Indowind Energy Ltd

CIN : L40108TN1995PLC032311
E-mail : contact@indowind.com

23rd May 2017

Bombay Stock Exchange Limited,
Registered Office: Floor 25,
P J Street, Dalal Street,
Mumbai – 400 001.

The National Stock Exchange Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Dear Sir,

Sub: Indowind Energy Ltd, - Outcome of the Board Meeting

We wish to inform you that the Board of Directors of Indo wind Energy Ltd, met originally on 29th April 2017 and again on the adjourned date i.e. 23rd May 2017 and approved the Audited Financial Results for the quarter and financial year ended 31st March 2017.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure requirements – Regulations 2015), we enclose the following:

1. The Audited Standalone & Consolidated financial results of the Company for the quarter and financial year ended 31st March, 2017.
2. Statement of Assets & Liabilities for the year ended 31st March 2017.
3. Auditor's report issued by the M/s. V. Ramaratnam & Company, Chartered Accountant, Statutory Auditors of the Company on the aforesaid Standalone & Consolidated. Audited Financial Results.
4. Statement of Impact of Audit Qualifications for the financial year ended 31st March 2017.

This is for your records.

Thanking you,

Yours faithfully,
For INDOWIND ENERGY LIMITED

S. Diraviam
Company Secretary

Encl: a/a

INDOWIND ENERGY LIMITED

REGD Office: "KOTHARI BUILDINGS", 4TH FLOOR, 114, M.G.ROAD,
NUNGAMBAKKAM, CHENNAI – 600 034.

Standalone Audited Financial Results for the quarter and year ended 31.03.2017

(Rs. in Lakhs)

Particulars	Standalone				
	Three Months Ended			Year Ended	
	31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016
	Audited	Un-Audited	Audited	Audited	
1. Income from operation					
(a) Net Sales/Income from Operations (Net of excise duty)	133.87	412.40	140.63	2394.49	1559.68
(b) Other operating income	-	-	-	-	-
Total income from operation (net)	133.87	412.40	140.63	2394.49	1559.68
2. Expenses					
(a)(1) Operating Expenses	77.93	118.80	48.72	468.45	341.84
(2) selling and Distribution Expenses	4.18	11.82	9.09	23.79	27.77
(b) Purchases of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, work –in progress and stock-in-trade	(118.44)	-	45.93	(118.44)	45.93
(d) Employee benefits expense	61.04	58.46	65.98	218.75	196.20
(e) Depreciation and amortization expense	57.51	49.85	47.53	1092.13	755.36
(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	66.41	56.55	57.66	274.54	219.99
Total expenses	148.63	295.48	274.91	1959.23	1587.09
3. Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(14.76)	116.92	(134.28)	435.26	(27.41)
4. Other income	108.26	54.92	437.84	222.87	730.13
5. Profit from ordinary activities before finance costs and exceptional items (3+4)	93.50	171.83	303.56	658.13	702.72
6. Finance costs	159.28	171.04	331.04	644.72	667.32
7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	(65.78)	0.79	(27.48)	13.41	35.40
8. Exceptional items	-	-	-	-	-
9. Profit from ordinary activities before tax (7-8)	(65.78)	0.79	(27.48)	13.41	35.40
10. Tax expense – Income Tax	0.62	-	3.42	2.56	3.42
Deferred Tax (Asset) / Liability	(152.39)	-	(58.08)	(152.39)	(58.08)
11. Net Profit from ordinary activities after tax (9-10)	85.99	0.79	27.18	163.24	90.06
12. Extraordinary items (net of tax expense)	-	-	17.43	-	17.43
13. Net Profit for the period (11-12)	85.99	0.79	9.75	163.24	72.63
14. Share of profit of associates	-	-	-	-	-
15. Minority interest	-	-	-	-	-
16. Net Profit after taxes, minority interest and share of profit of associates (13-14-15)	85.99	0.79	9.75	163.24	72.63
17. Paid-up equity share capital (Face Value of Rs.10/- each)	8974.14	8974.14	8974.14	8974.14	8974.14
18. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year.		-		8343.00	8314.85
19.(i) Earnings per share (before extraordinary items) (of Rs. 10/- each)					
(a) Basic	0.09	0.00	0.03	0.18	0.08
(b) Diluted	0.09	0.00	0.03	0.18	0.08
19. (ii) Earnings per share (after extraordinary items) (of Rs. 10/- each)					
(a) Basic	0.07	0.00	0.01	0.16	0.07
(b) Diluted	0.07	0.00	0.01	0.16	0.07

