

# **19th ANNUAL REPORT 2013-14**



## **INDOWIND ENERGY LIMITED**



## INDOWIND ENERGY LIMITED

### BOARD OF DIRECTORS

Mr. Bala V Kutti	- Chairman
Mr. K S Ravindranath	- Whole Time Director
Mr. Niranjana R Jagtap	- Independent Director
Mr. T.S. Raghavan	- Independent Director
Mr. K. Ajit Kumar	- Nominee Director

### COMPANY SECRETARY & Sr. VICE PRESIDENT - LEGAL

Mr. S. Diraviam  
diraviam@indowind.com

### AUDITORS

#### STATUTORY

V. Ramaratnam & Co  
Chartered Accountants  
admin@vramaratnam.com

#### INTERNAL

S. Vasudevan & Associates  
Chartered Accountants  
vaudev@yahoo.com

### SUBSIDIARY

Indowind Power Pvt. Ltd.  
"Kothari Buildings", 4th Floor,  
114, Mahatma Gandhi Road,  
Nungambakkam, Chennai - 600 034.

### BANKERS

Bank of India  
DCB Bank Limited  
Axis Bank Limited  
Canara Bank

### REGISTERED OFFICE

"Kothari Buildings", 4th Floor,  
114, Mahatma Gandhi Road,  
Nungambakkam, Chennai - 600 034.  
Tel : 044-28330867 / 28331310  
Fax : 044-28330208.  
E-mail : contact@indowind.com  
Website : www.indowind.com

### REGISTRAR AND SHARE TRANSFER AGENT

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: flavia@bigshareonline.com

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## INDOWIND ENERGY LIMITED

### NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the Nineteenth Annual General Meeting of the Shareholders of Indowind Energy Limited will be held at Clarion Hotel, 25, Dr. Radhakrishnan Salai, Mylapore, Chennai-600004 on Thursday, the 14<sup>th</sup> Day of August, 2014 at 4.00 P.M. to transact the following business.

#### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance sheet as at 31<sup>st</sup> March 2014 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of **Mr. Bala V. Kutti**, (holding DIN 00765036), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. V. Ramaratnam & Co, Chartered Accountants, as Statutory Auditors.

#### 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 the proxy need not be a member.
2. The Proxy form duly completed stamped and signed should reach the Registered Office of 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 copy of the Annual Report to the Meeting.
5. Members are requested to bring with them the Attendance slip and hand it over at the entrance duly filled in and signed by them
6. The Register of Members and Share Transfer Book will remain closed from 1<sup>st</sup> August 2014 to 8<sup>th</sup> August 2014 (both days inclusive)
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
8. Members are requested to inform their change of address (with PIN code) e-mail ID, nominations, etc., to the Registrars and share Transfer Agents (RTA) of the Company in respect of shares held in physical form and their Depository participants in respect of shares held in electronic form.
9. Information regarding the Directors proposed to be reappointed pursuant to clause 49 (IV) (G) of the Listing Agreement with Stock Exchanges is annexed.
10. In terms of Section 136 of the Companies Act, 2013 read with Clause 32 of the listing agreement, the Abridged Financial Statements are enclosed together with other documents prescribed. The full version of the Annual Report is available in the website of the Company and will be available for inspection at the Registered Office of the Company on all working days. Members desirous of receiving the full version of the Annual Report may write to the Registrar and Share Transfer Agent of the Company.
11. The Ministry of Corporate Affairs (MCA), vide its circular No. 2/2011 dated February 8, 2011, has granted general exemption, subject to certain conditions being fulfilled by the Company. As



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required under the circular, the Board of Directors has at its meeting held on 30<sup>th</sup> May 2014 passed a resolution giving consent for not attaching the Balance Sheet of the subsidiary Company. We have also given the required information on subsidiary Company in this Annual Report. Shareholders who wish to have a copy of the full report and accounts of the subsidiary will be provided the same on receipt of a written request from them. These documents will be uploaded on the Company's Website viz. [www.indowind.com](http://www.indowind.com) and will also be available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours.

12. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to its members in respect of the business to be transacted at the AGM scheduled to be held on Thursday, August 14, 2014 at 4.00 p.m. with a request to follow the instructions for voting electronically as under:-

The voting period begins on 8<sup>th</sup> August 2014 at 9.00 a.m. and ends on 10<sup>th</sup> August 2014 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date (record date of 6th June 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case of member receiving e-mail:

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- ii. Click on "Shareholders"
- iii. Now, select "INDOWIND ENERGY LIMITED" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID.
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - c) Members holding shares in Physical form should enter Folio Number registered with the Company.
- v. Next enter the image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric "PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>"Members who have not updated their PAN with the Company Depository Participant their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB #	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account of folio in dd/mm/yyyy format.



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Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p># Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>
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- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For members holding shares in physical form the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of "INDOWIND ENERGY LIMITED" on which you choose to vote.
- xii. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK' else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take printout of the voting done by you by clicking on "click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for institutional Shareholders
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create a Corporate user who would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



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- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions ("FAQ") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

The Company has appointed Mr.R. Kannan, Practising Company Secretary, Chennai (C.P. No. 3363) to act as scrutinizer for conducting the electronic voting process in a fair and transparent manner.

In case of members receiving the physical copy, please follow all steps from Sl. No. (i) to Sl. No. (xix) above to cast vote.

- The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 6th June 2014.
- A copy of this Notice has been placed on the website of the Company and the website of CDSL.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's / CDSL's website within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

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

Place: Chennai - 600 034.  
Date: 30<sup>th</sup> May 2014

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

### **BRIEF PROFILE OF MR. BALA V. KUTTI**

Bala V. Kutti, has over 23 years of business experience in the areas of project management, investment banking, corporate lending and merchant banking. Further, he has promoted a number of companies and ventures apart from Indowind Energy Limited. The information pertaining to him to be provided as required under Clause 49 of the Listing Agreement is furnished in the Report on Corporate Governance forming part of the Annual Report.



## INDOWIND ENERGY LIMITED

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

To

The Members

Your Directors are pleased to present this 19<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2014.

### **FINANCIAL HIGHLIGHTS AND PERFORMANCE**

	₹. In Million	
<b>PARTICULARS</b>	<b>2013-14</b>	<b>2012-13</b>
Total Income	239.41	243.89
Total Expenses	94.24	91.59
EBITDA	145.17	152.30
Interest	47.17	39.17
Depreciation	95.03	80.64
Tax Provision	2.01	0.23
Profit After Tax	0.96	32.26

During the year under review, your Company's total income achieved is good, considering that the income achieved is, after taking into account the additional transmission charges of ₹. 23.20 Million levied by TANGEDCO during the year and also due to estimated generation loss of approx. ₹. 26.65 Million due to TANGEDCO load shedding and backing down the grid during peak wind season. Your Company could successfully absorb the interest charges on part of term loan released by Exim Bank from operations and also could absorb the additional burden of around 40% on interest charges due to weakening of ₹. All these factors affected the net profit of the company during the year. We are hopeful that the Government of Tamil Nadu will improve the grid network which will enable the Company to achieve better top line revenue in the current year and though your Company is not in a position to provide Dividend this year, it is confident of declaring dividend in future, once grid availability network in Tamil Nadu improves and full shifting of power sales to private customers is completed.

### **OPERATIONS AND PERFORMANCE**

Your company's existing wind farms are running satisfactorily, though at a reduced PLF due to poor grid availability in Tamil Nadu during peak season. The newly added 2 MW wind farm has started contributing for the energy production. Your company also added a 0.25 MW capacity in Tamil Nadu during the year and completed 2 MW repowering in Tamil Nadu. Your company also completed the transmission line works for 1.92 MW capacity wind farm in Hanumasagar, Karnataka from 11 KV to 66 KV line as per the KPTCL directions. Your company's power sale division achieved an increase in the gross billing rate by ₹. 0.175 compared to previous year and net realization increased by ₹. 0.661 per unit, in view of recovery of some of the charges levied by TANGEDCO from the clients. Further, your company's balance planned expansion programme got delayed due to non-availability of sanctioned limits and adverse economic conditions. As the power tariffs have



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improved, your Company is pursuing the matter with the bank for early disbursement to help the Company to complete the expansion which will improve the revenue, realization per unit and the bottom line for the benefit of the shareholders in future.

### **FUTURE PLANS AND PROSPECTS**

Your Company has planned to improve the WEGs performance and operational efficiency thereby ensuring above 90% machine availability. The Company is also putting in place an automation programme to reduce manual labour and associated costs thereby ensuring better operational control. Your Company has also identified 3 MW in Tamil Nadu for repowering and commenced repowering for improving energy production in future. The Company expects resumption of generation from its Hanumasagar wind farm, which was stopped for the past 2 years due to KPTCL changing over its transmission line from 11 KV to 66 KV.

It is heartening to note that the Karnataka ERC has announced increase in consumer tariff which is expected to increase the third party power sale tariff.

Your Company has taken up along with the Indian Wind Power Association the issue of ensuring full evacuation during the current wind season to avoid loss of generation due to grid back down through legal measures.

### **RISKS AND CONCERNS**

The continued high interest rates and exchange fluctuation is a dampener for looking at new projects due to viability concerns. The grid availability and evacuation issue in Tamil Nadu is still not sorted out which is a cause of concern.

### **OPPORTUNITIES AND THREATS**

The higher tariffs available in states like Maharashtra and Karnataka along with the GBI (generation based incentive) for new projects is an opportunity to execute new projects in these states. The setting up of the National Green Energy Fund corpus for funding Renewable Energy Projects by way of reduced interest rates through IREDA to commercial bank is an opportunity for considering new projects by your Company.

Growing Population of old and obsolete technology WEGs in high wind areas is increasing the cost per KWH of generation making it unviable to operate. The lack of long term wind energy policy in the Centre and State level is a threat to the industry.

With reference to the observations of the Auditors in their Independent Auditors' Report in respect of "Basis for Qualified Opinion", your Directors wish to state that due to cost escalations, non-release of entire sanctioned loan amount, your company is unable to execute the projects in time by mobilizing the balance fund requirements. However, your Company is negotiating with the banks as well as with the suppliers severally, to resolve the matter at the earliest.

### **STATUS OF FCCB**

Your Company has redeemed USD 8.5 Mn. FCCB during the previous year which has been informed in the Annual Report 2012-13. Your Directors are pleased to inform you that, the Company has further redeemed FCCB amounting to USD 6.5 Mn during the year under review. Thus, USD 15 Mn. FCCB





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Bonds were redeemed. The Company has expressed its willingness to convert the balance USD 15 Mn. in to shares as per the terms and conveyed the Trustee (BNY) to take initiative for the same. In respect of the petition filed by BNY against the company, the Hon'ble Judge, who reserved the orders, has departed the matter and fresh hearing is expected.

### **DEPOSITS**

During the year, the Company has not accepted any deposits with in the meaning of the provisions of Section 73 of the Companies Act 2013.

### **INDUSTRIAL RELATIONS AND PARTICULARS OF EMPLOYEES**

As of 31<sup>st</sup> March 2014, Your Company has 61 employees on its rolls at different locations including Senior Management Personnel, Engineers, Technicians and Trainees. The trainees will be inducted in to permanent services of the Company after completion of training period; to fill up vacancies as when arises. Your Company has not issued any shares under Employees' Stock option Scheme during the year under review.

### **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report.

The financial information relating to the Subsidiary Company in the aggregate has been disclosed in the consolidated financial statements, as required. Further,

- The annual accounts of the Subsidiary Company have been posted by your Company on its website [www.indowind.com](http://www.indowind.com)
- Annual accounts of the Subsidiary Company and related detailed information will be available for inspection by the members, at the registered office of the Company and will also be made available to the members upon request.

### **SUBSIDIARY**

- Indowind Power Private Limited (IPPL)

The subsidiary company has substantially contributed to the turnover of your Company for the year under review. The Authorised Capital of the Company is ₹. 1,50,00,000/- comprises of 15,00,000 equity shares of ₹. 10/- each. The issued and Paid up capital of the Company comprises of 11,36,760 equity shares of ₹. 10/- each amounting to ₹. 1,13,67,600 in which Indowind Energy Ltd holds 8,36,560 equity shares of ₹. 10/- each amounting to 73.59% of the total paid up capital.

### **DIRECTORS**

Mr. Bala V. Kutti retires by rotation and being eligible offers himself for re-appointment.



## **INDOWIND ENERGY LIMITED**

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions under section 134(5) of the Companies Act, 2013, 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 31<sup>st</sup> March 2014 and profit for the Company for the year ended 31<sup>st</sup> March 2014.
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 safeguarding 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.
5. The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### **CORPORATE GOVERNANCE**

Your Company has complied with the requirements regarding Corporate Governance as required under revised clause 49 of the Listing agreement entered in with the Stock exchanges where the Company's shares are listed. A Report on the Corporate Governance in this regard is made as 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 and National Stock Exchange of India Ltd., Mumbai, FCCBs are listed at Singapore Exchange Securities Trading Ltd., (SGXST), GDRs are listed at Luxembourg Stock Exchange at Luxembourg during the year under review.

### **AUDITORS**

M/s.V.Ramaratnam & Co. are retiring 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.



## **INDOWIND ENERGY LIMITED**

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

### **PARTICULARS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013 AND ITS COMPANIES (ACCOUNTS) RULES 2014**

The particulars required to be given in terms of section 134 of the Companies Act, 2013 and its Companies (Accounts) Rules 2014 regarding conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Foreign Exchange outgo are not applicable to Your Company.

### **ACKNOWLEDGMENT**

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 LIMITED**

Place: Chennai - 600 034  
Date: 30<sup>th</sup> May 2014.

**Bala V. Kutti**  
Chairman



## INDOWIND ENERGY LIMITED

### REPORT ON CORPORATE GOVERNANCE OF INDOWIND ENERGY LTD

#### 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 CODE OF 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:

#### B) COMPOSITION OF THE BOARD

The Company has complied with the corporate governance norms in terms of constitution of the board. The Board comprises of 5 Directors details are given in Table 1.

#### C) NUMBER OF BOARD MEETINGS

The Company held 5 Board Meetings during the year ended 31<sup>st</sup> March 2013. These were on 28<sup>th</sup> May 2013, 10<sup>th</sup> August 2013, 11<sup>th</sup> November 2013, 16<sup>th</sup> January 2014 and 20<sup>th</sup> March 2014.

#### D) 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 (in Public Limited Companies)
Mr. Bala V. Kutti	Chairman	5	5	Yes	<ul style="list-style-type: none"> <li>➤ M/s.Ind Eco Ventures Ltd</li> <li>➤ M/s.Indus Finance Corporation Ltd.,</li> <li>➤ M/s.Indonet Global Ltd.</li> <li>➤ M/s.Loyal Credit &amp; Investments Ltd</li> </ul>



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Mr. K.S.Ravindranath	Whole time Director	5	2	Yes	Nil
Mr. Niranjan R Jagtap	* Independent Director	5	4	Yes	➤ M/s.Ind Eco Ventures Ltd
Mr. T.S. Raghavan	* Independent Director	5	5	Yes	➤ M/s.Tanfac Industries Ltd ➤ M/s. Empee Sugars & Chemicals Ltd ➤ M/s. Empee Distilleries Ltd ➤ M/s. Hindustan Safe Deposit Lockers Ltd ➤ M/s. Indus Finance Corporation Ltd
Mr. K. Ajit Kumar	**Nominee Director	5	1	No	➤ M/s. Ucal Fuel Systems Ltd ➤ M/s. Moser Baer India 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 subsidiary, which in the judgment of the Board may affect the independence of judgment of the Director.

(\*\*) Nominated by Export - Import Bank of India, Mumbai, with effect from 7<sup>th</sup> February 2014.

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.

