUNTS	13				

for V.Ramaratnam & co.,
Chartered Accountants

R.SUNDAR
Partner
Membership No. 12339

Place : Chennai
Date : 17.11.2008

for Indowind Energy Limited

BALA K V
Chairman

RAVINDRANATH K.S.
Director

JAYARAMAN T R
Director

NIRJAN R JAGTAP
Director



INDOWIND ENERGY LIMITED



INDOWIND ENERGY LIMITED				
SCHEDULES FORMING PART OF BALANCE SHEET				
	30/06/2008 Rs	30/06/2008 Rs	30/06/2007 Rs	30/06/2007 Rs
1. SHARE CAPITAL				
EQUITY SHARE CAPITAL				
AUTHORIZED				
49,000,000 Equity Shares of Rs. 10 / - each			490,000,000	
63,000,000 Equity Shares of Rs. 10 / - each	630,000,000			
ISSUED AND SUBSCRIBED				
36,456,886 Equity Shares of Rs.10/- each		477,414,860		364,568,860
47,741,486 Equity Shares of Rs.10/- each				
PREFERENCE SHARE CAPITAL				
AUTHORIZED				
7 Preference Shares of Rs.10,000,000/- each	70,000,000		70,000,000	
ISSUED AND SUBSCRIBED				
6% Redeemable Preference Shares		40,000,000		40,000,000
		517,414,860		404,568,860
2. RESERVES & SURPLUS				
A. GENERAL RESERVE				
As Per Last Balance Sheet	133,833,807		71,036,027	
Add: Transfer during the year	69,027,105		62,797,780	
	202,860,912		133,833,807	
Less: Provision made in the last year	1,376,020	201,484,892		133,833,807
B. SHARE PREMIUM ACCOUNT				
As Per Last Balance Sheet	84,780,000			84,780,000
Add: Additions during the year	620,653,000			
	705,433,000			
Less: Drawn from Reserves	122,466,269	582,966,731		
C. REVALUATION RESERVE		6,000,000		6,000,000
D. CAPITAL REDEMPTION RESERVE				
As Per Last Balance Sheet	16,000,000		13,000,000	
Add: Additions during the year	3,000,000	19,000,000	3,000,000	16,000,000
		809,451,623		240,613,807
3. SECURED LOANS				
A. TERM LOANS				
Bank of India	35,486,891		41,158,963	
Canara Bank	-		19,031,727	
B. OTHER LOANS				
Bank of India Over draft	85,848,400		90,601,085	
ICICI Bank - Vehicle Loan	179,670		413,010	
Canara Bank - Agricultural Loan	1,686,912		-	
Loan on Key man insurance policy	8,883,724	132,085,597	7,989,750	159,194,535
		132,085,597		159,194,535



SCHEDULES FORMING PART OF BALANCE SHEET											
4. FIXED ASSETS (Rs.)											
Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	1.7.2007	Additions	Deductions	30/6/2008	Rate %	UP TO			30/6/2007	30/6/2008	
						current period	Deletion	30/6/2008			
LAND	55,902,620	2,304,410	14,700,000	43,507,030	-	-	-	-	55,902,620	43,507,030	
PLANT & MACH.	177,748,932	604,490,177	-	782,239,109	5.28	63,784,313	17,220,153	-	81,004,466	113,964,619	701,234,643
BUILDING	3,341,480	-	-	3,341,480	5.00	684,799	160,872	-	845,671	2,656,681	2,495,809
OFFICE EQUIPMENTS	12,907,084	3,068,222	-	15,975,306	6.33	3,394,600	1,166,201	-	4,560,801	9,512,484	11,414,505
VEHICLES	2,907,344	2,707,661	-	5,615,005	9.50	1,913,172	499,060	-	2,412,232	994,172	3,202,773
	252,807,460	612,570,470	14,700,000	850,677,930		69,776,884	19,046,286	-	88,823,170	183,030,576	761,854,760

