



INDOWIND ENERGY LIMITED



### NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the 15<sup>th</sup> Annual General Meeting of Company will be held at Hotel 'The Accord Metropolitan', 35, G.N.Chetty Road, T.Nagar, Chennai – 600 017, at 4.00 PM on Monday, 20<sup>th</sup> December, 2010 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended 30<sup>th</sup> June 2010 and the Balance Sheet as on that date along with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. K.V. Bala 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 receive, consider and if thought fit, to pass the following Resolution, with or without modification(s), as a Special Resolution:

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



appropriate by the Board in its sole discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with lead managers, for an amount not exceeding Rs. 500 Crores (Rupees Five Hundred Crores) inclusive of such premium as may from time to time be decided."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 ("ICDR Regulations)/ and the provisions of the Foreign Exchange Management Act, 2000, Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the consent granted to the Board of Directors in terms of the preceding Resolution to create, issue, offer and allot Securities of amount not exceeding Rs. 500 Crores (Rupees Five Hundred crores) (inclusive of premium), includes the consent granted to the Board of Directors to issue Securities, in its sole discretion, to Qualified Institutional Buyers (as defined in SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 ("ICDR Regulations) pursuant to a qualified institutional placement, as provided under Chapter VIII of the ICDR Guidelines."

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

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

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

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

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

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



**“RESOLVED FURTHER THAT** the equity shares as may be required to be issued and allotted, including issue and allotment of equity shares upon conversion of any securities referred to above or as may be necessary in accordance with the terms of the offer, all such equity shares shall rank pari passu inter-se and with the then existing equity shares of the Company inter alia respects, except Provided otherwise under the terms of issue/offering and in the offer document and/or prospectus and/or offer letter and/or offering circular and/or listing particulars.”

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

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of the aforesaid Securities and listing thereof with the stock exchange(s) and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the aforesaid Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit.”

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

5. Increase in the Authorized Share Capital and consequential changes in the Memorandum of Association and Articles of Association of the Company:

**“RESOLVED THAT** in accordance Section 16, Section 17, Section 31, Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or modification(s) or re-enactment(s) thereof for the time being in force), sanction be and is hereby accorded by the Company for increase in the authorized share capital of the Company from Rs. 107,00,00,000/- (Rupees One Hundred and Seven Crores only) comprising of 10,00,00,000 (Ten Crores) Equity Shares of Rs.10 each and 7 (Seven) Preference Shares of Rs.1,00,00,000/- each to Rs.150,00,00,000 (Rupees One Hundred and Fifty Crores only) comprising of 15,00,00,000 (Fifteen Crores) Equity Shares of Rs. 10/- each and 7 (Seven) Preference Shares of Rs. 1,00,00,000/- (Rupees One Crore) each.

**RESOLVED FURTHER THAT** Clause V of the Memorandum of Association of the Company be replaced with following:

**‘V.** ‘The Authorised Share Capital of the Company is Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and 7 (Seven) Preference shares of Rs.1,00,00,000/- (Rupees One Crore Only) each with the power to the company to reduce or increase or consolidate the capital’.

**RESOLVED FURTHER THAT** Clause 3 of the Articles of Association of the Company be replaced with the following:

**‘3.** ‘The Authorised Share Capital of the Company is Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and 7 (Seven) Preference shares of Rs.1,00,00,000/- (Rupees One Crore Only) each with the power to the company to reduce or increase or consolidate the capital’.

The Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.’

**RESOLVED FURTHER THAT** any Director of the Company or the Company Secretary or be and are hereby authorized severally to file the required forms with the Registrar of Companies and to do all other such acts, deeds, matters and things as may be considered necessary, desirable, and expedient or appropriate for giving effect to this resolution in all respects as it may, in its absolute discretion, deem fit and proper in the best interests of the Company.”



INDOWIND ENERGY LIMITED



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

**ITEM NO ( 4 )**

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

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

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

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

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

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

**ITEM NO (5)**

The Company proposes to raise capital through issue of equity shares by **PRIVATE PLACEMENT/GDR/ADR/FCCB/FCD** etc. There fore the Authorized Capital of the Company has to be increased to facilitate such issues and the Memorandum and Articles of Association of the Company are also required to be altered for this purpose. Hence this resolution as stated under Item No.5 seeking the approval of the shareholders.

Your directors recommend the resolution as set out in Item No 5 of the Notice and none of the directors are interested or concerned to the resolution except as a share holder to the extent of their shares held by them.

**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.

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

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

**Place: Chennai  
Date : 21.10.2010**



**INDOWIND ENERGY LIMITED**



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

To

The Members

Your Directors have great pleasure in presenting this Fifteenth Annual Report of the company together with the audited accounts for the year ended 30<sup>th</sup> June 2010.