### E) INFORMATION SUPPLIED TO THE BOARD:

Among others, this includes:

- Annual operating plans and budgets and any updates.
- Quarterly financial results of the company
- Minutes of meeting of Audit Committee and other committees of the Board
- Materially important show cause, demand, prosecution and penalty notices
- Fatal or serious accidents of dangerous occurrences
- Any materially relevant default in financial obligations to and by the company
- Any issue which involves possible public claims of substantial nature
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Sale of material nature, of investments, assets, which is not in the normal course of business
- Any issue which involves possible public claims of substantial nature
- 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.



## INDOWIND ENERGY LIMITED

The Board of your Company 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.

### F) 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 derive immense benefit from the deliberation of the Audit Committee comprising of three Directors, **Mr. T.S. Raghavan**, **Mr. Niranjan R. Jagtap** and **Mr. K.S. Ravindranath** who are highly experienced and having knowledge in project finance, accounts and company law. Mr. T.S. Raghavan is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary 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 31<sup>st</sup> March 2014.

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

**Table 2:**

Name of Director	No. of Meetings held	Meetings attended
Mr. T.S. Raghavan	4	4
Mr. Niranjan R. Jagtap	4	4
Mr. K.S. Ravindranath	4	2

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

- 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.
- Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of Auditor and the fixation of audit fees.
- Approval of payment to Auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference:
  - Matters required to be included in Director's responsibility statement to be included in the Board's report.
  - Changes if any in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statement arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.



## INDOWIND ENERGY LIMITED

- vi. Disclosure of any third party transactions.
- vii. Qualifications in the draft audit report.

### II) SHAREHOLDERS / INVESTORS' GRIEVANCE COMMITTEE

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

**Table 3:**

Name	Designation	Status	No. of meetings held	No. of meetings attended
Mr.T.S. Raghavan	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	4	4

The terms of reference of the Shareholders / Investors' Grievance Committee are as follows:  
The shareholder / Investors grievance committee shall be responsible to look into redressal of the grievances of the shareholders and non receipt of dividend if any.

The Company has received nil complaint during this financial year ended 31<sup>st</sup> March 2014.

Mr. S. Diraviam Company Secretary of the Company is the Compliance officer.

### 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.S.Raghavan	Chairman	Non-Executive and Independent Director
Mr. Bala V. Kutti	Member	Chairman
Mr.Niranjan R.Jagtap	Member	Non-Executive and Independent Director

The Committee met two times during the Financial Year 2013-14 i.e. on 11<sup>th</sup> November 2013 and 16<sup>th</sup> January 2014.

The terms of reference of the Remuneration Committee of the 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.

### G) MANAGEMENT

Disclosure by the 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.



## INDOWIND ENERGY LIMITED

### H) SHAREHOLDERS

#### a) Disclosure regarding appointment or re-appointment of Directors

According to the Articles of Association of the Company, 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. Bala V. Kutti** is retiring at the conclusion of this AGM and being eligible, offers himself for re-appointment.

#### b) Shareholding pattern of Directors:

As per our Memorandum, the Directors need not hold any 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 31.3.2014	% of Paid-up Equity Share Capital
Mr. Bala V. Kutti	54,37,495	6.06
Mr.K.S.Ravindranath	1,784,995	1.99
Mr.Niranjan R.Jagtap	NIL	NIL
Mr.T.S.Raghavan	NIL	NIL
Mr. K. Ajit Kumar	NIL	NIL
<b>Total</b>	<b>72,22,490</b>	<b>8.05</b>

#### c) Registrar and 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.

#### d) General Body Meetings

Details of last three Annual General Meetings are given in Table (6)

**Table 6**

Year	Location	Date	Time
2012-13	Hotel 'Savera, 146, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 017	27/09/13	4.00 P.M
2011-12	Hotel 'The Accord Metropolitan 35, G.N.Chetty Road, T.Nagar, Chennai 600 017	28/09/12	4.00 P.M
2010-11	Hotel 'The Accord Metropolitan 35, G.N.Chetty Road, T.Nagar, Chennai 600 017	29/09/11	4.00 P.M





## INDOWIND ENERGY LIMITED

The following special resolution was passed in the previous general meeting.

Date of AGM	Subject
27.9.2013	Resolution under Sec. 198,269,309,310 and 311 Schedule XIII of the Companies Act 1956, for the re-appointment of Mr. K.S. Ravindranath, as the Whole time Director of the Company.

There were no resolutions requiring approval through postal ballot during the last year and at present no such resolution is being proposed to be passed.

**e) 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.

**f) General Shareholder Information:**

**i) 19<sup>th</sup> Annual General Meeting for the year 2014**

Date	14 <sup>th</sup> August 2014
Time	4.00 P.M.
Venue	Clarion Hotel, 25, Dr. Radhakrishnan Salai, Mylapore, Chennai-600004.
Date of Book Closure	1 <sup>st</sup> August 2014 to 8 <sup>th</sup> August 2014 (Both days inclusive)
Registrar and Share Transfer Agent	M/s. Bigshare Services Pvt Ltd.

**ii) Financial Calendar:**

Adoption of the Quarterly Results for the quarter ending:

Quarter ending	Date of results adoption
30 <sup>th</sup> June 2013	10 <sup>th</sup> August 2013
30 <sup>th</sup> September 2013	11 <sup>th</sup> November 2013
31 <sup>st</sup> December 2013	16 <sup>th</sup> January 2014
31 <sup>st</sup> March 2014	30 <sup>th</sup> May 2014



## INDOWIND ENERGY LIMITED

### iii) Listing on Stock Exchanges at

<b>Bombay Stock Exchange Limited,</b> Registered Office: Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	<b>National Stock Exchange of India Limited,</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.
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### iv) Scrip Code

Bombay Stock Exchange Limited	:	532894
National Stock Exchange of India Limited	:	INDOWIND
Demat ISIN Number in NSDL and CDSL	:	INE227G01018

### v) Market Price Data

Month & Year	NSE		BSE	
	Share Price (Rs.)		Share Price (Rs.)	
	High	Low	High	Low
April 2013	3.95	3.00	3.90	3.17
May	3.70	3.00	3.69	3.00
June	3.25	2.10	3.12	2.12
July	2.70	2.15	2.72	2.15
August	3.10	2.00	3.18	2.10
September	2.90	2.15	2.84	2.15
October	4.25	2.40	4.30	2.41
November	3.75	3.10	3.70	3.12
December	4.60	3.25	4.68	3.16
January 2014	4.35	2.75	4.35	2.74
February	3.30	2.60	3.28	2.56
March	4.20	2.75	4.20	2.80

### I MEANS OF COMMUNICATION

As stipulated under Clause 41 of the Listing Agreement, the Quarterly Results are published in one English National Newspaper (News Today) and one Tamil Newspaper (Maalai Sudar) within 48 hours of the conclusion of the Board Meeting in which the results are approved. They are also displayed in the website of the Company [www.indowind.com](http://www.indowind.com)

The Company's website also displays official press/news releases and several other details/information of interest to various stakeholders, including the complete Annual Reports and shareholding pattern.



## INDOWIND ENERGY LIMITED

### J) DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2014

Range of Shares		Holders		Shares	
From	To	No.	%	No.	%
1	500	26389	69.9120	4489705	5.0029
501	1000	4649	12.3165	3980407	4.4354
1001	2000	2879	7.6273	4562428	5.0840
2001	3000	1087	2.8798	2829340	3.1528
3001	4000	605	1.6028	2200710	2.4523
4001	5000	573	1.5180	2736705	3.0495
5001	10000	826	2.1883	6237372	6.9504
10001 and above		738	1.9552	62704819	69.8727
<b>Total</b>		<b>37746</b>	<b>100.0000</b>	<b>89741486</b>	<b>100.0000</b>

### K) TOP 10 SHAREHOLDERS AS ON 31.3.2014

SL No	SHAREHOLDER NAME	HOLDING
1	Loyal Credit And Investments Ltd	8125348
2	Karumuthu Finance Private Ltd	6067481
3	Bala V Kutti	5437495
4	Indus Finance Corporation Ltd	6421765
5	Soura Capital Private Limited	4524132
6	Commendam Investments Private Ltd	3515548
7	K. S. Ravindranath	1784995
8	Manoharan V Kutti	756000
9	Ajay Goenka	721288
10	IFCI Financial Services Limited	690000



## INDOWIND ENERGY LIMITED

### L) Shareholding Pattern

Name of the Company: INDOWIND ENERGY LIMITED

As on: 31.03.2014

Statement Showing Shareholding Pattern								
Name of the Company : INDOWIND ENERGY LIMITED								
Scrip Code : 532894 Quarter Ended : 31 <sup>st</sup> March 2014								
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	
(I)	(II)	(III)	(IV)	(V)	As a percentage of (A+B) <sup>1</sup> (VI)	As a percentage of (A+B+C) (VII)	Number of Sahres (VIII)	As a percentage (IX) = (VIII) (IV)*100
<b>(A)</b>	<b>Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals / Hindu Undivided Family	3	7797490	7797490	8.69	8.69	0	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	5	26383726	21500572	29.40	29.40	4000000	15.16
(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>8</b>	<b>34181216</b>	<b>29298062</b>	<b>38.09</b>	<b>38.09</b>	<b>4000000</b>	<b>11.70</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non - Residents Individuals / Foreign Individuals)	1	756000	756000	0.84	0.84	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>9</b>	<b>34937216</b>	<b>30054062</b>	<b>38.93</b>	<b>38.93</b>	<b>4000000</b>	<b>11.45</b>
<b>(B)</b>	<b>Public shareholding Institutions</b>							
<b>1</b>	<b>Mutual Funds / UTI</b>							
(a)	Mutual Funds / UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	1	225000	225000	0.25	0.25	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)							
	<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>225000</b>	<b>225000</b>	<b>0.25</b>	<b>0.25</b>	<b>0</b>	<b>0.00</b>



## INDOWIND ENERGY LIMITED

### Statement Showing Shareholding Pattern

Name of the Company : **INDOWIND ENERGY LIMITED**  
Scrip Code : 532894 Quarter Ended : 31<sup>st</sup> March 2014

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) (VI)	As a percentage of (A+B+C) (VII)	Number of Sahres (VIII)	As a percentage (IX) = (VIII) (IV)*100
<b>2</b>	<b>Non-institutions</b>						0	0.00
(a)	Bodies Corporate	493	8170974	8170974	9.11	9.11	0	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	36260	25600975	25599601	28.53	28.53	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	578	18072878	18072878	20.14	20.14	0	0.00
(c)	Trusts	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (specify)							
(d-i)	Clearing Member	70	865443	865443	0.96	0.96	0	0.00
(d-ii)	NRI (Repat)	319	1829940	1829940	2.04	2.04	0	0.00
(d-iii)	Directors / Relative & Friends	12	39060	6600	0.04	0.04	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>37732</b>	<b>54579270</b>	<b>54545436</b>	<b>60.82</b>	<b>60.82</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Total Public Shareholding (B)=</b>							
	<b>(B)(1)+(B)(2)</b>	<b>37733</b>	<b>54804270</b>	<b>54770436</b>	<b>61.07</b>	<b>61.07</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>37742</b>	<b>89741486</b>	<b>84824498</b>	<b>100.00</b>	<b>100.00</b>	<b>4000000</b>	<b>4.46</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							
(c-i)	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
(c-ii)	Public	0	0	0	0.00	0.00	0	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>37742</b>	<b>89741486</b>	<b>84824498</b>	<b>100.00</b>	<b>100.00</b>	<b>4000000</b>	<b>4.46</b>

**INDOWIND ENERGY LIMITED****M) DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

94.52% Shares are held in demat as on 31<sup>st</sup> March 2014 and the balance 5.48% are in physical form.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments : Nil

Stock option scheme : Nil

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

**N) ADDRESS FOR CORRESPONDENCE:****Registered Office:****Registrar and Transfer Agent:**

1) Indowind Energy Limited  
"Kothari Building" 4th Floor,  
114, M.G. Road,  
Nungambakkam,  
Chennai 600 034.  
Phone: 044-2833 0867/ 2833 1310  
Fax: 044-2833 0208  
Email: 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: flavia@bigshareonline.com

**O) BRANCH OFFICES:****MUMBAI**

603, Keshava Building, 6<sup>th</sup> Floor,  
Bandra Kurly Complex, Bandra East,  
Mumbai 600 051

**MADURAI**

85, Kamarajar Salai,  
Madurai 625 009.

**P) SITE OFFICES****NETTUR**

Kidararakulam,  
Alangulam,  
Tirunelveli Dist.  
Tamilnadu-627854

**ARALVOIMOZHI**

Subash Nagar,  
Kumarapuram Road,  
Kanyakumari Dist.  
Tamilnadu-629301

**GADAG**

Adarsha Nagar,  
Plot No. 16, Gadag,  
Karnataka-562 103  
Karnataka-582103

**CHITRADURGA**

Srinivas Complex,  
First Floor,  
B.P. Extension Area,  
Chitradurga-577501



**INDOWIND ENERGY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Indowind Energy Limited.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Indowind Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, ***except for the effects of the matter described in the paragraphs "Basis of Qualified Opinion" and "Emphasis of Matter"***, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## INDOWIND ENERGY LIMITED

### **Basis for Qualified Opinion**

1. We draw your attention to Note 12 of the financial statements regarding project advances for an amount of Rs 44.60 crores made for the purposes of acquiring WEGs. Given that this transaction occurred outside India and in the absence of information regarding the supply schedule, confirmation of outstanding and steps taken by the Company for recovery of advances, we are unable to comment on the extent of recoverability of advance. The consequential impact of this matter on the profit for the year and the retained earnings as on Mar 31, 2014 is indeterminable.

### **Emphasis of Matter on Going Concern assumption**

1. We draw your attention to Note 5(i) of the financial statements in respect of material uncertainty about the Company's ability to continue as a going concern which is in part dependent on the successful outcome of the decision regarding the liquidation petition filed by the bond holders before the Honourable Madras High Court. Our opinion is not qualified in respect of this matter.
2. We draw your attention to Note No 4 of the financial statements regarding long term borrowings from EXIM Bank. We have observed that out of the earlier proceeds of the loan, an amount of Rs. 43.20 crores, disclosed under capital Advances, have been utilised to acquire rights over the 6MW wind farm project. In the absence of full loan disbursement by EXIM Bank, non-availability of modified sanctioned terms and conditions agreed upon by the Company and EXIM Bank, we are unable to comment on the compliance with original terms, utilisation and repayment schedule. Our opinion is not qualified in this matter

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 and
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For V. Ramaratnam & Co**  
**Chartered Accountants**  
FRN: 002956S

**R. Sundar**  
**Partner**

Membership No. : 012339

Place: Chennai - 600 034.  
Date: 30<sup>th</sup> May 2014





## INDOWIND ENERGY LIMITED

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Indowind Energy Limited on the accounts of the company for the year ended 31st March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to books of records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loan to companies, listed in the register maintained under Section 301 of the Companies Act, 1956.  
(b) The Company has granted loan and advances to 3 parties that are covered in the register maintained under Section 301 of the Act. The amount involved during the year and the year-end balance of such loans aggregates to Rs. 21.57 Crores.  
The Company has not taken loans, secured or unsecured from companies, firms or other parties that are covered in the register maintained under Section 301 of the Act.  
(c) In our opinion the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the registers maintained under Section 301 are not, prima facie, prejudicial to the interest of the Company.  
(d) The parties are regular in the payment of interest.  
(e) There is no overdue amount of loans granted to companies listed in the registers maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.