Note : The Plant and Machinery Includes Revaluation Amount of Rs 6,000,000/-, Whose W D V as on 30th June 2008 is Rs 4,485,200/-



SCHEDULES FORMING PART OF BALANCE SHEET

		30/06/2008 Rs	30/06/2008 Rs	30/06/2007 Rs	30/06/2007 Rs
5. INVESTMENTS					
Unquoted					
The Jain Sahakari Bank Ltd (4,247 Shares)		124,500		124,500	
Key Man Insurance Policy		27,066,391	27,190,891	27,066,391	27,190,891
6. CURRENT ASSETS					
Work - in - Progress		256,622,212			134,726,928
Sundry Debtors - Unsecured					
Above Six Months	2,586,116			10,078,792	
Below Six Months	163,580,464	166,166,580		71,640,063	81,718,855
Loans & Advances					
a) Secured Loans	36,092,818			25,198,198	
b) Unsecured Loans	10,475,745			14,560,951	
c) Trade Advances	334,338,192		37,279,136		
d) Other Advances	25,430,733	406,337,488		8,267,392	85,305,677
Energy stock		33,233,312			17,018,576
Prepaid Expenses		934,077			1,457,695
Deposits		681,321,427			8,677,522
Cash & Bank Balances		50,089,741			8,821,355
			1,594,704,837		337,726,608
7. CURRENT LIABILITIES					
For Expenses		4,688,760		1,497,361	
Provisions		3,951,829		1,192,474	
Sundry Creditors		54,499,667	63,140,256	45,619,511	48,309,346
8. MISCELLANEOUS EXPENSES					
Public Issue Expenses		48,094,777		3,433,340	
FCCB Issue Expenses		47,388,434	95,483,211	-	3,433,340



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

	30/06/2008 Rs	30/06/2008 Rs	30/06/2007 Rs	30/06/2007 Rs
9. OTHER INCOME				
CER Income	5,477,081		16,233,320	
Financial Income	37,416,667		4,524,512	
Misc Income	110,958	43,004,706	11,317,529	32,075,361
10. (INCREASE) / DECREASE IN W-I-P				
Opening stock	134,726,928		51,542,746	
Closing Stock	256,622,212	(121,895,284)	134,726,928	(83,184,182)
11. FINANCIAL EXPENSES				
Interest and Financial Charges	16,886,965		4,394,157	
Lease Rentals	10,259,375		32,029,558	
Processing Charges	1,130,840	28,277,180	742,375	37,166,090
12. ESTABLISHMENT, ADMIN & EXPENSES				
Advertisement	91,083		171,207	
Books & Periodicals	44,333		13,182	
Business Promotion	1,939,429		1,359,690	
Electricity	623,978		547,483	
Fees, Rates & Taxes	6,679,210		1,744,850	
Legal and Professional Charges	1,769,280		1,718,996	
Repairs & Maintenance	14,506,563		13,687,040	
Miscellaneous	777,298		750,437	
Postage	172,256		86,422	
Printing & Stationery	685,340		294,181	
Salaries	6,282,781		4,219,437	
Staff Welfare	438,633		335,838	
Telephone	1,416,325		803,550	
Travelling & Conveyance	3,927,515		2,673,132	
Vehicle Maintenance	1,383,625		1,150,746	
Bank Charges	191,988		127,426	
Building Maintenance	116,355		93,577	
E S I Contribution	1,903		16,805	
Insurance	4,397,305		3,152,802	
Security	2,418,929		2,156,126	
Rent	197,963		132,200	
Gratuity	64,455		437,045	
PF Contribution	262,598		182,434	
Bad Debts Written Off	48,071,603		-	
Fringe Benefit Tax	229,015	96,689,763	535,886	36,390,492

**13. NOTES ON ACCOUNTS FOR THE PERIOD ENDING 30th JUNE 2008****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, 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 policy as investments along with accrued bonus.