For INODWIND ENERGY LIMITED

BALA V KUTTI
Director
(DIN : 00765036)

Consolidated Audited Financial Results For The Quarter And Year Ended 31.03.2017

Particulars	Consolidated (Rs. in Lakhs)				
	Three Months Ended			Year Ended	
	31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016
	Audited	Un-Audited	Audited	Audited	
1. Income from operation					
(a) Net Sales/Income from Operations (Net of excise duty)	277.19	547.94	221.81	2957.44	1922.85
(b) Other operating income	-	-	-	-	-
Total income from operation (net)	277.19	547.94	221.81	2957.44	1922.85
2. Expenses					
(a)(1) Operating Expenses	77.93	118.80	76.49	468.45	341.84
(2) selling and Distribution Expenses	145.63	146.02	61.34	582.05	388.89
(b) Purchases of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, work –in progress and stock-in-trade	(118.44)	-	45.93	(118.44)	45.93
(d) Employee benefits expense	61.04	58.46	65.98	218.75	196.20
(e) Depreciation and amortization expense	57.51	49.85	47.53	1092.13	755.36
(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	67.67	58.22	58.73	278.13	221.47
Total expenses	291.33	431.36	356.00	2521.07	1949.69
3. Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(14.14)	116.58	(134.19)	436.37	(26.84)
4. Other income	108.26	54.92	437.84	222.87	730.13
5. Profit from ordinary activities before finance costs and exceptional items (3+4)	94.12	171.50	303.65	659.24	703.29
6. Finance costs	159.28	171.04	331.04	644.72	667.32
7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	(65.16)	0.45	(27.39)	14.52	35.97
8. Exceptional items	-	-	-	-	-
9. Profit from ordinary activities before tax (7-8)	(65.16)	0.45	(27.39)	14.52	35.97
10. Tax expense – Income Tax	0.90	-	3.61	2.90	3.61
Deferred Tax (Asset) / Liability	(152.39)	-	(58.08)	(152.39)	(58.08)
11. Net Profit from ordinary activities after tax (9-10)	86.33	0.45	27.08	164.01	90.44
12. Extraordinary items (net of tax expense)	-	-	17.43	-	17.43
13. Net Profit for the period (11-12)	86.33	0.45	9.65	164.01	73.01
14. Share of profit of associates	-	-	(3.95)	-	(3.95)
15. Minority interest	(0.16)	0.02	(0.02)	0.32	0.10
16. Net Profit after taxes, minority interest and share of profit of associates (13-14-15)	86.49	0.43	13.62	163.69	76.86
17. Paid-up equity share capital (Face Value of Rs.10/- each)	8974.14	8974.14	8974.14	8974.14	8974.14
18. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year.		-	-	8350.55	8322.09
19.(i) Earnings per share (before extraordinary items) (of Rs. 10/- each)					
(a) Basic	0.09	0.00	0.02	0.18	0.09
(b) Diluted	0.09	0.00	0.02	0.18	0.09
19. (ii) Earnings per share (after extraordinary items) (of Rs. 10/- each)					
(a) Basic	0.07	0.00	0.01	0.16	0.07
(b) Diluted	0.07	0.00	0.01	0.16	0.07

For INODWIND ENERGY LIMITED

BALA V KUTTI
Director
(DIN : 00765036)