## INDOWIND ENERGY LIMITED

- b) As per information & explanations given to us and in our opinion, the transaction entered into by the Company with parties covered u/s 301 of the Act exceeds five lacs rupees in a financial year are made under any contracts or arrangements at the price at which it is made are reasonable to prevailing market price.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. In our opinion and according to the information and explanations given to us the company has an internal audit system that needs to be strengthened to make it commensurate with its size and the nature of its business.
8. As per information & explanation given by the management and in our opinion, the company has maintained the required cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Wealth Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are amounts payable in respect of Income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of disputes, **the following amounts are disputed:**

Particulars	Amount disputed	Case preferred by the Co.
<b>INCOME TAX</b>		
A.Y. 1998-99	2,154,944	Pending before CIT(A)
A.Y. 2004-05	538,759	Pending before CIT(A)
A.Y. 2006-07	14,011,679	Pending before CIT(A)
A.Y. 2007-08	5,563,470	Pending before CIT(A)
A.Y. 2008-09	6,264,350	Pending before CIT(A)
AY 2011-12	51,480,890	Pending before CIT(A)
	<b>80,014,092</b>	
<b>VAT</b>		
F.Y. 2007-08	2,169,024	Pending before Commissioner of Commercial Tax
F.Y. 2008-09	5,440,000	Pending before Commissioner of Commercial Tax
	<b>7,609,024</b>	
<b>SERVICE TAX</b>		
F.Y. 2007-08	<b>21,483,296</b>	Pending before CESTAT



## INDOWIND ENERGY LIMITED

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. According to the information and explanations given to us and the records examined by us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or mutual funds and other Investments. The Company has invested in equity shares. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Except as reported in item number 2 under our "Emphasis of Matter", according to the information and explanations given to us, in our opinion, the term loans availed during the current year by the Company were prima facie applied by the Company for the purposes for which the loans were obtained.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. According to the information and explanations given to us and records examined by us, the Company has not made any preferential allotment of shares during the year.
19. According to the information and explanations given to us and records examined by us, the Company has not issued any secured debentures during the year under audit.
20. According to the information and explanations given to us and records examined by us, the Company has not raised any money by public issue during the year.
21. During the course of our examination of books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For V. Ramaratnam & Co**  
**Chartered Accountants**  
FRN: 002956S

**R. Sundar**  
**Partner**

Membership No. : 012339

Place: Chennai - 600 034  
Date: 30<sup>th</sup> May 2014



# **INDOWIND ENERGY LIMITED**

## **Balance Sheet as at 31 March, 2014**

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	897,414,860	897,414,860
(b) Reserves and surplus	3	807,699,783	1,156,210,700
(c) Monies received against share warrants		-	-
		<b>1,705,114,643</b>	<b>2,053,625,560</b>
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	4	751,273,413	783,349,163
(b) Deferred tax liabilities (net)	2 7.10	63,964,777	61,955,962
(c) Other long-term liabilities		-	-
(d) Long-term provisions	5	621,590,065	889,128,958
		<b>1,436,828,255</b>	<b>1,734,434,083</b>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	40,661,523	41,731,061
(b) Trade payables	7	28,838,602	12,633,606
(c) Other current liabilities	8	5,004,506	7,157,457
(d) Short-term provisions		-	-
		<b>74,504,631</b>	<b>61,522,124</b>
<b>TOTAL</b>		<b>3,216,447,529</b>	<b>3,849,581,767</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	2,040,821,400	1,483,953,073
(ii) Intangible assets		-	-
		<b>2,040,821,400</b>	<b>1,483,953,073</b>
(b) Non-current investments	10	45,595,891	45,095,891
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	11	412,784,300	1,054,147,037
(e) Other non-current assets	12	554,465,253	1,098,326,355
		<b>3,053,666,844</b>	<b>3,681,522,356</b>
<b>2 Current assets</b>			
(a) Current investments		-	-
(b) Inventories	13	36,900,555	41,866,883
(c) Trade receivables	14	65,001,352	59,739,272
(d) Cash and cash equivalents	15	50,189,635	54,010,946
(e) Short-term loans and advances	16	6,893,139	6,903,065
(f) Other current assets	17	3,796,004	5,539,245
		<b>162,780,685</b>	<b>168,059,411</b>
<b>TOTAL</b>		<b>3,216,447,529</b>	<b>3,849,581,767</b>

### **See accompanying notes forming part of the financial statements - Note 27**

In terms of our report attached.

**For V. Ramaratnam & Co.**

Chartered Accountants

FRN: 002956S

**R. Sundar**

Partner

Membership No. : 012339

Place: Chennai.

Date: 30<sup>th</sup> May, 2014

**DIRAVIAM S**  
Company Secretary

for and on behalf of the Board of Directors

**BALA V KUTTI**  
Chairman

**RAVINDRANATH K S**  
Director

**RAGHAVAN T S**  
Director

**NIRANJAN R JAGTAP**  
Director



# **INDOWIND ENERGY LIMITED**

## **Statement of Profit and Loss for the year ended 31 March, 2014**

Particulars	Note No.	For the year ended 31 March, 2014 Rs.	For the year ended 31 March, 2013 Rs.
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	18	219,855,132	219,415,489
Revenue from operations (net)		219,855,132	219,415,489
2 Other income	19	19,553,950	24,476,156
3 <b>Total revenue</b>		<b>239,409,082</b>	<b>243,891,645</b>
4 <b>Expenses</b>			
(a) Cost of Power Generation	20	56,157,149	52,722,386
(b) Project Expenses	21	880,795	887,487
(c) Changes in inventories of finished goods, work-inprogress and stock-in-trade	22	(3,533,672)	(813,886)
(d) Employee benefits expenses	23	15,908,222	14,935,235
(e) Finance costs	24	47,169,049	39,167,029
(f) Depreciation and amortisation expense	9	95,029,002	80,639,894
(g) Other expenses	25	24,824,998	23,861,743
<b>Total expenses</b>		<b>236,435,543</b>	<b>211,399,888</b>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>2,973,539</b>	<b>32,491,757</b>
6 Exceptional items	26	-	-
7 <b>Profit / (Loss) before extraordinary items and tax</b>		<b>2,973,539</b>	<b>32,491,757</b>
8 Extraordinary items		-	-
9 <b>Profit / (Loss) before tax</b>		<b>2,973,539</b>	<b>32,491,757</b>
10 <b>Tax expense:</b>			
(a) Current tax expense for current year			18,653
(b) Previous year IT short provision		1,677	
(c) Deferred tax	27.10	2,008,815	213,815
		<b>2,010,492</b>	<b>232,468</b>
11 <b>Profit / (Loss) from continuing operations</b>		<b>963,047</b>	<b>32,259,289</b>
<b>C TOTAL OPERATIONS</b>			
14 <b>Profit / (Loss) for the year</b>		<b>963,047</b>	<b>32,259,289</b>
15.i <b>Earnings per share (of Rs.10/- each):</b>			
(a) Basic			
(i) Continuing operations		0.01	0.36
(ii) Total operations		0.01	0.36
(b) Diluted			
(i) Continuing operations		0.01	0.36
(ii) Total operations		0.01	0.36

### **See accompanying notes forming part of the financial statements - Note 27**

In terms of our report attached.

**For V. Ramaratnam & Co.**

Chartered Accountants

FRN: 002956S

**R. Sundar**

**Partner**

Membership No. : 012339

Place: Chennai.

Date: 30<sup>th</sup> May, 2014

**DIRAVIAM S**  
Company Secretary

for and on behalf of the Board of Directors

**BALA V KUTTI**  
Chairman

**RAVINDRANATH K S**  
Director

**RAGHAVAN T S**  
Director

**NIRANJAN R JAGTAP**  
Director



# **INDOWIND ENERGY LIMITED**

## **Cash Flow Statement for the year ended 31 March, 2014**

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) from continuing operations		963,047		32,259,289
Adjustments for:				
Depreciation and amortisation	95,029,002		80,639,894	
Lease rental amortisation	720,000		720,000	
Finance costs	47,164,039		39,149,239	
Interest income	-19,469,750		-16,508,397	
Dividend Income	-12,500		-	
Net unrealised exchange (gain) / loss	-	123,430,791	-	104,000,736
Operating profit / (loss) before working capital changes		<b>124,393,838</b>		<b>136,260,025</b>
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	4,966,328		14,939,058	
Trade receivables	-5,262,080		54,791,544	
Short-term loans and advances	9,926		-52,276,940	
Long-term loans and advances	641,362,737		360,179,761	
Other current assets	1,743,241		-93,067,301	
Other non-current assets	543,861,102		36,161,094	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	16,204,996		3,504,228	
Other current liabilities	-2,152,951		-352,793,334	
Long-term provisions	-267,538,893	933,194,406	-	-28,561,890
		<b>1,057,588,244</b>		<b>107,698,135</b>
Cash flow from extraordinary items			-	
- Cash generated from operations		1,057,588,244		107,698,135
Net income tax (paid) / refunds				
<b>Net cash flow from operating activities (A)</b>		<b>1,057,588,244</b>		<b>107,698,135</b>
<b>B - Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	-652,617,329		-14,746,328	
Proceeds from sale of fixed assets	-		-	
Purchase of long-term investments	-500,000		-500,000	
Interest received - Associates	19,469,750		16,508,397	
Dividend Income	12,500		-	
Rental income from investment properties	-		-	
		-633,635,079		1,262,069
Investment in Fixed Deposits (Other than Cash Equivalents as per AS-3)		-3,300,000		-38,500,000
Cash flow from extraordinary items		-		-
<b>Net cash flow from investing activities (B)</b>		<b>-636,935,079</b>		<b>-37,237,931</b>
<b>C. Cash flow from financing activities</b>				
Increase / (Decrease) in long-term borrowings	-32,075,750		17,874,063	
Increase / (Decrease) in Deferred Tax Liability	2,008,815		213,815	
Increase / (Decrease) in other long-term liabilities	-		-10,007,300	
Increase / (Decrease) in Reserves	-349,473,964		-32,710,663	
Increase / (Decrease) in short-term borrowings	-1,069,538		4,319,041	
Misc Expenses	-		-	
Finance cost	-47,164,039	-427,774,476	-39,149,239	-59,460,283
<b>Net cash flow from financing activities (C)</b>		<b>-427,774,476</b>		<b>-59,460,283</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>-7,121,311</b>		<b>10,999,921</b>
Cash and cash equivalents at the beginning of the year		15,510,946		4,511,025
<b>Cash and cash equivalents at the end of the year</b>		<b>8,389,635</b>		<b>15,510,946</b>
<b>Cash and cash equivalents at the end of the year Comprising:</b>				
(a) Cash on hand		501,992		946,754
(b) Balances with banks		7,887,643		14,564,192
		<b>8,389,635</b>		<b>15,510,946</b>

See accompanying notes forming part of the financial statements - Note 27

In terms of our report attached.

**For V. Ramaratnam & Co.**

Chartered Accountants

FRN: 002956S

**R. Sundar**

Partner

Membership No. : 012339

Place: Chennai.

Date: 30<sup>th</sup> May, 2014

**DIRAVIAM S**  
Company Secretary

for and on behalf of the Board of Directors

**BALA V KUTTI**  
Chairman

**RAVINDRANATH K S**  
Director

**RAGHAVAN T S**  
Director

**NIRANJAN R JAGTAP**  
Director



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

Note	Particulars
<b>1.1</b>	<b>Corporate Information</b> The Company was incorporated on 19th July 1995 as private limited company and was converted into a deemed public limited company effective 30th September 1997. The Registered office is situated at Kothari building, 4th Floor, No.114, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034. The Company is engaged in the business of Generation & Distribution of Power through Windmill
<b>1.2</b>	<b>Significant accounting policies</b>
<b>1.2.1</b>	<b>Basis of accounting and preparation of financial statements</b> The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
<b>1.2.2</b>	<b>Use of estimates</b> The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
<b>1.2.3</b>	<b>Inventories</b> Inventories are valued at the cost. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. In the case of unsold power, it is valued at net realisable cost.
<b>1.2.4</b>	<b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b> Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
<b>1.2.5</b>	<b>Cash flow statement</b> Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
<b>1.2.6</b>	<b>Depreciation and amortisation</b> Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956, including on revaluation cost and the capitalisation of capital expenditure.
<b>1.2.7</b>	<b>Revenue recognition</b> <b><u>Sale of goods</u></b> Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.



## INDOWIND ENERGY LIMITED

Note	Particulars
	<p><b><u>Sale of power</u></b> Sale of power is recognised at the point generation of the power from the plant and stock points. Wherever Company enters into power sharing agreement, income is recognised net of power share.</p> <p><b><u>Income from services</u></b> Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion.</p>
1.2.8	<p><b><u>Other income</u></b> Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. Income from sale of CER (Carbon Credits) is accounted for based on eligibility criteria.</p>
1.2.9	<p><b><u>Tangible fixed assets</u></b> "Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance."</p> <p><b><u>Capital work-in-progress:</u></b> Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p> <p><b><u>Capital Advances:</u></b> Capital Advances represents payments made for acquiring rights on wind farm projects is disclosed as a part of Fixed asset and no amortisation is recognised."</p>
1.2.10	<p><b><u>Foreign currency transactions and translations</u></b></p> <p><b><u>Initial recognition</u></b> Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><b><u>Measurement of foreign currency monetary items at the Balance Sheet date</u></b> "Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss."</p> <p><b><u>Treatment of exchange differences</u></b> "Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment."</p>





## INDOWIND ENERGY LIMITED

Note	Particulars
	<p>The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. It is presented as part of reserves and surplus. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon."</p>
<b>1.2.11</b>	<p><b>Investments</b></p> <p>Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.</p>
<b>1.2.12</b>	<p><b>Employee benefits</b></p> <p>Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.</p> <p><b>Defined contribution plans</b></p> <p>The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.</p> <p><b>Defined benefit plans</b></p> <p>Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur, as per the Life Insurance Corporation of India, with whom the Company has taken necessary policy under group Gratuity Scheme.</p>
<b>1.2.13</b>	<p><b>Borrowing costs</b></p> <p>Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.</p>
<b>1.2.14</b>	<p><b>Segment reporting</b></p> <p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>"The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities"."</p>
<b>1.2.15</b>	<p><b>Earnings per share</b></p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving</p>



## INDOWIND ENERGY LIMITED

Note	Particulars
	basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.
<b>1.2.16</b>	<p><b>Taxes on income</b></p> <p>"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability."</p>
<b>1.2.17</b>	<p><b>Impairment of assets</b></p> <p>The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.</p>
<b>1.2.18</b>	<p><b>Provisions and contingencies</b></p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
<b>1.2.19</b>	<p><b>Share issues expenses</b></p> <p>Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.</p>
<b>1.2.20</b>	<p><b>Insurance claims</b></p> <p>Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.</p>
<b>1.2.21</b>	<p><b>Service tax input credit</b></p> <p>Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is certainty in availing / utilising the credits.</p>