D. IMPAIRMENT OF ASSETS:

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 including interest payments related to the projects.

F. REVENUE RECOGNITION:

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



INDOWIND ENERGY LIMITED



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.

G. RETIREMENT BENEFITS:

The Company has provided for retirement benefits to the employees such as gratuity & Provident Fund. But, in the case of gratuity, only provision is made as per management's estimate and 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 at the average exchange rate and corresponding fluctuation loss due to Rupee depreciation is recognised in the Profit and Loss account.

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 6,794,857/- 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.

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 issued in the ratio of 1: 1

7,530,000 Equity Shares in 2004-2005 by capitalization of share premium issued in 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/- each 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/- each 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) 10,147,108 Equity Shares in 2005-2006 by capitalization of Reserves issued in the ratio of 2: 5

(v) The company, during the year 2005-06, allotted 942,000 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 11,284,600 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 situated in the State Tamil Nadu. Outstanding as on 30th June 2008 - Rs. 35,486,891/-.

b. Term loan of Rs. 7 lakhs availed from ICICI Bank secured against the motor vehicle of the company. Amount outstanding as on 30th June 2008 - Rs.179,670/-.

c. OCC availed from Bank of India, against the hypothecation of stocks. Amount outstanding as on 30th June 2008 - Rs.85,848,400/-.

d. During the year the company has availed a term loan for agricultural activities from Canara Bank. Amount outstanding as on 30th June 2008 - Rs 1,686,912.

**3. DEFERRED TAX LIABILITY:**

Opening Liability	Rs. 2,302,303/-
Deferred Liability recognized during the year	Rs. 61,126,811/-
Closing balance	Rs. 63,429,114/-

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.2,728,668/- spent for the agricultural division to be written off over the period of time proportionate to the agricultural income that accrues to the company.

b) Plant & machinery

Plant & Machinery includes revaluation amount of Rs. 6,000,000/- which has depreciated to Rs. 4,485,200/-

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. 336,103,860/- to the owners of windmills and the concerned windmills are under company's management .

6. INVESTMENTS:

Investments constitute investment in The Jain Sahakhari Bank Ltd., amounting to Rs. 124,500/-, which is unquoted and shown at cost. Investment in Key man Insurance policy totalling to Rs. 27,066,391/- is inclusive of accrued bonus of Rs.11,250,000/-.

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. 36,092,818/- for which the company holds various securities 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 and also issue of foreign currency convertible bonds.

**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.
Bekey Properties P Ltd.
Bewind Energy P 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
EXPENSES		
Leasing expenses	Rs. 1,430,875	—
Traveling expenses	—	Rs. 3,569,054
Salary	—	Rs. 505,000
Sitting fee	—	Rs. 50,000
Finance:		
Rent Deposit	Rs. 6,678,750	
Unsecured loan given	Rs. 6,870,607	

**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 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 company is of the opinion that since bonds are convertible into equity shares, the creation of Redemption Reserve and disclosure of liability at the rate prevailing on the date of Balance sheet date is not required.

In compliance with the Accounting Standard 11 issued by Institute of Chartered Accountants of India, the FCCB liability is disclosed in the Balance Sheet at the average rate. This resulted in net unrealized loss of Foreign Exchange fluctuation due to depreciation of Rupee Vs. US\$ amounting to Rs.47,844,777/- .

