



INDOWIND ENERGY LIMITED



NOTICE TO THE SHAREHOLDERS

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

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet of the Company as at 31st June 2008 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Niranjana R Jagtap who retires at the end of this meeting and being eligible offers himself for re-appointment.
3. To appoint M/s.V.Ramaratnam & Co, Chartered Accountants, as Statutory Auditors, who retire and being eligible offer themselves for reappointment.

SPECIAL BUSINESS:

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

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

Remuneration.

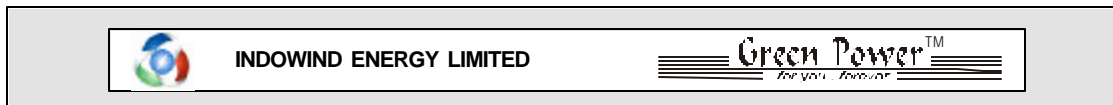
1. Salary (Basic + DA) Rs.40,125/- (Rupees Forty thousand one hundred and twenty five only) per month
2. Special Allowance Rs.42,558/- (Rupees Forty two thousand five hundred and fifty eight only) per month
3. Housing / House Rent Allowance Rs.13,375/- (Rupees Thirteen thousand three hundred and seventy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

Perquisites.

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

Perquisites are presently classified as follows:

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



Minimum Remuneration.

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

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

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

Sd/

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

**Place: Chennai
Date: 17.11.2008**



NOTES:

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

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

Item No. 4.

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

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

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

Sd/-

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

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

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSIONS AND ANALYSIS

To

The Members

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

FINANCIAL HIGHLIGHTS:

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

THE PERFORMANCE:

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

FUTURE PLANS AND PROSPECTS:

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

INDIAN ECONOMIC SCENARIO:

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

INDIAN POWER SCENARIO:

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

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

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

DEPOSITS:

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

DIRECTORS:

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

AUDITORS:

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

EMPLOYEES:

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. In the presentation of the Annual accounts, applicable standards have been followed and there are no material departures.

2. The Directors have selected such accounting policies and apply them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2008 and profit for the company for the year ended 30th June, 2008.
3. The Directors have taken proper and sufficient care in the maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE:

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

EXPLANATION TO THE QUALIFICATIONS IN THE AUDITOR REPORT:

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

INFORMATION AS PER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956:

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

ACKNOWLEDGEMENT:

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

for and on behalf of

BOARD OF DIRECTORS OF INDOWIND ENERGY LTD.

Place : Chennai
Date : 17.11. 2008

K.S.RAVINDRANATH
DIRECTOR

K.V.BALA
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

1. INTRODUCTION:

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

2. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

3. COMPOSITION OF THE BOARD:

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

4. NUMBER OF BOARD MEETINGS:

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

5. DIRECTORS ATTENDANCE RECORD AND DIRECTORSHIP HELD:

Details of the above are given in table 1.

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

Name	Designation	Board Meetings held during the year	Board Meetings attended during theyear	Whether attended last AGM	Other Directorship
Mr. K.V.Bala	Chairman	9	8	Yes	Director in: 1.M/s.Ind Eco Ventures Ltd. 2.M/s.Subuthi Finance Ltd. 3)M/s.Indonet Global Ltd. 4) M/s.Loyal Credit & Investments Ltd.
Mr. K.S.Ravindranath	Director	9	8	Yes	Nil
Mr. Niranjan R.Jagtap	* Independent Director	9	2	Yes	Nil
Mr. T.R.Jayaraman	* Independent Director	9	9	Yes	Nil

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

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

6 INFORMATION SUPPLIED TO THE BOARD:

Among others, this includes:

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

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

7. COMMITTEES OF THE BOARD:

(i) AUDIT COMMITTEE:

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

The company continued to drive immense benefit from the deliberation of the Audit Committee comprising of three Directors’, Mr.T.R.Jayaraman, Mr.K.V.Bala and Mr.Niranjan R.Jagtap who are eminent professionals having knowledge in project finance, accounts and company law. Mr.T.R.Jayaraman is the Chairman of the Audit Committee. The minutes of each Audit Committee meeting are placed before, and discussed in full by the Board.

The Audit Committee met 9 times during the year ended 30th June 2008.

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

Table 2:

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

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

1. Overseeing of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of Auditor and the fixation of audit fees.

3. Approval of payment to Auditors for any other services rendered by them.

4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference:

i. Matters required to be included in Director’s responsibility statement to be included in the Board’s report in terms of clause (2AA) of Section 217 of the Companies Act.

ii. Changes of any in accounting policies and practices and reasons for the same.

iii. Major accounting entries involving estimates based on the exercise of judgment by management.

iv. Significant adjustments made in the financial statement arising out of audit findings.

v. Compliance with listing and other legal requirements relating to financial statements.

vi. Disclosure of any party transactions.

vii. Qualifications in the draft audit report.

(ii) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

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

Table 3:

Name	Designation	Status	No. of meetings held	No. of meetings attended
Mr. T.R.Jayaraman	Chairman	Non-Executive and Independent Director	4	4
Mr. K.S.Ravindranath	Member	Whole Time Director	4	4
Mr. Niranjan R.Jagtap	Member	Non-Executive and Independent Director	3	2

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

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

(iii) REMUNERATION COMMITTEE:

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

Table 4:

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

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

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

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

8. MANAGEMENT:

Disclosure by management to the Board

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