## INDOWIND ENERGY LIMITED

<b>Note 2 Share capital</b>					
<b>Notes forming part of the financial statements</b>					
<b>Particulars</b>	<b>As at 31 March, 2014</b>		<b>As at 31 March, 2013</b>		
	<b>Number of shares</b>	<b>Rs.</b>	<b>Number of shares</b>	<b>Rs.</b>	
(a) Authorised					
Equity shares of Rs. 10/- each with voting rights	100,000,000	1,000,000,000	100,000,000	1,000,000,000	
Redeemable preference shares of Rs.10,000,000/- each	7	70,000,000	7	70,000,000	
		<b>1,070,000,000</b>		<b>1,070,000,000</b>	
(b) Issued					
Equity shares of Rs.10/- each with voting rights	89,741,486	897,414,860	89,741,486	897,414,860	
Redeemable preference shares of Rs.10,000,000/- each	-	-	-	-	
		<b>897,414,860</b>		<b>897,414,860</b>	
(c) Subscribed and fully paid up					
Equity shares of Rs.10/- each with voting rights	89,741,486	897,414,860	89,741,486	897,414,860	
Redeemable preference shares of Rs.10,000,000/- each	-	-	-	-	
		<b>897,414,860</b>		<b>897,414,860</b>	
<b>Total</b>		<b>897,414,860</b>		<b>897,414,860</b>	
<b>Notes: (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>					
<b>Particulars</b>	<b>Opening Balance</b>	<b>Fresh issue</b>	<b>Bonus</b>	<b>Closing Balance</b>	
Equity shares with voting rights					
Year ended 31 March, 2014					
- Number of shares	89,741,486	-	-	89,741,486	
- Amount ('Rs.10/-each)	897,414,860	-	-	897,414,860	
Year ended 31 March, 2013					
-Number of shares	89,741,486	-	-	89,741,486	
- Amount ('Rs.10/- each)	897,414,860	-	-	897,414,860	
<b>(ii) Details of shares held by each shareholder holding more than 5% shares:</b>					
<b>Class of shares / Name of shareholder</b>	<b>As at 31 March, 2014</b>		<b>As at 31 March, 2013</b>		
	<b>Number of shares held</b>	<b>% holding in that class of shares</b>	<b>Number of shares held</b>	<b>% holding in that class of shares</b>	
Equity shares with voting rights					
Bala K V	5,437,495	6.06	5,437,495	6.06	
Loyal Credit and Investments Ltd	8,125,348	9.05	8,049,571	8.97	
Indus Finance Corporation Ltd	6,421,765	7.16	6,421,765	7.16	
Karumuthu Finance Pvt Ltd	6,067,481	6.76			
Soura Capital Pvt Ltd	5,274,132	5.88			
Subuthi Investments Private Limited	-	-	6,988,334	7.79	
<b>(iii) Aggregate number and class of shares allotted as fully paid up as bonus shares for the period of 5 years immediately preceding the Balance Sheet date:</b>					
<b>Particulars</b>	<b>Aggregate number of shares</b>				
	<b>As at 31.3.2013</b>	<b>As at 31.3.2012</b>	<b>As at 30.6.2011</b>	<b>As at 30.6.2010</b>	<b>As at 30.6.2009</b>
Equity shares with voting rights	NIL	NIL	NIL	NIL	NIL
Fully paid up pursuant to contract(s) without payment being received in cash					
Fully paid up by way of bonus shares					



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
<b>(a) Capital reserve</b>		
Closing balance	19,090,000	19,090,000
<b>(b) Securities premium reserve</b>		
Closing balance	1,148,677,973	1,148,677,973
<b>(c) Revaluation reserve</b>		
Closing balance	6,000,000	6,000,000
<b>(d) General reserve</b>		
Opening balance	77,253,269	77,704,643
Add: Transferred from surplus in Statement of Profit and Loss	963,047	32,259,289
Less: Others (Adjusted against Prior Period Items)	8,170,060	32,710,663
Closing balance	70,046,256	77,253,269
<b>Total</b>	<b>1,243,814,229</b>	<b>1,251,021,242</b>
<b>(e) Contingency / Currency Fluctuation Reserves (refer note below)</b>	-436,114,446	-94,810,542
<b>Total</b>	<b>807,699,783</b>	<b>1,156,210,700</b>
Notes: The company has created Contingency / Currency Fluctuation Reserves on part of project advances to off set delays and contractual obligations out of Long term current assets and Misc. Expenses to be written off amounting to Rs. 43.61 Crores. As the General Reserve is not adequate to absorb the said reserve, the company proposes to seek aproval from Central Government to appropriate the same against Securities premium reserve.		
<b>Note 4 Long-term borrowings</b>		
<b>(a) Term loans</b>		
(i) From banks (Refer Note below) (Secured)	567,512,163	529,636,714
(ii) From other Financial Institutions (Refer Note below) (Secured)	183,761,250	253,712,449
<b>Total</b>	<b>751,273,413</b>	<b>783,349,163</b>



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

#### Notes:

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2014		As at 31 March, 2013	
		Secured Rs.	Unsecured Rs.	Secured Rs.	Unsecured Rs.
Term loans from banks: EXIM Bank	Secured against the project's assets funded by the bank & further secured by way of pari passu charge on other free movable & immovable assets of the Company and 40 Lakhs shares held by Loyal Credit and Investment Ltd. in Indowind Energy Ltd., subject to release of entire sanctioned loan amounts. As the entire sanctioned amount is not released, the Company is in negotiation with the Bank, the borrowings have been classified as Long term Liabilities.	567,512,163	-	529,548,037	
Axis Bank - Vehicle Loan	Secured against the motor vehicles.	-		88,677	-
<b>Total</b>		<b>567,512,163</b>	<b>-</b>	<b>529,636,714</b>	<b>-</b>
Term loans from other parties:					
Indian Renewable Energy Development Agency Limited	Secured against 6 WEGs of 1.5Mw each situated in the state of Karnataka	171,000,000	-	240,951,199	-
LIC of India	Secured against the Key Man Policy and repayable on Maturity / surrender of Policy.	12,761,250	-	12,761,250	-
<b>Total</b>		<b>183,761,250</b>	<b>-</b>	<b>253,712,449</b>	<b>-</b>
(ii) The Company has not defaulted in repayment of loans and interest thereon during the year under review.					
Particulars			As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.	
Note 5 Long-term provisions					
Provision - FCCB (refer Note(i) below) [Unhedged Balance]			621,590,065	889,128,958	
<b>Total</b>			<b>621,590,065</b>	<b>889,128,958</b>	
Note (i): Current maturities of long-term debt:					
Particulars	Terms of Issue		621,590,065	889,128,958	
Foreign Currency Convertible Bonds	During the year the Company has redeemed bonds worth a value of USD 6.5 mn (Previous Year USD 8.5 mn) out of a total of USD 30 mn. The trustees of the Foreign Currency Convertible Bonds have filed petition before the Honourable High Court of Madras for the winding up of the Company. These financial statements have been prepared on the basis that the Company will continue as a going concern and no adjustments have been made to the carrying values or classification of assets and liabilities.				
<b>Total</b>			<b>621,590,065</b>	<b>889,128,958</b>	



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
<b>Note 6 Short-term borrowings</b>		
(a) Loans repayable on demand		
From banks & financial institutions		
Secured	40,661,523	41,731,061
<b>Total</b>	<b>40,661,523</b>	<b>41,731,061</b>
<b>Notes:</b> (i) Details of security for the secured short-term borrowings:		
Loans repayable on demand from banks:	Nature of security	
Bank of India	Secured against Fixed deposits	2,499,965
Axis Bank	Secured against vehicles	161,558
Kotak Mahindra Bank	Secured against vehicles	-
Indian Renewable Energy Development Agency Limited	Secured against 6 WEGs of 1.5Mw each situated in the state of Karnataka	38,000,000
		<b>40,661,523</b>
<b>Note 7 Trade payables</b>		
Trade payables	28,838,602	12,633,606
<b>Total</b>	<b>28,838,602</b>	<b>12,633,606</b>
<b>Note 8 Other current liabilities</b>		
(i) Current maturities of long-term debt	-	-
(ii) Statutory remittances	4,673,669	5,293,314
(iii) Expenses Payable	330,837	1,864,143
<b>Total</b>	<b>5,004,506</b>	<b>7,157,457</b>



## Notes forming part of the financial statements

### Note 9 Fixed assets

Particulars	Gross block			Accumulated depreciation and impairment				Net block	
	Balance as at 1 April, 2013	Additions	Disposals	Balance as at 1 April, 2013	Depreciation/amortisation for the year	Eliminated on disposal of assets	Balance as at 31 Mar, 2014	Balance as at 31 Mar, 2013	Balance as at 31 Mar, 2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A. Tangible assets</b>									
(a) Land									
Freehold	38,432,154	1,965,000	-	-	-	-	-	38,432,154	40,397,154
Leasehold (Note 1)	18,000,000	-	-	-	720,000	-	720,000	18,000,000	17,280,000
(b) Buildings	8,460,300	-	-	2,429,261	410,188	-	2,839,449	6,031,039	5,620,851
(c) Plant and Equipment (Note 2)	1,804,499,910	178,570,332	-	397,508,784	91,966,466	-	489,475,250	1,406,991,126	1,493,594,992
(d) Furniture and Fixtures	-	-	-	-	-	-	-	-	-
(e) Vehicles	16,809,717	38,907	-	16,848,624	1,672,022	-	14,079,111	4,402,628	2,769,513
(f) Office equipment	19,803,158	250,179	-	9,707,032	980,326	-	10,687,358	10,096,126	9,365,979
<b>B. Capital Advances (Note 3)</b>	-	432,000,000	-	-	-	-	-	-	432,000,000
<b>C. Capital Work in Progress</b>									
	39,792,911	-	-	-	-	-	-	-	39,792,911
<b>Total</b>	<b>1,906,005,239</b>	<b>652,617,329</b>	<b>-</b>	<b>422,052,166</b>	<b>95,749,002</b>	<b>-</b>	<b>517,801,168</b>	<b>1,483,953,073</b>	<b>2,040,821,400</b>

### Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Depreciation and amortisation for the year on tangible assets	95,749,002	80,639,894
Depreciation and amortisation relating to continuing operations	<b>95,749,002</b>	<b>80,639,894</b>

### Notes

- Represents amount paid to Forest department of Karnataka towards lease rentals for the Chitradurga site.
- Plant & Machinery includes revaluation amount of Rs. 60 Lakhs, whose WDV as on 31st March, 2014, is Rs.26,63,200/-
- Represents purchase of rights out of EXIM bank Loan for 6 Mw Wind farm project



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

#### Note 10 Non-current investments

Particulars	No. of Shares	As at 31 March, 2014			As at 31 March, 2013		
		Quoted Rs.	Unquoted Rs.	Total Rs.	Quoted Rs.	Unquoted Rs.	Total Rs.
Investments (At cost):							
(a) Investment in equity instruments							
(i) of Subsidiary Indowind Power Private Limited**	836,560	-	8,405,000	8,405,000	-	7,905,000	7,905,000
(ii) of other entities							
The Jain Sahakari Bank Limited	4,247	-	124,500	124,500	-	124,500	124,500
India wind Power Limited	1,000,000	-	10,000,000	10,000,000	-	10,000,000	10,000,000
(b) "Other non-current investments Key Man Insurance Policy"		-	27,066,391	27,066,391	-	27,066,391	27,066,391
<b>Total Investments</b>		-	<b>45,595,891</b>	<b>45,595,891</b>	-	<b>45,095,891</b>	<b>45,095,891</b>
Less: Provision for diminution in value of investments		-	-	-	-	-	-
<b>Total</b>		-	<b>45,595,891</b>	<b>45,595,891</b>	-	<b>45,095,891</b>	<b>45,095,891</b>

\*\* Investment in Subsidiary includes Share Application Money paid amounting to Rs.39,400/-





## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
<b>Note 11 Long-term loans and advances</b>		
(a) Capital advances / Guarantee Deposits		
Secured, considered good		
- Others	142,459,788	508,401,055
- Related Parties (Refer Note below)	215,637,930	500,142,982
Unsecured, considered good		
- Others	6,884,770	6,884,770
- Related Parties (Refer Note below)	-	12,800,000
	<b>364,982,488</b>	<b>1,028,228,807</b>
(b) Security deposits		
Unsecured, considered good	20,680,601	2,858,430
(c) Loans and advances to related parties		
Unsecured, considered good	-	-
(d) Balances with government authorities	18,850,565	19,146,654
(e) Other loans and advances		
Unsecured, considered bad / non recoverable		
- Others	8,270,646	3,913,146
<b>Total</b>	<b>412,784,300</b>	<b>1,054,147,037</b>
<b>Capital advances / Guarantee Deposits</b>		
<b>Secured, considered good</b>		
Bewind Power Private Ltd	-	93,371,861
Bekae Properties Pvt Ltd	-	109,733,031
Loyal Credit and Investment Ltd	90,450,677	81,843,976
Indus Finance corporation limited	125,187,253	215,194,114
<b>Unsecured , considered good</b>		
Indus Capital Private Limited	-	12,800,000
<b>Note 12 Other non-current assets</b>		
(a) Long-term trade advances		
Unsecured, considered good		
- Others	554,445,955	1,094,874,879
- Related Parties	19,298	3,451,476
<b>Total</b>	<b>554,465,253</b>	<b>1,098,326,355</b>
<b>The Long term trade advance of Rs. 554,445,955 are subject to confirmation.</b>		



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
<b>Note 13 Inventories</b>		
(a) Work-in-progress (Refer Note below)	30,301,036	38,108,592
(b) Stock-in-trade - Energy Stock	6,599,519	3,758,291
<b>Total</b>	<b>36,900,555</b>	<b>41,866,883</b>
<b>Note: Details of inventory of work-in-progress</b>		
Closing Stock	25,794,529	33,602,085
Work in Progress - Agri Division	4,506,507	4,506,507
	<b>30,301,036</b>	<b>38,108,592</b>
<b>Note 14 Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	9,534,346	13,880,270
Other Trade receivables		
Unsecured, considered good (Note 1)	55,467,006	45,859,002
<b>Total</b>	<b>65,001,352</b>	<b>59,739,272</b>
<b>Note: The amount of Rs. 55,467,006 includes due from Indowind Power Private Limited, a subsidiary of the company, of Rs. 49,438,330</b>		
<b>Note 15 Cash and cash equivalents</b>		
(a) Cash on hand	501,992	946,754
(b) Balances with banks		
(i) In current accounts	7,887,643	14,564,192
(iii) In deposit accounts	3,000,000	3,000,000
- Other earmarked accounts (Refer Note (i) below)	38,800,000	35,500,000
(c) Others (specify nature)		
<b>Total</b>	<b>50,189,635</b>	<b>54,010,946</b>
Cash & Cash Equivalents as per AS-3 Cash Flow Statement issued by ICAI	8,389,635	15,510,946
<b>Note (i) : Earmarked Deposit Account represents Fixed Deposits on which lien has been marked for the facilities availed from Banks</b>		
<b>Note 16 Short-term loans and advances</b>		
(a) Loans and advances to employees		
Unsecured, considered good	1,938,622	1,930,995
(b) Loans and advances - Related Parties		
Unsecured, considered good	-	-
(c) Prepaid expenses	4,954,517	4,972,070
<b>Total</b>	<b>6,893,139</b>	<b>6,903,065</b>



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
<b>Note 17 Other current assets</b>		
(a) Unamortised expenses		
(i) Share issue expenses	3,796,004	5,539,245
(ii) Others	-	-
<b>Total</b>	<b>3,796,004</b>	<b>5,539,245</b>
<b>Note 18 Revenue from operations</b>		
(a) Sale of products (Refer Note (i) below)	219,855,132	219,415,489
(b) Sale of Projects (Refer Note (ii) below)	-	-
<b>Total</b>	<b>219,855,132</b>	<b>219,415,489</b>
<b>Note</b>		
(i) Sale of products - Power (shown net off of Power Share Payments made)	219,855,132	219,415,489
<b>Total - Sale of products</b>	<b>219,855,132</b>	<b>219,415,489</b>
(ii) Sale of Projects	-	-
<b>Total - Sale of Projects</b>	<b>-</b>	<b>-</b>
<b>Note 19 Other income</b>		
(a) Interest income (Refer Note (i) below)	19,469,750	16,508,397
(b) Other non-operating income (refer (ii) below)	84,200	7,967,759
<b>Total</b>	<b>19,553,950</b>	<b>24,476,156</b>
<b>Note</b>		
(i) Interest income comprises:		
Interest from banks on deposits	3,300,000	9,267
Interest income associates	16,169,750	16,499,130
<b>Total - Interest income</b>	<b>19,469,750</b>	<b>16,508,397</b>
(ii) Other non-operating income comprises:		
Dividend Income	12,500	12,491
Others	71,700	7,955,268
<b>Total - Other non-operating income</b>	<b>84,200</b>	<b>7,967,759</b>
<b>Note 20 Cost of Generation of Power</b>		
(i) Direct Cost incurred at Power Generation Site	56,157,149	52,722,386
<b>Total</b>	<b>56,157,149</b>	<b>52,722,386</b>
<b>Note 21 Project Expenses</b>		
(i) Purchases	-	813,886
(ii) Project Expenses	880,795	73,601
<b>Total</b>	<b>880,795</b>	<b>887,487</b>