### **FINANCIAL HIGHLIGHTS**

	<b>For the year ended</b>	
	<b>30<sup>th</sup> June, 2010</b>	<b>30<sup>th</sup> June, 2009</b>
	<b>(Rs. In Thousands)</b>	
<b>Total Income</b>	<b>658,455</b>	647,520
<b>Profit Before Depreciation &amp; Tax</b>	<b>204,209</b>	167,198
<b>Less: Depreciation</b>	<b>71,580</b>	43,729
<b>Tax Provision</b>	<b>7,538</b>	8,876
<b>Deferred Tax Asset / (Liability)</b>	<b>73,978</b>	(95,877)
<b>Profit After Tax</b>	<b>199,069</b>	18,715

### **THE PERFORMANCE**

During the year the Company achieved a profit before tax of Rs.13.26 Crores and a profit after tax of Rs. 12.5 Crores. Your Company has managed to withstand the pressures of abnormal recessionary conditions to achieve the above net profit. Since Our Company is required to augment more resources for its expansion activities, your Board of Directors are not in a position to recommend dividend for this year.

### **FUTURE PLANS AND PROSPECTS OF THE COMPANY**

Your Company is planning to concentrate on consolidation of operations during 2010 - 11. Your company is planning to shift the sale of power to commercial customers to enhance the realization per unit, by restructuring the asset holdings.

The industry is expecting new policy initiatives viz., introduction of Renewable Energy Certificates, trading of the same through power exchanges during the year 2010-11. As viability of the IPPs were strained due to the increase in interest cost it is becoming important to set up new projects by availing higher realization benefits. Your company is planning to add additional capacities in future in order to enhance the profits.

Your company shall have more focus to increase the profits during the year 2010-11 by putting efforts in increasing the realization from the existing projects.

### **RISKS AND CONCERNS**

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

**STATUS OF FCCB**

The Company has issued Foreign Currency Convertible Bonds (FCCB) in December 2007 and raised 30mn USD. The FCCBs are due for redemption in Dec.2012. Due to fall in share price of the Company and to avoid the significant debt burden which would arise in the event that all or a significant amount of the FCCBs have to be redeemed on the due date, which may place considerable strain on the Company's financial position, the Company has proposed FCCB restructuring by changing them to zero coupon and reducing the conversion price to reflect current market realities. The share holders have approved the restructuring of FCCBs in their Extraordinary General Meeting held on 12<sup>th</sup> Aug, 2009. The Company has received approval of RBI for conversion of outstanding Bonds of US \$30Mn in to equity shares based on the floor price to be fixed as per SEBI guide lines with a cap of Rs.65.

**STATUS OF SHARE WARRANTS AND EMPLOYEES' STOCK OPTION SCHEME**

During the FY2009-10 the share holders of the Company had passed a resolution in their EGM convened on 12<sup>th</sup> August 2009 to issue share warrants not exceeding 40 lac on preferential basis to Subuthi Investments P Ltd and the Company has obtained further approval from stock exchanges, where their shares are listed for issue of such warrants. There after the Company has allotted 40 lac share warrants. Out of which 20 lac share warrants are converted in equity shares. The balance 20 lac warrants would be converted in to equity shares as when the warrants are fully paid up.

Similarly in the said EGM the share holders had passed a resolution to issue and allot 10 lac Options which are convertible in to equal number of equity shares of the Company of Rs 10/-each to its employees under Employees' Stock Option Scheme. Further to this the Company has received the requisite approvals from the stock exchange for issue of such options, where the shares are listed. Your Company is in the process of issuing such options.

**DEPOSITS**

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

**INDUSTRIAL RELATIONS AND PARTICULARS OF EMPLOYEES**

As of 30<sup>th</sup> June 2010, Your Company has 69 employees on its rolls. The employees will be inducted in to permanent services of the Company after training; to fill up vacancies as when arises.

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

**DIRECTORS**

Mr K.V. Bala is retiring at the end of this AGM and being eligible offers himself for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. In the presentation of the Annual accounts, applicable standards have been followed and there are no material departures.
2. The Directors have selected such accounting policies and apply them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30<sup>th</sup> June 2010 and profit for the Company for the year ended 30<sup>th</sup> June 2010.





3. The Directors have taken proper and sufficient care in the maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

#### **CORPORATE GOVERNANCE**

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

#### **LISTING OF EQUITY SHARES**

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

#### **AUDITORS**

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

#### **ADEQUACY OF INTERNAL CONTROL**

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

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

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

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

#### **ACKNOWLEDGEMENT**

The Directors wish to place on record their sincere thanks and gratitude to all its Bond holders, Share 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  
Date: 21.10.2010

**K.V.BALA**  
Chairman



## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION

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

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

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

##### a) COMPOSITION OF THE BOARD

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

##### b) NUMBER OF BOARD MEETINGS

Indowind Energy Limited held 7 Board Meetings during the year ended 30th June 2010. These were on 13th July 2009, 11th September 2009, 26th October 2009, 12th January 2010, 10th February 2010, 18th March 2010, and 30th April 2010.

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

Details of the above are given in table 1.





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

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

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

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

**d) INFORMATION SUPPLIED TO THE BOARD**

Among others, this includes:

- 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.



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

#### e) COMMITTEES OF THE BOARD

##### 1) AUDIT COMMITTEE

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

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

The Audit Committee met 4 times during the year ended 30<sup>th</sup> June 2010.

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	4	4
Mr. K.V. Bala	4	4
Mr. Niranjan R.Jagtap	4	4

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 related party transactions.
  - vii. Qualifications in the audit report.