13 UTILISATION OF FCCB PROCEEDS:

	Rs.
Issue proceeds	1,184,700,000
Add: Interest income	19,928,349
Less: Issue expenses	47,388,434
Less: Interest payments	14,274,740
Less: Bank charges & Fee payments	3,756,645
Less: Project advances	486,075,000
Balance with banks	653,133,530



INDOWIND ENERGY LIMITED



14. PROFIT AND LOSS ACCOUNT:

(i) APPROPRIATIONS

The Company has with drawn from share premium account, Rs.122,466,269 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.)
2006-2007					
Tamil Nadu	13.525 MW	21,949,646	20,459,262	53,258,219	2.61
Increase in Stock				4,024,037	
Karnataka	3.300 MW	4,841,127	4,841,127	19,300,879	3.99
Increase in Stock				625,432	
Total	16.825 MW	26,790,773	25,300,389	77,208,567	
2007-2008					
Tamil Nadu	13.525 MW	21,294,752	19,712,631	54,476,262	2.76
Increase in Stock				10,271,726	
Karnataka	13.100 MW	12,045,553	10,582,818	39,476,666	3.73
Increase in Stock				5,943,010	
Total	26.625 MW	33,340,305	30,295,449	110,167,664	
ADD: Power Share				15,389,759	
Total Power Income				125,557,423	

(b) Windmill Projects:

Project under implementation - Opening	11.45 MW
Additional Projects commenced during the year	1.50 MW
Projects Completed during the year	9.75 MW
Project under implementation - Closing	3.20 MW

(iii) Expenditure in Foreign Currency :

-	Travel – Rs.122,150 /- (previous year	Rs. 38,095/-)
-	Spent in connection with FCCB issue	Rs.47,388,434 (Previous year Nil)
-	Bank charges and fee payments	Rs. 3,756,645 (Previous year Nil)
-	Interest payments	Rs.14,274,740 (Previous year Nil)



(iv) Remuneration paid to Directors:

The company has paid Rs.505,000/- by way of remuneration to the whole time director. Sitting fees paid during the year Rs.50,000/-

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

	2007-08	2006-07
	(Rs. in thousands)	
Statutory Audit	50.00	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 - Rs.1,787,244/-)

(viii) Earnings in Foreign Currency-Interest earned - Rs.19,928,349 (Previous Year Nil)

15. CONTINGENT LIABILITIES:

Income Tax demand for the A Y 1998-99 is Rs. 2,654,944/-. The company has been legally advised that the demand is likely to be deleted or substantially reduced. The company has preferred an appeal and the said appeal is pending before the appellate authority.

Company has provided corporate guarantee for the availment of term loans by Indonet Global Limited for Rs. 20,000,000 from Bank of India. In the event of the liability devolving on the company, the company can invoke its lien on the 1.1 Mw wind farm assets of Indonet Global Limited.

In the case of foreign currency convertible bonds, in case conversion in to Equity is not opted, the bonds will ~~have to be repaid at 12.5% upon maturity on 21st December 2012.~~

16. SEGMENT INFORMATION:

Based on Accounting Standard 17, issued by the Institute of Chartered Accountants of India the Company's primary business segment is wind Power generation, project sale, financial income and other income (in Rs.)

Particulars	Power	Project	Others	Total
Segment Income	125,557,423	130,334,538	43,004,706	298,896,667
Segment expenses	106,026,453	76,061,476	19,271,941	201,359,870
Segment results	19,530,970	54,273,062	23,732,765	97,536,797
Unallocable Exp.				18,714,835
Net profit				78,821,962
Segment assets	1,159,887,459	106,966,409	1,551,212,359	2,818,066,227
Segment liability	59,188,427		1,432,011,317	1,491,199,744
Capital Employed	1,100,699,032	106,966,409	119,201,042	1,326,866,483



INDOWIND ENERGY LIMITED



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

18. EARNING PER SHARE:

Profit after tax	Rs. 72,027,105
No. of Shares	47,741,486
Earning Per share - Basic	Rs. 1.51
Earning Per share - Diluted	Rs. 1.57

As per our report of even date

for V.Ramaratnam & co.,
Chartered Accountants

R.SUNDAR
Partner
Membership No. 12339

Place : Chennai
Date : 17.11.2008

(By Order of the Board)

for Indowind Energy Limited

BALA K V
Chairman

RAVINDRANATH K.S.
Director

JAYARAMAN T R
Director

NIRJAN R JAGTAP
Director



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="112846"/>	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="2818066"/>	Total assets <input type="text" value="2818066"/>
-----------------------------------------------------------	------------------------------------------------------