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

Particulars	for the Year ended 31 March, 2014 Rs.	for the Year ended 31 March, 2013 Rs.
<b>Note 22 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year		
Work-in-progress	25,794,529	33,602,085
Transfers from Project/ Purchase returns	8,500,000	10,007,300
Energy Stock	6,599,519	-
	<b>40,894,048</b>	<b>43,609,385</b>
Inventories at the beginning of the year:		
Work-in-progress	33,602,085	42,795,499
Energy Stock	3,758,291	-
	<b>37,360,376</b>	<b>42,795,499</b>
<b>Net (increase) / decrease</b>	<b>(3,533,672)</b>	<b>(813,886)</b>
<b>Note 23 Employee benefits expense</b>		
Salaries and wages	14,229,358	13,317,798
Contributions to provident and other funds	589,188	648,972
Staff welfare expenses	1,089,676	968,465
<b>Total</b>	<b>15,908,222</b>	<b>14,935,235</b>
<b>Note 24 Finance costs</b>		
(a) Interest expense on:		
(i) Borrowings	47,139,039	39,149,239
(ii) Others - Processing Charges	25,000	-
(iii) Interest on TDS	5,010	17,790
<b>Total</b>	<b>47,169,049</b>	<b>39,167,029</b>
<b>Note 25 Other expenses</b>		
Power and fuel	806,460	529,938
Advertisement	208,596	-
Rent including lease rentals	-	35,000
Repairs and maintenance - Buildings	1,364,429	1,727,225
Repairs and maintenance - Vehicles	674,209	769,078
Insurance	904,308	436,961
Rates and taxes	5,307,061	1,473,516
Communication	591,673	535,788
Travelling and conveyance	5,183,618	4,589,546
Printing and stationery	405,936	472,854
Business promotion	754,941	2,679,507
AGM / EGM Expenses	1,053,648	1,138,889
Legal and professional	3,814,839	4,879,176
Security Charges	4,000	11,000
Bank Charges	8,604	45,988
Books & Periodicals	41,529	48,465
Sitting Fees	167,304	90,000
Payments to auditors (Refer Note (i) below)	371,983	300,000
Miscellaneous expenses	3,161,860	4,098,812
<b>Total</b>	<b>24,824,998</b>	<b>23,861,743</b>



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

Particulars	for the Year ended 31 March, 2014 Rs.	for the Year ended 31 March, 2013 Rs.
<b>Notes:</b>		
(i) Payments to the auditors comprises		
As auditors - statutory audit	250,000	250,000
For taxation matters	50,000	50,000
For Certification matters	71,983	-
<b>Total</b>	<b>371,983</b>	<b>300,000</b>
<b>Note 26 Exceptional items</b>		
Miscellaneous Expenses Written Off	-	1,743,241
Prior Period Items Off*	8,170,060	30,967,422
Less:		
Transfer from Reserves	8,170,060	32,710,663
<b>Total</b>	<b>-</b>	<b>-</b>
* Represents charges appropriated by TANGEDCO		



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

#### Note 27 Additional information to the financial statements

Note	Particulars			
27.1	<b>Contingent liabilities and commitments (to the extent not provided for)</b> Income Tax - various years Service Tax : F Y 2007 -08 VAT : F Ys 2007 -08 and 2008 - 09 Others	As at 31 March, 2014 Rs. In lacs	As at 31 March, 2013 Rs. In lacs	
		800.14	197.43	
		214.83	214.83	
		76.09	76.09	
		150.00	-	
27.2	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>			
	Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.	
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors			
27.3	<b>Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges</b> Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:			
	Name of the party	Relationship	Amount outstanding as at 31 March, 2014	Maximum balance outstanding during the year
	Indus Finance corporation Ltd	Associates	125,187,253 (215,194,114)	125,187,253 (220,268,450)
	Indowind Power Private Limited (Trade Receivable)	Subsidiary	49,438,330	49,438,330
	Note: Figures in bracket relate to the previous year.			
27.4	<b>Foreign Currency transactions</b>		for the Year ended 31 March, 2014 Rs.	for the Year ended 31 March, 2013 Rs.
	<b>Expenditure in Foreign Currency</b>			
	Travelling Expenses		102,594	103,622
	Fees		747,646	-
	FCCB Redeemed during the year does not involve foreign exchange outflow in the current year			
<b>Earnings in foreign exchange</b>		-	-	



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements

#### Note 27 Additional information to the financial statements

27.5	<b>Employee benefit plans</b> <u>Defined contribution plans</u> The Company has provided for retirement benefits to the employees such as Gratuity, Provident Fund and ESI. The Company has formulated in consultation with the Life Insurance Corporation of India, for Gratuity benefits, necessary benefit plans, the details of which are as follows:	
	Accrued Gratuity Liability*	Rs. 2,700,957
	Actuarial Value of Accrued Gratuity Liability*	1,922,357
	Fund with Life Insurance Corporation of India*	1,922,357
	Net Liability	-
	<b>Assumptions for Actuarial Valuation</b> Discounting Rate Salary Escalation Rate Method of Valuation ** Details shown above are based on Actuarial Valuation Report of LIC as on 01/08/2013. Revised Liability will be available only by August 2014 and hence actuarial liability cannot be ascertained.	8.00% 7.00% Projected unit credit method
27.6	<b>Foreign Currency Convertible Bonds</b> Out of 30 Mn USD Bonds 15 Mn redeemed. The Company has expressed willingness to convert the balances into shares as per the terms and conveyed the trustee (BNY) to take initiative for the same.	







# **INDOWIND ENERGY LIMITED**

## **Notes forming part of the financial statements**

### **Note 27 Disclosures under Accounting Standards (contd.)**

Note	Particulars				
27.8	<b>Related party transactions</b>				
27.8 a	<b>Details of related parties:</b>				
	<b>Description of relationship</b>	<b>Names of related parties</b>			
	Subsidiary Associates and Companies where Key Management Personnel has a significant influence.)	Indowind Power Private Limited  Indus Finance Corporation Ltd., Ind Eco Ventures Limited IndoNet Global Limited Indus Nutri Foods P Ltd Loyal Credit & Investments Limited Indus Capital P Limited Everon Power P Ltd. Bekae propertise P Ltd. Karumuthu Finance Private limited			
	Key Management Personnel (KMP)	Mr. Bala V Kutti, Chairman Mr. K.S. Ravindranath, Whole time Director Mr. T S. Raghavan, Director Mr. Niranjan R Jagtap, Director			
27.8 b	Note: Related parties have been identified by the Management. <b>Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:</b>				
	<b>Nautre of Transaction</b>	<b>Subsidiary</b>	<b>Associates</b>	<b>KMP</b>	<b>Total</b>
	Power Share Income				
	- Indowind Power Private Limited	95,046,624	-	-	95,046,624
	- Indus Finance Corporation Ltd.,	-	2,378,986	-	2,378,986
	- Ind Eco Ventures Limited	-	2,299,295	-	2,299,295
	- Bekae properties P Ltd.	-	1,935,066	-	1,935,066
	- Everon Power P Ltd.,	-	1,839,499	-	1,839,499
	- Karumuthu Finance P Ltd.	-	2,002,537	-	2,002,537
	Interest Income				
	- Indus Finance Corporation Ltd.,	-	16,169,750	-	16,169,750
	Travelling Expenses				
	- Mr. Bala V Kutti, Chairman	-	-	1,743,922	1,743,922
	Business Promotion				
	- Mr. Bala V Kutti, Chairman	-	-	642,493	642,493
	Staff Welfare				
	- Mr. Bala V Kutti, Chairman	-	-	153,841	153,841
	Conveyance				
	- Mr. Bala V Kutti, Chairman	-	-	38,500	38,500
	Salary				
	- Mr. K S Ravindranath, Whole time Director	-	-	1,455,768	1,455,768



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements Note 27 Disclosures under Accounting Standards (contd.)

		Subsidiary	Associates	KMP	Total
	Sitting Fees				
	- Mr. Bala V Kutti, Chairman	-	-	50,000	50,000
	- Mr. Niranjana R Jagtap	-	-	40,000	40,000
	- Mr. T S Raghavan, Director	-	-	50,000	50,000
	Investments				
	- Indowind Power Private Limited	8,405,000	-	-	8,405,000
	<b>Capital Advances - Acquisition of 6Mw Wind project</b>				-
	- Indus Finance Corporation Ltd.,		108,000,000		108,000,000
	- Ind Eco Ventures Limited		108,000,000		108,000,000
	- Bekae properties P Ltd.		108,000,000		108,000,000
	- Karumuthu Finance P Ltd.		108,000,000		108,000,000
	<b>Balances outstanding at the end of the year</b>				
	- Trade Receivables:				-
	- Indowind Power Private Limited	49,438,330			49,438,330
	Capital advances / Guarantee Deposits				-
	- Secured				-
	- Loyal Credit and Investment Ltd	-	90,450,677	-	90,450,677
	- Indus Finance corporation limited	-	125,187,253	-	125,187,253
	Long-Term trade advances				
	- Indonet Global Limited	-	19,298	-	19,298

Ref. No.	Particulars	For the Year ended 31 March, 2014 Rs.	for the Year ended 31 March, 2013 Rs.
27.9	<b>Earnings per share</b>		
	<b>Basic - Total &amp; Continuing operations</b>		
	Net profit / (loss) for the year from continuing operations	963,047	32,259,289
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	963,047	32,259,289
	Weighted average number of equity shares	89,741,486	89,741,486
	Par value per share	10.00	10.00
	Earnings per share from continuing operations - Basic	0.01	0.36
	<b>Diluted - Total &amp; Continuing operations</b>		
	Net profit / (loss) for the year from continuing operations after adjusting for Interest Payment / Dividend relating to Potential Dilutive Equity Shares	963,047	32,259,289
	Net Profit / (loss) as computed by above attributable to the equity shareholders	963,047	32,259,289
	Weighted average number of equity shares after adding Potential Dilutive Equity Shares	89,741,486	89,741,486
	Par Value per share	10.00	10.00
	Earnings per share from continuing operations - Basic	0.01	0.36



## INDOWIND ENERGY LIMITED

### Notes forming part of the financial statements Note 27 Disclosures under Accounting Standards (contd.)

Ref. No.	Particulars	for the Year ended 31 March, 2014 Rs.	for the Year ended 31 March, 2013 Rs.
27.10	<b>Deferred tax (liability) / asset</b>		
	<b>Opening Balance - Deferred Tax Liability</b>	61,955,962	61,742,147
	Total value of items constituting timing differences for Deferred Tax effect	-5,910,018	-691,957
	Tax effect of items constituting deferred tax effect	-2,008,815	-213,815
	MAT Credit availed for current year	-	-
	Net deferred tax - Liability	-2,008,815	-213,815
	<b>Closing Balance - Deferred Tax Liability</b>	<b>63,964,777</b>	<b>61,955,962</b>
	The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.		
28	<b>Previous year's figures</b>		
	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		
<div>In terms of our report attached. <b>For V. Ramaratnam &amp; Co.</b> Chartered Accountants FRN: 002956S <b>R. Sundar</b> Partner Membership No. : 012339 Place: Chennai. Date: 30<sup>th</sup> May, 2014</div> <div><div><b>DIRAVIAM S</b> Company Secretary</div><div><div>for and on behalf of the Board of Directors</div><div><div><b>BALA V KUTTI</b> Chairman</div><div><b>RAGHAVAN T S</b> Director</div><div><b>RAVINDRANATH K S</b> Director</div><div><b>NIRANJAN R JAGTAP</b> Director</div></div></div></div>			



**INDOWIND ENERGY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Indowind Energy Limited.

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Indowind Energy Limited** ("the Company") and its subsidiary, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The financial statements of the subsidiary Company reflecting total assets of Rs. 467.12 Lakhs as at 31st March, 2014, total revenue of Rs. 141.90 Lakhs for the year ended on that date have been audited by other auditor, whose report have been furnished to us. We have relied upon this report for the purpose of the amounts included in respect of the above Company in the Consolidated Financial Statements.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard -

1. AS 21 Consolidated Financial Statements



## INDOWIND ENERGY LIMITED

2. AS 23 Accounting for Investments in Associates in Consolidated Financial Statements as prescribed in Section 211(3C) of the Companies Act, 1956 and on the basis of the separate audited financial statements of Indowind Energy Limited and its subsidiary included in the Consolidated Financial Statements.

### Opinion

Based on our audit and on consideration of report of other auditor on separate financial statement and on the other financial information of the Company and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India ***subject to our opinion in the independent audit report of even date on standalone financial statements of Parent Company:***

- a) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Company as at March 31, 2014;
- b) in the case of the Consolidated Profit and Loss Account, of the Consolidated profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the Consolidated cash flows for the year ended on that date.

**For V. Ramaratnam & Co**  
**Chartered Accountants**  
FRN: 002956S

Place: Chennai  
Date: 30<sup>th</sup> May 2014

**R. Sundar**  
**Partner**  
Membership No: 012339



# **INDOWIND ENERGY LIMITED**

## **Consolidated Balance Sheet as at 31 March, 2014**

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	897,414,860	897,414,860
(b) Reserves and surplus	3	807,952,149	1,156,400,769
(c) Minority Interest		3,069,302	2,695,947
		<b>1,708,436,311</b>	<b>2,056,511,576</b>
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	4	751,273,413	783,349,163
(b) Deferred tax liabilities (net)	2 7.10	63,964,777	61,955,962
(c) Other long-term liabilities		-	-
(d) Long-term provisions	5	621,590,065	889,128,958
		<b>1,436,828,255</b>	<b>1,734,434,083</b>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	40,661,523	41,731,061
(b) Trade payables	7	28,838,602	13,271,580
(c) Other current liabilities	8	5,176,124	7,441,528
(d) Short-term provisions		-	-
		<b>74,676,249</b>	<b>62,444,169</b>
<b>TOTAL</b>		<b>3,219,940,815</b>	<b>3,853,389,828</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	2,040,821,400	1,483,953,073
(ii) Intangible assets		46,712,453	39,023,163
		<b>2,087,533,853</b>	<b>1,522,976,236</b>
(b) Non-current investments	10	37,190,891	37,190,891
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	11	412,784,300	1,054,147,037
(e) Other non-current assets	12	554,465,253	1,098,372,693
		<b>3,091,974,297</b>	<b>3,712,686,857</b>
<b>2 Current assets</b>			
(a) Current investments		-	-
(b) Inventories	13	39,280,398	43,865,014
(c) Trade receivables	14	22,116,036	27,458,573
(d) Cash and cash equivalents	15	52,057,363	55,937,074
(e) Short-term loans and advances	16	6,893,139	7,903,065
(f) Other current assets	17	7,619,582	5,539,245
		<b>1,27,966,518</b>	<b>140,702,971</b>
<b>TOTAL</b>		<b>3,219,940,815</b>	<b>3,853,389,828</b>

### **See accompanying notes forming part of the financial statements - Note 27**

In terms of our report attached.

**For V. Ramaratnam & Co.**

Chartered Accountants

FRN: 002956S

**R. Sundar**

**Partner**

Membership No. : 012339

Place: Chennai.