STANDALONE SEGMENT WISE REVENUE RESULTS & CAPITAL EMPLOYEED

Particulars	Three Months Ended			Year Ended	
	31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016
	Audited	Un-Audited	Audited	Audited	
1. Segment Revenue (net sale/income from each segment should be disclosed under this head)					
(a)Power	133.87	412.40	140.63	2394.49	1559.68
(b) Projects	-	-	-	-	-
(c) Unallocated	108.26	54.92	437.84	222.87	730.13
Total	242.13	467.32	578.47	2617.36	2289.81
Less: Inter Segment Revenue	-	-	-	-	-
Net sales/Income From Operations	242.13	467.32	578.47	2617.36	2289.81
2. Segment Results Profit (+)/ (Loss) (-) before tax and interest from Each segment)#					
(a)Power	87.01	200.49	(62.66)	824.01	305.67
(b) Projects	-	-	-	-	-
(c) Unallocated	6.49	(28.66)	366.22	(165.88)	397.05
Total	93.50	171.83	303.56	658.13	702.72
Less: i) Interest	159.28	171.04	331.04	644.72	667.32
ii) Other Un-allocable Expenditure net off	-	-	-	-	-
(iii) Un-allocable income Total Profit Before Tax	(65.78)	0.79	(27.48)	13.41	35.40
3. Capital Employed (Segment assets – Segment Liabilities)					
(a)Power	12194.80	13288.83	12987.29	12194.80	12987.29
(b) Projects	1800.97	1897.80	2233.13	1800.97	2233.13
(c) Unallocated	3350.91	2179.67	2068.58	3350.91	2068.58
Total	17346.68	17366.30	17289.00	17346.68	17289.00

For INODWIND ENERGY LIMITED

BALA V KUTTI
Director
(DIN : 00765036)

CONSOLIDATED SEGMENT WISE REVENUE RESULTS & CAPITAL EMPLOYEED

Particulars	Three Months Ended			Year Ended	
	31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016
	Audited	Un-Audited	Audited	Audited	
1. Segment Revenue (net sale/income from each segment should be disclosed under this head)					
(a)Power	277.19	547.94	221.81	2957.44	1922.85
(b) Projects	-	-	-	-	-
(c) Unallocated	108.26	54.92	437.84	222.87	730.13
Total	385.45	602.86	659.65	3180.31	2652.98
Less: Inter Segment Revenue	-	-	-	-	-
Net sales/Income From Operations	385.45	602.86	659.65	3180.31	2652.98
2. Segment Results Profit (+)/ (Loss) (-) before tax and interest from Each segment)#					
(a)Power	88.90	201.83	83.54	828.71	353.62
(b) Projects	-	-	-	-	-
(c) Unallocated	5.22	30.33	220.11	(169.47)	349.67
Total	94.12	171.50	303.65	659.24	703.29
Less: i) Interest	159.28	171.04	331.04	644.72	667.32
ii) Other Un-allocable Expenditure net off	-	-	-	-	-
(iii) Un-allocable income Total Profit Before Tax	(65.16)	0.45	(27.39)	14.52	35.97
3. Capital Employed (Segment assets – Segment Liabilities)					
(a)Power	12400.88	12889.68	13497.01	12400.88	13497.01
(b) Projects	2228.97	1897.80	2614.14	2228.97	2614.14
(c) Unallocated	2793.85	2617.35	1216.10	2793.85	1216.10
Total	17423.70	17404.83	17327.25	17423.70	17327.25

For INODWIND ENERGY LIMITED

BALA V KUTTI
Director
(DIN : 00765036)

Notes:

1. Statement of Assets and Liabilities under Clause 41 (I) (ea) of the Listing Agreement (in Rs.)

Particulars	Standalone		Consolidated	
	As at		As at	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Audited		Audited	
A. EQUITY AND LIABILITIES				
1. Shareholders' funds				
(a) Share Capital	897414860	897414860	897414860	897414860
(b) Reserves and Surplus	837253392	831484831	838022751	832209436
(c) Money received against share warrants	-	-	-	-
Sub-total - Shareholders' funds	**1734668252**	**1728899691**	**1735437611**	**1729624296**
2. Share application money pending allotment	-	-	-	-
3. Minority interest	-	-	**6932535**	**3100607**
4. Non-current liabilities				
(a) Long-term borrowings	758734913	667359061	758734913	667359061
(b) Deferred tax liabilities (net)	26877077	42115728	26877077	42115728
(c) Other long-term liabilities	-	-	-	-
(d) Long-term provisions	621590065	621590065	621590065	621590065
Sub-total - Non-current liabilities	**1407202055**	**1331064854**	**1407202055**	**1331064854**
5. Current liabilities				
(a) Short-term borrowings	-	-	-	-
(b) Trade payables	5013681	8309700	5013681	8309700
(c) Other current liabilities	35322505	71500000	35322505	71500000
(d) Short-term provisions	13844249	27447018	14974841	29361582
Sub-total-Current liabilities	**54180435**	**107256718**	**55311027**	**109171282**
TOTAL - EQUITY AND LIABILITIES	**3196050742**	**3167221263**	**3204883228**	**3172961038**
B. ASSETS				
1. Non-current assets				
(a) Fixed assets	2525362252	2581557639	2582901555	2639096942
(b) Goodwill on consolidation	-	-	-	-
(c) Non-current investments	90256491	92056491	84086243	84086243
(d) Deferred tax assets (net)	-	-	-	-
(e) Long-term loans and advances	255501845	261414425	298896685	261414425
(f) Other non-current assets	90045660	93600466	37164372	40719178
Sub-total – Non-current assets	**2961166248**	**3028629021**	**3003048855**	**3025316788**
2. Current assets				
(a) Current investments	-	-	-	-
(b) Inventories	14297578	32555776	14297578	32555776
(c) Trade receivables	100481153	40613253	63549989	46806901
(d) Cash and cash equivalents	91009282	47150297	92215699	47338919
(e) Short-term loans and advances	3509836	2703910	3509836	2703910
(f) Other current assets	25586645	15569006	28261272	18238744
Sub-total – Current assets	**234884494**	**138592242**	**201834374**	**147644250**
TOTAL - ASSETS	**3196050742**	**3167221263**	**3204883228**	**3172961038**