SOURCES OF FUNDS

Paid up capital <input type="text" value="517415"/>	Reserves & Surplus <input type="text" value="809452"/>
Secured loans <input type="text" value="132086"/>	Unsecured loans <input type="text" value="1232545"/>

APPLICATION OF FUNDS

Net fixed assets <input type="text" value="1100687"/>	Investments <input type="text" value="27191"/>
Net current assets <input type="text" value="1531565"/>	Misc. Expenditure <input type="text" value="95483"/>
Accumulated losses <input type="text" value="NIL"/>	

IV PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover <input type="text" value="298897"/>	Total Expenditure <input type="text" value="220075"/>
Profit/(Loss) before tax <input type="text" value="78822"/>	Profit/(Loss) after tax <input type="text" value="72027"/>
Earning/share <input type="text" value="1.51"/>	

for Indowind Energy Limited

BALA K V Chairman	RAVINDRANATH K.S. Director
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Place : Chennai

Date : 17.11.2008

JAYARAMAN T R Director	NIRJAN R JAGTAP Director
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INDOWIND ENERGY LIMITED



Cash Flow statement for the year ended 30th June 2008

	As on 30.6.08	As on 30.6.07
A. Cash inflow / (outflow) from operating activities	78,821,962	66,690,017
NET RESULT BEFORE TAXES	78,821,962	66,690,017
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation and amortization	19,046,286	10,118,098
Financial income, net	37,416,667	4,524,512
	135,284,915	81,332,627
Changes in operating assets and liabilities		
Restricted cash (Deposits)	(672,643,905)	(644,700)
Accounts receivable and other assets	(404,955,918)	4,476,723
Inventory	(138,110,020)	(87,833,651)
Accounts payable and other liabilities	6,660,033	14,477,779
Net Changes in operating assets and liabilities	(1,209,049,810)	(69,523,849)
Net cash provided by operating activities	(1,073,764,895)	11,808,778
B. Cash inflow / (outflow) from investing activities		
Payments for purchase of property plant and equipment	(612,570,470)	(28,824,981)
Increase in Guarantee Deposits	(34,204,365)	(19,657,734)
Increase in Agri Division Assets	(1,020,727)	(706,232)
Proceeds from sale of property plant and equipment	14,700,000	-
Purchase / sale of investments	-	(27,066,391)
Interest Income, net	(37,416,667)	(4,524,512)
Net cash used in Investing activities	(670,512,229)	(80,779,850)
C. Cash inflow / (outflow) from Financing activities		
Proceeds from secured loan	1,686,912	98,590,835
Repayment of secured loans	(28,795,850)	(24,070,541)
Repayment of Unsecured Loans	-	(17,015,737)
Proceeds from Unsecured Loans	1,233,548,023	-
Proceeds from issue of share capital	733,499,000	-
Share issue expenses	(57,906,118)	(893,445)
FCCB Issue & Forex Fluctuation Account	(96,486,457)	-
Net cash provided by financing activities	1,785,545,510	56,611,112
Net increase in cash and cash equivalents	41,268,386	(12,359,960)
Cash & Cash equivalents at the beginning of the year	8,821,355	21,181,315
Cash & Cash equivalents at the end of the year	50,089,741	8,821,355
Cash & Cash equivalents comprise		
Cash in hand	930,438	1,701,318
Balances with banks	49,159,303	7,120,037
	50,089,741	8,821,355

for V.Ramaratnam & co.,
Chartered Accountants

R.SUNDAR
Partner
Membership No. 12339

Place : Chennai
Date : 17.11.2008

for Indowind Energy Limited

BALA K V
Chairman

RAVINDRANATH K.S.
Director

JAYARAMAN T R
Director

NIRJAN R JAGTAP
Director