Date: 30<sup>th</sup> May, 2014

**DIRAVIAM S**  
Company Secretary

for and on behalf of the Board of Directors

**BALA V KUTTI**  
Chairman

**RAVINDRANATH K S**  
Director

**RAGHAVAN T S**  
Director

**NIRANJAN R JAGTAP**  
Director



# **INDOWIND ENERGY LIMITED**

## **Consolidated Statement of Profit and Loss for the year ended 31 March, 2014**

Particulars	Note No.	For the year ended 31 March, 2014 Rs.	For the year ended 31 March, 2013 Rs.
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	18	234,045,453	233,762,142
2 Other income	19	19,553,950	24,476,156
3 <b>Total revenue</b>		<b>253,599,403</b>	<b>258,238,298</b>
4 <b>Expenses</b>			
(a) Cost of Power Generation	20	56,157,149	52,722,386
(b) Project Expenses	21	880,795	887,487
(c) Changes in inventories of work-in-progress	22	(3,533,672)	(813,886)
(d) Employee benefits expenses	23	15,910,092	14,935,235
(e) Finance costs	24	47,169,049	39,172,964
(f) Depreciation and amortisation expense	9	95,029,002	80,639,894
(g) Other expenses	25	38,871,549	37,810,006
<b>Total expenses</b>		<b>230,483,964</b>	<b>225,354,086</b>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>3,115,439</b>	<b>32,884,212</b>
6 Exceptional items	26	-	-
7 <b>Profit / (Loss) before extraordinary items and tax</b>		<b>3,115,439</b>	<b>32,884,212</b>
8 Extraordinary items		-	-
9 <b>Profit / (Loss) before tax</b>		<b>3,115,439</b>	<b>32,884,212</b>
10 <b>Tax expense:</b>			
(a) Current tax expense		43,847	141,466
(b) Previous year IT short provision		15,078	-
(c) Deferred tax	27.10	2,008,815	213,815
		<b>2,067,740</b>	<b>355,281</b>
11 <b>Profit / (Loss) from continuing operations</b>		<b>1,047,699</b>	<b>32,528,931</b>
<b>C TOTAL OPERATIONS</b>			
12 <b>Profit / (Loss) for the year</b>		<b>1,047,699</b>	<b>32,528,931</b>
13.i <b>Earnings per share (of Rs.10/- each):</b>			
(a) Basic			
(i) Continuing operations		0.01	0.36
(ii) Total operations		0.01	0.36
(b) Diluted			
(i) Continuing operations		0.01	0.36
(ii) Total operations		0.01	0.36

### **See accompanying notes forming part of the financial statements - Note 27**

In terms of our report attached.

**For V. Ramaratnam & Co.**

Chartered Accountants

FRN: 002956S

**R. Sundar**

**Partner**

Membership No. : 012339

Place: Chennai.

Date: 30<sup>th</sup> May, 2014

**DIRAVIAM S**  
Company Secretary

for and on behalf of the Board of Directors

**BALA V KUTTI**  
Chairman

**RAVINDRANATH K S**  
Director

**RAGHAVAN T S**  
Director

**NIRANJAN R JAGTAP**  
Director



## INDOWIND ENERGY LIMITED

### Consolidated Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		1,047,699		32,528,931
Adjustments for:				
Depreciation and amortisation	95,029,002		80,639,894	
Lease rental amortisation	720,000		720,000	
Finance costs	47,169,049		39,167,029	
Interest income	-16,169,750		-16,499,130	
Dividend Income	-12,500		-	
Net unrealised exchange (gain) loss	-	126,735,801	-	104,027,793
Operating profit / (loss) before working capital changes		127,783,500		136,556,724
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	4,584,616		13,101,787	
Trade receivables	5,342,537		53,265,029	
Short-term loans and advances	1,009,926		-53,271,940	
Long-term loans and advances	209,362,737		399,848,883	
Other current assets	-2,080,337		-93,067,301	
Other non-current assets	243,907,440		-3,508,028	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	15,567,022		14,502,694	
Other current liabilities	-2,265,404		-352,652,073	
Other long-term liabilities	-		-	
Short-term provision	-		-	
Long-term provisions	-267,538,893	207,889,644	-	-21,780,949
Cash flow from extraordinary items		335,673,144		114,775,775
Cash generated from operations		335,673,144		114,775,775
Net income tax (paid) / refunds				
<b>Net cash flow from operating activities (A)</b>		335,673,144		114,775,775
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	-228,306,619		-20,825,291	
Proceeds from sale of fixed assets	-		-	
Purchase of long-term investments	-		-	
Interest received - Associates	16,169,750		16,499,130	
Dividend Income	12,500		-	
Rental income from investment properties	-		-	
Investment in Fixed Deposits (Other than Cash Equivalents as per AS-3)		-212,124,369		-4,326,161
Cash flow from extraordinary items		-3,300,000		-38,500,000
<b>Net cash flow from investing activities (B)</b>		-215,424,369		-42,826,161
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	351,000		250,000	
Proceeds from issue of equity shares - Share Premium A/c	-		-	
Transfer from Reserve	-		-	
Share application money received / (refunded)	-		-	
Redemption / buy back of preference / equity shares	-		-	
Increase / (Decrease) in long-term borrowings	-32,075,750		17,874,063	
Increase / (Decrease) in Deferred Tax Liability	2,008,815		213,815	
Increase / (Decrease) in other long-term liabilities	-		-10,007,300	
Increase / (Decrease) in Reserves	-49,473,964		-32,710,663	
Net increase / (decrease) in working capital borrowings	-		-	
Increase / (Decrease) in short-term borrowings	-1,069,538		4,319,041	
Misc Expenses	-		-	
Finance cost	-47,169,049	-127,428,486	-39,167,029	-59,228,073
<b>Net cash flow from financing activities (C)</b>		-127,428,486		-59,228,073
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		-7,179,711		12,721,541
Cash and cash equivalents at the beginning of the year		17,437,074		4,715,533
<b>Cash and cash equivalents at the end of the year</b>		10,257,363		17,437,074
<b>Cash and cash equivalents at the end of the year Comprising:</b>				
(a) Cash on hand		505,195		947,037
(b) Balances with banks		9,752,168		16,490,037
		10,257,363		17,437,074

See accompanying notes forming part of the financial statements

In terms of our report attached.

For V. Ramaratnam & Co.

Chartered Accountants

FRN: 002956S

R. Sundar

Partner

Membership No. : 012339

Place: Chennai

Date: 30<sup>th</sup> May, 2014

**DIRAVIAM S**  
Company Secretary

for and on behalf of the Board of Directors

**BALA V KUTTI**  
Chairman

**RAVINDRANATH K S**  
Director

**RAGHAVAN T S**  
Director

**NIRANJAN R JAGTAP**  
Director





## INDOWIND ENERGY LIMITED

### Notes forming part of the Consolidated Financial Statements

Note	Particulars
<b>1.1</b>	<p><b>Corporate Information</b></p> <p>The Company was incorporated as a private limited company on 19th July 1995 and was converted into a deemed public limited company effective 30th September 1997. The registered office of the company is located at Kothari building, 4th Floor, No. 114, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034.</p> <p>The Company is engaged in the business of Generation &amp; Distribution of Power through Windmill.</p>
<b>1.2</b>	<p><b>Significant accounting policies</b></p>
<b>1.2.1</b>	<p><b>Basis of accounting and preparation of financial statements</b></p> <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
<b>1.2.2</b>	<p><b>Use of estimates</b></p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
<b>1.2.3</b>	<p><b>Inventories</b></p> <p>Inventories are valued at the cost. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. In the case of unsold power, it is valued at net realisable cost.</p>
<b>1.2.4</b>	<p><b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b></p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
<b>1.2.5</b>	<p><b>Cash flow statement</b></p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<b>1.2.6</b>	<p><b>Depreciation and amortisation</b></p> <p>Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956, including on revaluation cost and the capitalisation of capital expenditure.</p>
<b>1.2.7</b>	<p><b>Revenue recognition</b></p> <p><b>Sale of goods</b></p> <p>Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.</p>



## INDOWIND ENERGY LIMITED

### Notes forming part of the Consolidated Financial Statements

Note	Particulars
	<p><b><u>Sale of power</u></b> Sale of power is recognised at the point generation of the power from the plant and stock points.</p> <p><b><u>Income from services</u></b> Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion.</p>
1.2.8	<p><b><u>Other income</u></b> Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. Income from sale of CER (Carbon Credits) is accounted for based on eligibility criteria.</p>
1.2.9	<p><b><u>Tangible fixed assets</u></b> Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p> <p><b><u>Capital work-in-progress:</u></b> Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p> <p><b><u>Capital Advances:</u></b> Capital Advances represents payments made for acquiring rights on wind farm projects is disclosed as a part of Fixed asset and no amortisation is recognised.</p>
1.2.10	<p><b><u>Foreign currency transactions and translations</u></b></p> <p><b><u>Initial recognition</u></b> Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><b><u>Measurement of foreign currency monetary items at the Balance Sheet date</u></b> Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p> <p><b><u>Treatment of exchange differences</u></b> Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral</p>



## INDOWIND ENERGY LIMITED

### Notes forming part of the Consolidated Financial Statements

Note	Particulars
	foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.
	The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.
<b>1.2.11</b>	<b>Investments</b>
	Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.
<b>1.2.12</b>	<b>Employee benefits</b>
	Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.
	<b>Defined contribution plans</b>
	The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.
	<b>Defined benefit plans</b>
	Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur, as per the Life Insurance Corporation of India, with whom the Company has taken necessary policy under group Gratuity Scheme.
<b>1.2.13</b>	<b>Borrowing costs</b>
	Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.
<b>1.2.14</b>	<b>Segment reporting</b>
	The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.
	The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
	Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".



## INDOWIND ENERGY LIMITED

### Notes forming part of the Consolidated Financial Statements

Note	Particulars
<b>1.2.15 Earnings per share</b>	Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.
<b>1.2.16 Taxes on income</b>	<p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences.</p> <p>Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p>
<b>1.2.17 Impairment of assets</b>	The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.
<b>1.2.18 Provisions and contingencies</b>	A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.
<b>1.2.19 Share issues expenses</b>	Share issue expenses and redemption premium are adjusted against the Securities Premium Account as



## INDOWIND ENERGY LIMITED

### Notes forming part of the Consolidated Financial Statements

Note	Particulars
	permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.
<b>1.2.20</b>	<b>Insurance claims</b> Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.
<b>1.2.21</b>	<b>Service tax input credit</b> Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is certainty in availing / utilising the credits.
<b>1.2.22</b>	<b>Creation of Debenture Redemption Reserve</b> The Companies Act, 1956 under section 117C requires every company to create a Debenture Redemption Reserve (DRR) to which 'adequate amounts' shall be credited out of its 'profits' every year until such debentures / bonds are redeemed, and shall utilize the same exclusively for such redemption. The Section requires that the amount to be credited as DRR has to be carved out of profits. There is no enough profits during the year for creation of DRR and it has been decided to meet the redemption liability when it become due.



## INDOWIND ENERGY LIMITED

<b>Note 2 Share capital</b>					
<b>Notes forming part of the consolidated financial statements</b>					
Particulars	As at 31 March, 2014		As at 31 March, 2013		
	Number of shares	Rs.	Number of shares	Rs.	
(a) Authorised					
Equity shares of Rs. 10/- each with voting rights	100,000,000	1,000,000,000	100,000,000	1,000,000,000	
Redeemable preference shares of Rs.10,000,000/- each	7	70,000,000	7	70,000,000	
		<b>1,070,000,000</b>		<b>1,070,000,000</b>	
(b) Issued					
Equity shares of Rs.10/- each with voting rights	89,741,486	897,414,860	89,741,486	897,414,860	
Redeemable preference shares of Rs.10,000,000/- each	-	-	-	-	
		<b>897,414,860</b>		<b>897,414,860</b>	
(c) Subscribed and fully paid up					
Equity shares of Rs.10/- each with voting rights	89,741,486	897,414,860	89,741,486	897,414,860	
Redeemable preference shares of Rs.10,000,000/- each	-	-	-	-	
		<b>897,414,860</b>		<b>897,414,860</b>	
<b>Total</b>		<b>897,414,860</b>		<b>897,414,860</b>	
<b>Notes: (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>					
Particulars	Opening Balance	Fresh issue	Bonus	Closing Balance	
Equity shares with voting rights					
Year ended 31 March, 2014					
- Number of shares	89,741,486	-	-	89,741,486	
- Amount ('Rs.10/-each)	897,414,860	-	-	897,414,860	
Year ended 31 March, 2013					
-Number of shares	89,741,486	-	-	89,741,486	
- Amount ('Rs.10/- each)	897,414,860	-	-	897,414,860	
<b>(ii) Details of shares held by each shareholder holding more than 5% shares:</b>					
Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013		
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Equity shares with voting rights					
Bala K V	5,437,495	6.06	5,437,495	6.06	
Loyal Credit and Investments Ltd	8,125,348	9.05	8,049,571	8.97	
Indus Finance Corporation Ltd	6,421,765	7.16	6,421,765	7.16	
Karumuthu Finance Pvt Ltd	6,067,481	6.76			
Soura Capital Pvt Ltd	5,274,132	5.88			
Subuthi Investments Private Limited	-	-	6,988,334	7.79	
<b>(iii) Aggregate number and class of shares allotted as fully paid up as bonus shares for the period of 5 years immediately preceding the Balance Sheet date:</b>					
Particulars	Aggregate number of shares				
	As at 31.3.2013	As at 31.3.2012	As at 30.6.2011	As at 30.6.2010	As at 30.6.2009
Equity shares with voting rights	NIL	NIL	NIL	NIL	NIL
Fully paid up pursuant to contract(s) without payment being received in cash					
Fully paid up by way of bonus shares					



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
<b>Note 3 Reserves and surplus</b>		
(a) Capital reserve		
Closing balance	19,090,000	19,090,000
(b) Securities premium account		
Closing balance	1,148,677,973	1,148,677,973
(c) Revaluation reserve		
Closing balance	6,000,000	6,000,000
(d) General reserve		
Opening balance	77,443,338	77,684,063
Add: Transferred from surplus in Statement of Profit and Loss	1,047,699	32,528,931
Less: Others (Adjusted against Prior Period Items)	8,170,060	32,710,663
Others (previous year adjustment)	-	14,046
Others (Minority share)	22,355	44,947
Closing balance	70,298,622	77,443,338
<b>Total</b>	<b>1,244,066,595</b>	<b>1,251,211,311</b>
<b>Less: Fluctuation/Contingency Reserve</b>	<b>-436,114,446</b>	<b>-94,810,542</b>
<b>Total</b>	<b>807,952,149</b>	<b>1,156,400,769</b>
Notes: The Company has created Contingency / Currency Fluctuation Reserves on part of project advances to off set delays and contractual obligations out of Long term current assets and Misc. Expenses to be written off amounting to Rs. 43.61 Crores. As the General Reserve is not adequate to absorb the said reserve, the Company proposes to seek approval from Central Government to appropriate the same against Securities premium reserve.		
<b>Note 4 Long-term borrowings</b>		
(a) Term loans		
(i) From banks (Refer Note below) (Secured)	567,512,163	529,636,714
(ii) From other Financial Institutions (Refer Note below) (Secured)	183,761,250	253,712,449
<b>Total</b>	<b>751,273,413</b>	<b>783,349,163</b>



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

#### Notes:

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2014		As at 31 March, 2013	
		Secured Rs.	Unsecured Rs.	Secured Rs.	Unsecured Rs.
Term loans from banks: EXIM Bank	Secured against the project's assets funded by the bank & further secured by way of pari passu charge on other free movable & immovable assets of the company and 40 Lakhs shares held by Loyal Credit and Investment Ltd. in Indowind Energy Ltd., subject to release of entire sanctioned loan amounts. As the entire sanctioned amount is not released, the Company is in negotiation with the Bank, the borrowings have been classified as Long term Liabilities.	567,512,163	-	529,548,037	-
Axis Bank - Vehicle Loan	Secured against the motor vehicles.	-	-	88,677	-
Total		567,512,163	-	529,636,714	-
Term loans from other parties:					
Indian Renewable Energy Development Agency Limited	Secured against 6 WEGs of 1.5Mw each situated in the state of Karnataka	171,000,000	-	240,951,199	-
LIC of India	Secured against the Key Man Policy and repayable on Maturity / surrender of Policy.	12,761,250	-	12,761,250	-
Total		183,761,250	-	253,712,449	-
(ii) The Company has not defaulted in repayment of loans and interest thereon during the year under review.					
Particulars			As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.	
Note 5 Long-term provisions					
Provision - FCCB (refer Note(i) below) [Unhedged Balance]			621,590,065	889,128,958	
Total			621,590,065	889,128,958	
Note (i): Current maturities of long-term debt:					
Particulars	Terms of Issue				
Foreign Currency Convertible Bonds	During the year the company has redeemed bonds worth a value of USD 6.5 mn (Previous Year USD 8.5 mn) out of a total of USD 30 mn. The trustees of the Foreign Currency Convertible Bonds have filed petition before the Honourable High Court of Madras for the winding up of the Company. These financial statements have been prepared on the basis that the company will continue as a going concern and no adjustments have been made to the carrying values or classification of assets and liabilities.		621,590,065	889,128,958	
Total			621,590,065	889,128,958	





## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
<b>Note 6 Short-term borrowings</b>		
(a) Loans repayable on demand		
From banks & financial institutions		
Secured	40,661,523	41,731,061
<b>Total</b>	<b>40,661,523</b>	<b>41,731,061</b>
<b>Notes:</b> (i) Details of security for the secured short-term borrowings:		
<u>Loans repayable on demand from banks:</u>	<u>Nature of security</u>	
Bank of India	Secured against Fixed deposits	2,499,965
Axis Bank	Secured against vehicles	161,558
Kotak Mahindra Bank	Secured against vehicles	-
Indian Renewable Energy Development Agency Limited	Secured against 6 WEGs of 1.5Mw each situated in the state of Karnataka	38,000,000
	<b>Total</b>	<b>40,661,523</b>
		<b>41,731,061</b>
<b>Note 7 Trade payables</b>		
Trade payables:	28,838,602	13,271,580
<b>Total</b>	<b>28,838,602</b>	<b>13,271,580</b>
<b>Note 8 Other current liabilities</b>		
(i) Current maturities of long-term debt	-	-
(ii) Statutory remittances	4,701,440	5,477,385
(iii) Expenses Payable	474,684	1,964,143
<b>Total</b>	<b>5,176,124</b>	<b>7,441,528</b>



## Note 9 Fixed assets Notes forming part of the consolidated financial statements

Particulars	Gross block			Accumulated depreciation and impairment			Net block	
	Balance as at 1 April, 2013	Additions	Disposals	Balance as at 1 April, 2013	Depreciation/ amortisation for the year	Eliminated on disposal of assets	Balance as at 31 Mar, 2013	Balance as at 31 Mar, 2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A. Tangible assets</b>								
(a) Land								
Freehold	38,432,154	1,965,000	-	-	-	-	38,432,154	40,397,154
Leasehold *	18,000,000	-	-	-	720,000	-	18,000,000	17,280,000
(b) Buildings	8,460,300	-	-	2,429,261	410,188	-	6,031,039	5,620,851
(c) Plant and Equipment #	1,804,499,910	178,570,332	-	397,508,784	91,966,466	-	1,406,991,126	1,493,594,992
(d) Furniture and Fixtures	-	-	-	-	-	-	-	-
(e) Vehicles	16,809,717	38,907	-	12,407,089	1,672,022	-	4,402,628	2,769,513
(f) Office equipment	19,803,158	250,179	-	9,707,032	980,326	-	10,096,126	9,365,979
<b>B. Capital Advances**</b>	-	432,000,000	-	-	-	-	-	432,000,000
<b>C. Intangibles</b>	39,023,163	7,689,290	-	46,712,453	-	-	39,023,163	46,712,453
<b>D. Capital Work in Progress</b>								
	39,792,911							39,792,911
<b>Total</b>	<b>1,945,028,402</b>	<b>6 60,306,619</b>	<b>-</b>	<b>422,052,166</b>	<b>95,749,002</b>	<b>-</b>	<b>1,522,976,236</b>	<b>2,087,533,853</b>

\* Represents amount paid to Forest department of Karnataka towards lease rentals for the Chitradurga site

# Plant & Machinery includes revaluation amount of Rs. 60 Lakhs, whose WDV as on 31st March, 2014, is Rs.26,63,200/-

\*\* Represents purchase of rights out of EXIM bank Loan for 6 Mw Wind farm project

### Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2014 Rs.	For the year ended 31 March, 2013 Rs.
Depreciation and amortisation for the year on tangible assets	95,749,002	80,639,894
Depreciation and amortisation relating to continuing operations	<b>95,749,002</b>	<b>80,639,894</b>



## INDOWIND ENERGY LIMITED

### Note 10 Non-current investments

Notes forming part of the consolidated financial statements

Particulars	No. of Shares	As at 31 March, 2014			As at 31 March, 2013		
		Quoted Rs.	Unquoted Rs.	Total Rs.	Quoted Rs.	Unquoted Rs.	Total Rs.
Investments (At cost):							
Investment in equity instruments							
(i) of other entities							
The Jain Sahakari Bank Limited	4,247	-	124,500	124,500	-	124,500	124,500
India wind Power Limited	1,000,000	-	10,000,000	10,000,000	-	10,000,000	10,000,000
Other non-current investments							
(Key Man Insurance Policy)*		-	27,066,391	27,066,391	-	27,066,391	27,066,391
<b>Total Investments</b>		-	<b>37,190,891</b>	<b>37,190,891</b>	-	<b>37,190,891</b>	<b>37,190,891</b>
Less: Provision for diminution in value of investments		-	-	-	-	-	-
<b>Total</b>		-	<b>37,190,891</b>	<b>37,190,891</b>	-	<b>37,190,891</b>	<b>37,190,891</b>



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
<b>Note 11 Long-term loans and advances</b>		
(a) Capital advances / Guarantee Deposits		
Secured, considered good		
- Others	142,459,788	508,401,055
- Related Parties (Refer Note below)	215,637,930	500,142,982
Unsecured, considered good		
- Others	6,884,770	6,884,770
- Related Parties (Refer Note below)	-	12,800,000
	<b>364,982,488</b>	<b>1,028,228,807</b>
(b) Security deposits		
Unsecured, considered good	20,680,601	2,858,430
(c) Loans and advances to related parties		
Unsecured, considered good	-	-
(d) Balances with government authorities	18,850,565	19,146,654
(e) Other loans and advances		
Unsecured, considered bad / non recoverable		
- Others	8,270,646	3,913,146
<b>Total</b>	<b>412,784,300</b>	<b>1,054,147,037</b>
Note: Long Term Loans & Advances includes amount due from companies in which Director of the Company is also a Director:		
<b>Capital advances / Guarantee Deposits</b>		
<b>Secured, considered good</b>		
Bewind Power Private Ltd	-	93,371,861
Bekae Properties Pvt Ltd	-	109,733,031
Loyal Credit and Investment Ltd	90,450,677	81,843,976
Indus Finance corporation limited	125,187,253	215,194,114
<b>Unsecured , considered good</b>		
Indus Capital Private Limited	-	12,800,000
<b>Note 12 Other non-current assets</b>		
(a) Long-term trade advances		
Unsecured, considered good		
- Others	554,445,955	1,094,921,217
- Related Parties	19,298	3,451,476
<b>Total</b>	<b>554,465,253</b>	<b>1,098,372,693</b>
The Long term trade advance of Rs. 554,445,955 are subject to confirmation.		



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
<b>Note 13 Inventories</b>		
(a) Work-in-progress (Refer Note below)	30,301,036	3 8,108,592
(b) Stock-in-trade - Energy Stock	8,979,362	5 ,756,422
<b>Total</b>	<b>39,280,398</b>	<b>43,865,014</b>
<b>Note: Details of inventory of work-in-progress</b>		
Closing Stock	25,794,529	33,602,085
Work in Progress - Agri Division	4,506,507	4,506,507
	<b>30,301,036</b>	<b>38,108,592</b>
<b>Note 14 Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	9,534,346	13,880,270
Other Trade receivables		
Unsecured, considered good	12,581,690	13,578,303
<b>Total</b>	<b>22,116,036</b>	<b>27,458,573</b>
<b>Note 15 Cash and cash equivalents</b>		
(a) Cash on hand	505,195	947,037
(b) Balances with banks		
(i) In current accounts	9,752,168	16,490,037
(iii) In deposit accounts	3,000,000	3,000,000
- Other earmarked accounts (Refer Note (i) below)	38,800,000	3 5,500,000
(c) Others (specify nature)		
<b>Total</b>	<b>52,057,363</b>	<b>55,937,074</b>
Cash & Cash Equivalents as per AS-3 Cash Flow Statement issued by ICAI	28,389,637	17,437,074
Note (i) : Earmarked Deposit Account represents Fixed Deposits on which lien has been marked for the facilities availed from		
<b>Note 16 Short-term loans and advances</b>		
(a) Loans and advances to employees		
Unsecured, considered good	1,938,622	1,930,995
(b) Loans and advances - Related Parties		
Unsecured, considered good (Refer Note Below)	-	1 ,000,000
(c) Prepaid expenses - Unsecured, considered good	4,954,517	4,972,070
(d) Others - Secured, considered good	-	-
<b>Total</b>	<b>6,893,139</b>	<b>7,903,065</b>
Note: Short Term Loans & Advances includes amount due from M/s. Bekae Properties Private Limited, amounting to Rs.1,000,000/- which is a company in which Director of the Company is interested.		



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

Particulars	As at 31 March, 2014 Rs.	As at 31 March, 2013 Rs.
<b>Note 17 Other current assets</b>		
(a) Unamortised expenses		
(i) Share issue expenses/Preoperative expenses	3,796,004	5,539,245
(ii) Others	3,823,578	-
<b>Total</b>	<b>7,619,582</b>	<b>5,539,245</b>
<b>Note 18 Revenue from operations</b>		
(a) Sale of products (Refer Note (i) below)	234,045,453	233,762,142
(b) Sale of Projects (Refer Note (ii) below)	-	-
<b>Total</b>	<b>234,045,453</b>	<b>233,762,142</b>
<b>Note</b>		
(i) Sale of products - Power (shown net off of Power Share Payments made)	234,045,453	233,762,142
<b>Total - Sale of products</b>	<b>234,045,453</b>	<b>233,762,142</b>
(ii) Sale of Projects	-	-
<b>Total - Sale of Projects</b>	<b>-</b>	<b>-</b>
<b>Note 19 Other income</b>		
(a) Interest income (Refer Note (i) below)	19,469,750	16,508,397
(b) Other non-operating income (Refer Note (ii) below)	84,200	7,967,759
<b>Total</b>	<b>19,553,950</b>	<b>24,476,156</b>
<b>Note</b>		
(i) Interest income comprises:		
Interest from banks on deposits	3,300,000	9,267
Interest income associates	16,169,750	16,499,130
<b>Total - Interest income</b>	<b>19,469,750</b>	<b>16,508,397</b>
(ii) Other non-operating income comprises:		
Dividend Income	12,500	12,491
Others	71,700	7,955,268
<b>Total - Other non-operating income</b>	<b>84,200</b>	<b>7,967,759</b>
<b>Note 20 Cost of Generation of Power</b>		
(i) Direct Cost incurred at Power Generation Site	56,157,149	52,722,386
<b>Total</b>	<b>56,157,149</b>	<b>52,722,386</b>
<b>Note 21 Project Expenses</b>		
(i) Purchases	-	813,886
(ii) Project Expenses	880,795	73,601
<b>Total</b>	<b>880,795</b>	<b>887,487</b>



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

Particulars	for the Year ended 31 March, 2014 Rs.	for the Year ended 31 March, 2013 Rs.
<b>Note 22 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year:		
Work-in-progress	25,794,529	33,602,085
Transfers from Project	8,500,000	10,007,300
Energy Stock	6,599,519	-
	<b>40,894,048</b>	<b>43,609,385</b>
Inventories at the beginning of the year:		
Work-in-progress	33,602,085	42,795,499
Energy Stock	3,758,291	-
	<b>37,360,376</b>	<b>42,795,499</b>
<b>Net (increase) / decrease</b>	<b>-3,533,672</b>	<b>-813,886</b>
<b>Note 23 Employee benefits expense</b>		
Salaries and wages	14,229,358	13,317,798
Contributions to provident and other funds	589,188	648,972
Staff welfare expenses	1,091,546	968,465
<b>Total</b>	<b>15,910,092</b>	<b>14,935,235</b>
<b>Note 24 Finance costs</b>		
(a) Interest expense on:		
(i) Borrowings	47,139,039	39,171,730
(ii) Others - Processing Charges	25,000	1,234
(iii) Interest on TDS	5,010	-
<b>Total</b>	<b>47,169,049</b>	<b>39,172,964</b>
<b>Note 25 Other expenses</b>		
Power and fuel	806,460	529,938
Advertisement	208,596	-
Selling Expenses	12,515,148	13,595,714
Rent including lease rentals	-	35,000
Repairs and maintenance - Buildings	1,364,429	1,727,225
Repairs and maintenance - Machinery	64,770	-
Repairs and maintenance - Vehicles	674,209	769,078
Insurance	904,308	436,961
Rates and taxes	5,624,547	1,658,664
Communication	591,673	535,788
Travelling and conveyance	5,189,598	4,604,896
Printing and stationery	406,596	481,804
Business promotion	754,941	2,679,507
AGM / EGM Expenses	1,053,648	1,138,889
Legal and professional	3,814,839	4,879,176
Security Charges	4,000	11,000
Bank Charges	8,716	45,988
Books & Periodicals	41,529	48,465
Sitting Fees	167,304	90,000
Payments to auditors (Refer Note (i) below)	471,983	409,000
Miscellaneous expenses	4,204,255	4,132,913
<b>Total</b>	<b>38,871,549</b>	<b>37,810,006</b>



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

Particulars	for the Year ended 31 March, 2014 Rs.	for the Year ended 31 March, 2013 Rs.
<b>Notes:</b>		
(i) Payments to the auditors comprises		
As auditors - statutory audit	300,000	250,000
As auditors - Tax audit	100,000	100,000
For taxation matters	-	50,000
For Certification matters	71,983	9,000
<b>Total</b>	<b>471,983</b>	<b>409,000</b>
<b>Note 26 Exceptional items</b>		
Miscellaneous Expenses Written Off	-	1,743,241
Prior Period Items*	8,170,060	30,967,422
Less:		
Transfer from Reserves	8,170,060	32,710,663
<b>Total</b>	<b>-</b>	<b>-</b>
* Represents charges appropriated by TANGEDCO		





## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

#### Note 27 Additional information to the financial statements

Note	Particulars			
27.1	<b>Contingent liabilities and commitments (to the extent not provided for)</b>	<b>As at 31 March, 2014 Rs. In lacs</b>	<b>As at 31 March, 2013 Rs. In lacs</b>	
	Income Tax - various years	800.14	197.43	
	Service Tax : F Y 2007 -08	214.83	214.83	
	VAT : F Ys 2007 -08 and 2008 - 09	76.09	76.09	
	Others	150.00	-	
<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>				
27.2	<b>Particulars</b>	<b>As at 31 March, 2014 Rs.</b>	<b>As at 31 March, 2013 Rs.</b>	
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year			
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.			
27.3	<b>Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges</b> Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:			
	<b>Name of the party</b>	<b>Relationship</b>	<b>Amount outstanding as at 31 March, 2014</b>	<b>Maximum balance outstanding during the year</b>
	Indus Finance corporation Ltd	Associates	125,187,253 (215,194,114)	125,187,253 (220,268,450)
	Indowind Power Private Limited (Trade Receivable)	Subsidiary	49,438,330	49,438,330
Note: Figures in bracket relate to the previous year.				
27.4	<b>Foreign Currency transactions</b>		<b>for the Year ended 31 March, 2014 Rs.</b>	<b>for the Year ended 31 March, 2013 Rs.</b>
	<b>Expenditure in Foreign Currency</b>			
	Travelling Expenses		102,594	103,622
	Fees		747,646	-
	FCCB Redeemed during the year does not involve foreign exchange outflow in the current year			
	<b>Earnings in foreign exchange</b>		-	-



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

#### Note 27 Additional information to the financial statements

27.5	<b>Employee benefit plans</b> <u>Defined contribution plans</u> The Company has provided for retirement benefits to the employees such as Gratuity, Provident Fund and ESI. The Company has formulated in consultation with the Life Insurance Corporation of India, for Gratuity benefits, necessary benefit plans, the details of which are as follows:	
	Accrued Gratuity Liability*	Rs. 2,700,957
	Actuarial Value of Accrued Gratuity Liability*	1,922,357
	Fund with Life Insurance Corporation of India*	1,922,357
	Net Liability	-
	<b>Assumptions for Actuarial Valuation</b> Discounting Rate Salary Escalation Rate Method of Valuation * Details shown above are based on Actuarial Valuation Report of LIC as on 01/08/2013. Revised Liability will be available only by August 2014 and hence actuarial liability cannot be ascertained.	8.00% 7.00% Projected unit credit method
27.6	<b>Foreign Currency Convertible Bonds</b> Out of 30 Mn USD Bonds 15 Mn redeemed. The Company has expressed willingness to convert the balances into shares as per the terms and conveyed the trustee (BNY) to take initiative for the same.	



## Note 27 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 March, 2014				
		Business segments				
		Power Rs.	Project Rs.	Others Rs.	Eliminations Rs.	Total Rs.
27.7	<b>Segment information</b> The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Power Generation, Project Sale and Others which include Finance. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.	234,045,453 (233,762,142) 104,206,993 (53,609,873) 129,838,460 (180,152,269)	- - - - - -	19,553,950 (24,476,156) - - 19,553,950 (24,476,156)	- - - - - -	253,599,403 (258,238,298) 104,206,993 (53,609,873) 149,392,410 (204,628,425) 146,276,971 (171,744,213) 3,115,439 (32,884,212) 3,115,439 (32,884,212) 2,067,740 (355,281) 1,047,699 (32,528,931)
		For the year ended 31 March, 2014				
		Business segments				
		Power Rs.	Project Rs.	Others Rs.	Total Rs.	
	Segment assets	3,083,980,108	-	75,990,891	3,159,970,999	
	Total assets	(3,721,238,700)	-	(72,690,891)	(3,793,929,591)	
	Segment liabilities	1,447,539,727	-	-	1,447,539,727	
	Total liabilities	(1,734,922,290)	-	-	(1,734,922,290)	



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements

#### Note 27 Disclosures under Accounting Standards (contd.)

Note	Particulars				
27.8	<b>Related party transactions</b>				
27.8 a	<b>Details of related parties:</b>				
	<b>Description of relationship</b>		<b>Names of related parties</b>		
	Subsidiary Associates and Companies where Key Management Personnel has a significant influence.		Indowind Power Private Limited		
	Key Management Personnel (KMP)		Indus Finance Corporation Ltd., Ind Eco Ventures Limited Indonet Global Limited Indus Nutri Foods P Ltd Loyal Credit & Investmenst Limited Indus Capital P Limited Everon Power P Ltd. Bekae propertise P Ltd. Karumuthu Finance Private limited  Mr. Bala V Kutti, Chairman Mr. K.S. Ravindranath, Whole time Director Mr. T S. Raghavan, Director Mr. Niranjan R Jagtap		
27.8 b	<b>Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:</b>				
	<b>Nature of Transaction</b>	<b>Subsidiary</b>	<b>Associates</b>	<b>KMP</b>	<b>Total</b>
	Power Share Income				
	...- Indus Finance Corporation Ltd.,	-	2,378,986	-	2,378,986
	...- Ind Eco Ventures Limited	-	2,299,295	-	2,299,295
	...- Bekae properties P Ltd.	-	1,935,066	-	1,935,066
	...- Everon Power Pltd.,	-	1,839,499	-	1,839,499
	...- Karumuthu Finance P Ltd.	-	2,002,537	-	2,002,537
	Interest Income				
	- Indus Finance Corporation Ltd.,	-	16,169,750	-	16,169,750
	Travelling Expenses				
	- Mr. Bala V Kutti, Chairman	-	-	1,743,922	1,743,922
	Business Promotion				
	- Mr. Bala V Kutti, Chairman	-	-	642,493	642,493
	Staff Welfare				
	- Mr. Bala V Kutti, Chairman	-	-	153,841	153,841
	Conveyance				
	- Mr. Bala V Kutti, Chairman	-	-	38,500	38,500
	Salary				
	- Mr. K S Ravindranath, Whole time Director	-	-	1,455,768	1,455,768



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements Note 27 Disclosures under Accounting Standards (contd.)

		Subsidiary	Associates	KMP	Total
	Sitting Fees				
	- Mr. Bala V Kutti, Chairman	-	-	50,000	50,000
	- Mr. Niranjana R Jagtap	-	-	40,000	40,000
	- Mr. T S Raghavan, Director	-	-	50,000	50,000
	<b>Capital Advances - Acquisition of 6Mw Wind project</b>				
	- Indus Finance Corporation Ltd.,		108,000,000		108,000,000
	- Ind Eco Ventures Limited		108,000,000		108,000,000
	- Bekae properties P Ltd.		108,000,000		108,000,000
	- Karumuthu Finance P Ltd.		108,000,000		108,000,000
	<b>Balances outstanding at the end of the year</b>				
	Capital advances / Guarantee Deposits - Secured				
	- Loyal Credit and Investment Ltd	-	90,450,677	-	90,450,677
	- Indus Finance corporation limited	-	125,187,253	-	125,187,253
	Long-Term trade advances				
	- Indonet Global Limited	-	15,000	-	15,000
Ref. No.	Particulars	For the Year ended 31 March, 2014		for the Year ended 31 March, 2013	
		Rs.		Rs.	
27.9	<b>Earnings per share</b>				
	<b>Basic -Total &amp; Continuing operations</b>				
	Net profit / (loss) for the year from continuing operations		1,047,699		32,259,289
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders		1,047,699		32,259,289
	Weighted average number of equity shares		89,741,486		89,741,486
	Par value per share		10.00		10.00
	Earnings per share from continuing operations - Basic		0.01		0.36
	<b>Diluted - Total &amp; Continuing operations</b>				
	Net profit / (loss) for the year from continuing operations after adjusting for Interest Payment / Dividend relating to Potential Dilutive Equity Shares		1,047,699		32,259,289
	Net Profit / (loss) as computed by above attributable to the equity shareholders		1,047,699		32,259,289
	Weighted average number of equity shares after adding Potential Dilutive Equity Shares		89,741,486		89,741,486
	Par Value per share		10.00		10.00
	Earnings per share from continuing operations - Basic		0.01		0.36



## INDOWIND ENERGY LIMITED

### Notes forming part of the consolidated financial statements Note 27 Disclosures under Accounting Standards (contd.)

Ref. No.	Particulars	for the Year ended 31 March, 2014 Rs.	for the Year ended 31 March, 2013 Rs.
27.10	<b>Deferred tax (liability) / asset</b>		
	<b>Opening Balance - Deferred Tax Liability</b>	61,955,962	61,742,147
	Total value of items constituting timing differences for Deferred Tax effect	(5,910,018)	(691,957)
	Tax effect of items constituting deferred tax effect	(2,008,815)	(213,815)
	MAT Credit availed for current year	-	-
	Net deferred tax - Liability	(2,008,815)	(213,815)
	<b>Closing Balance - Deferred Tax Liability</b>	<b>63,964,777</b>	<b>61,955,962</b>
	The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company		
28	<b>Previous year's figures</b>		
	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		
<div>In terms of our report attached. <b>For V. Ramaratnam &amp; Co.</b> Chartered Accountants FRN: 002956S <b>R. Sundar</b> <b>Partner</b> Membership No. : 012339 Place: Chennai. Date: 30<sup>th</sup> May, 2014</div> <div><b>DIRAVIAM S</b> Company Secretary</div> <div><div>for and on behalf of the Board of Directors</div><div><b>BALA V KUTTI</b> Chairman</div><div><b>RAVINDRANATH K S</b> Director</div><div><b>RAGHAVAN T S</b> Director</div><div><b>NIRANJAN R JAGTAP</b> Director</div></div>			



**INDOWIND ENERGY LIMITED**  
**Regd. Office "Kothari Building", 4<sup>th</sup> Floor**  
**114, Mahatma Gandhi Road, Nungambakkam,**  
**Chennai- 600 034.**

**ATTENDANCE SLIP**

Please fill Attendance Slip and hand it over at the Entrance of the Meeting Hall.

NAME AND ADDRESS OF THE SHAREHOLDER


<b>Folio No.</b>	<b>DP.ID</b>	
	<b>CLIENT ID*</b>	

I hereby record my presence at the 19th Annual General Meeting held on 14th August 2014 at 4.00 p.m., Clarion Hotel, 25, Dr. Radhakrishnan Salai, Mylapore, Chennai-600004

SIGNATURE OF THE MEMBERS OR PROXY	SHARES HELD



**INDOWIND ENERGY LIMITED**  
**Regd. Office "Kothari Building", 4<sup>th</sup> Floor**  
**114, Mahatma Gandhi Road, Nungambakkam,**  
**Chennai- 600 034.**

**PROXY FORM**

I/we \_\_\_\_\_ of \_\_\_\_\_ in district of \_\_\_\_\_ being a member(s) of the above named Company hereby appoint Mr/Ms. \_\_\_\_\_ of \_\_\_\_\_ in the district \_\_\_\_\_ of or failing him Mr/Ms. \_\_\_\_\_ of \_\_\_\_\_ in district of \_\_\_\_\_ as my/our Proxy and vote for me/us on my / our behalf at the 19th Annual General Meeting of the Company to be held on \_\_\_\_\_ and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Folio No. \_\_\_\_\_

DPID : \_\_\_\_\_ CLIENT ID : \_\_\_\_\_

Re 1/-  
Revenue  
Stamp

**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 the proxy need not be a member.
2. This form duly completed should be deposited at the registered office of the Company at Chennai on or before 12<sup>th</sup> August 2014.

BOOK-POST

If Undelivered Please return to :



**INDOWIND ENERGY LIMITED**

"Kothari Buildings",  
4th Floor, 114, Mahatma Gandhi Road,  
Nungambakkam, Chennai - 600 034.  
Tel : 044-28330867 / 28331310







# Indowind Energy Ltd

CIN : L40108TN1995PLC032311

E-mail: contact@indowind.com

## FORM A

1.	Name of the Company	Indowind Energy Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit observation	Attached
4	Frequency of observation	Yearly
5	Signed by <ul style="list-style-type: none"> <li>• CEO / Managing Director</li> <li>• CFO</li> <li>• Auditor</li> <li>• Audit Committee Chairman</li> </ul>	 

\* CFO : K.K.DINAKAR

\* AUDITOR: R. SUNDAR FOR Y. RAMARATNAM & CO.



## **FORM - A**

### **Type of Audit Observation:**

#### **1. Basis for Qualified Opinion**

We draw your attention to Note 12 .of the financial statements regarding project advances for an amount of Rs 44.60 crores made for the purposes of acquiring WEGs. Given that this transaction occurred outside India and in the absence of information regarding the supply schedule, confirmation of outstanding and steps taken by the company for recovery of advances, we are unable to comment on the extent of recoverability of advance. The consequential impact of this matter on the profit for the year and the retained earnings as on Mar 31, 2014 is indeterminable.

#### **2. Emphasis of Matter**

- 1) We draw your attention to Note 5(i) of the financial statements in respect of material uncertainty about the company's ability to continue as a going concern which is in part dependent on the successful outcome of the decision regarding the liquidation petition filed by the bond holders before the Honourable Madras High Court. Our opinion is not qualified in respect of this matter.
- 2) We draw your attention to Note No 4 of the financial statements regarding long term borrowings from EXIM Bank. We have observed that out of the earlier proceeds of the loan, an amount of Rs 43.20 crores, disclosed under capital Advances, have been utilised to acquire rights over the 6MW wind farm project. In the absence of full loan disbursement by EXIM Bank, non-availability of modified sanctioned terms and conditions agreed upon by the company and EXIM Bank, we are unable to comment on the compliance with original terms, utilisation and repayment schedule. Our opinion is not qualified in this matter





# Indowind Energy Ltd

CIN : L40108TN1995PLC032311

E-mail: contact@indowind.com

## FORM B

1	Name of the Company	Indowind Energy Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit qualification	Attached
4	Frequency of qualification	Yearly
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors report	Attached
6	Additional comments from the Board / Audit Committee chair:	Nil
7	Signed by <ul style="list-style-type: none"> <li>• CEO / Managing Director</li> <li>• CFO</li> <li>• Auditor</li> <li>• Audit Committee Chairman</li> </ul>	 

\* CFO: K.K. DINAKAR.

\* AUDITOR: R. SUNDAR FOR Y. RAMARATNAM & CO.



## **FORM – B**

### **3. Type of Audit Qualification:**

#### **Basis for Qualified Opinion**

We draw your attention to Note 12 .of the financial statements regarding project advances for an amount of Rs 44.60 crores made for the purposes of acquiring WEGs. Given that this transaction occurred outside India and in the absence of information regarding the supply schedule, confirmation of outstanding and steps taken by the company for recovery of advances, we are unable to comment on the extent of recoverability of advance. The consequential impact of this matter on the profit for the year and the retained earnings as on Mar 31, 2014 is indeterminable.

#### **Management Response**

With reference to the observations of Auditors in the Independent Auditor report in respect of 'Basis for Qualified Opinion', your Directors wish to state that due to cost escalations, non-release of entire sanctioned loan amount, your company is unable to execute projects in time by mobilizing the balance fund requirements. However, your Company is negotiating with the banks as well as with the suppliers severally, to resolve the matter at the earliest.

### **3. Type of Audit Observation:**

#### **1. Emphasis of Matter**

- 1) We draw your attention to Note 5(i) of the financial statements in respect of material uncertainty about the company's ability to continue as a going concern which is in part dependent on the successful outcome of the decision regarding the liquidation petition filed by the bond holders before the Honourable Madras High Court. Our opinion is not qualified in respect of this matter.
- 2) We draw your attention to Note No 4 of the financial statements regarding long term borrowings from EXIM Bank. We have observed that out of the earlier proceeds of the loan, an amount of Rs. 43.20 crores, disclosed under capital Advances, have been utilised to acquire rights over the 6MW wind farm project. In the absence of

full loan disbursement by EXIM Bank, non-availability of modified sanctioned terms and conditions agreed upon by the company and EXIM Bank, we are unable to comment on the compliance with original terms, utilisation and repayment schedule. Our opinion is not qualified in this matter

### **Management Response**

Since this Emphasis of matter is not a qualification, the management has not given any note in the Directors' report on the observations of the Auditor under Emphasis of Matter. However, the reply of the management is as under:

- 1) The Company has redeemed USD 8.5 mn FCCB during the previous year 2012-13. Further the Company has redeemed Bonds amounting to 6.5 mn USD during the year 2013-14. Thus bond worth 15 mn i.e., 50% of bonds have been redeemed. The Company has expressed its willingness to convert the balance 15 mn USD worth of bonds as per the terms and conveyed the same to the trustees, Bank of New York to take initiative for the same. In respect of the petition filed by the Bank of New York against the Company, the Hon'ble High Court of Madras is hearing the arguments. However, as the management is confident of getting justice in Company's favour, the management is of the opinion that the Going concern assumption is appropriate.

(The Directors have, in their report to the shareholders, provided the above details under the paragraph 'status of FCCB')

- 2) With the partial term loan released by the EXIM Bank so far, the company has set up 8 mw project, which includes an amount of Rs. 43.20 crores for acquisition of right on the 6 MW wind farm project located at Chitradurga, Karnataka. However, as the Bank has not released the entire sanctioned amount of 18 mn Euro, the Company is unable to complete the project. The company has requested to fix repayments for the disbursed loan in line with the earning capacity of 8 mw project income and also release balance loans for enhancing the revenues. As the Bank has not modified the terms or released the full loan proceeds so far, the Auditors are unable to form an opinion as to terms of compliance, utilisation and repayments connected to the EXIM Bank Loan.

**FORM – B**

**5. Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors report:**

S.No.	Audit qualification/observation	Reference to notes in financial statements
1	Basis for Qualified Opinion	Note 12
2	Emphasis of Matter	Note (i) to 5 Note 4