2. The audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 23rd May, 2017.
3. Depreciation is provided in line with the generation of power.
4. Previous year's figure have been regrouped & rearranged wherever necessary.

For and on behalf of Board of
INDOWIND ENERGY LIMITED

Sd/-
Bala V. Kutti
Chairman

Place: Chennai 34
Date: 23rd May, 2017

For INODWIND ENERGY LIMITED

BALA V KUTTI
Director
(DIN : 00765036)

V. Ramaratnam & Company
Chartered Accountants

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Abhiramapuram , Chennai - 600018.
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDOWIND ENERGY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **INDOWIND ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March, 2017**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

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Abhiramapuram,
Chennai-600 018.
Ph: 24997151
Chartered Accountants

V. Ramaratnam & Company
Chartered Accountants

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We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Basis of Qualified Opinion

(i) *There are amounts receivable from various parties, amounting to Rs. 14.14 Crores which have been shown under the heads Current Asset – Inventory, Long Term Trade Advance, Trade Debtors and Other Non Currents Asset. There is an absence of regular adjustments, reconciliation and confirmation from the parties. In our opinion the management has to recognize a provision for adjusting the carrying amount of these assets.*

Based on the above we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the financial statements of the company.

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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 aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

1. Note 5 of schedule to the financial statements. The company is the defendant in a legal case filed by the Foreign Currency Bond Holders for winding up. The impact of the matter cannot be ascertained at this stage.

2. Note No. 9 of financial statements under fixed assets regarding capitalisation of Plant & Machinery by way of addition amounting to Rs. 17.01 Crores.

   The above Capitalisation includes additions to plant and Machinery of Rs. 11 Crores which was done by way of a Transfer agreement with suppliers towards settlement of project advances made in the past.

3. In accordance with Accounting Standard - 11 (Standard on The Effects of Changes in Foreign Exchange Rates), the Company is required to value its monetary assets and liabilities viz., Long Term Provisions at the foreign exchange rate prevailing on the date of the balance sheet. The company has not re-instated the foreign currency term loan disclosed under Note No 4 & 7 amounting to Rs. 55.99 Crores representing a part of the loan amount taken from EXIM Bank at the year end forex rates. Had the same been re-instated, the liability to Exim Bank would be Rs 79.42 crores and the profit for the financial year ended 31st March 2017 would have been increased by Rs. 1.83 Crores. The entity has not re-instated the loan from the time of availment which would result in decrease in reserve and Surplus upto Previous Year by Rs. 24.99 Crore.

4. Note No. 17 in respect of Misc Expenditure shown under Other Current Assets of Rs.

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2.56 Crores (which also includes Rs. 30 Lakhs grouped under Cash & Cash Equivalent last year for which we had expressed a qualified opinion). In our opinion Rs 2.56 Crores is to be written off during the year. If written off the Profit would have decreased by 2.56 Crores.

Our opinion is not modified in respect of the matters mentioned above.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable

2. Further to the comments in the annexure, as required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except to the matters mentioned under our "basis of qualified opinion" and "emphasis of matters" and their effect on Profit & Loss of the company on account of non-compliance of Accounting Standards.

   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is

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disqualified as on31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 5 and 26 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For V Ramaratnam and Company,
Chartered Accountants,
Firm Registration No. : 002956S

V.RAMARATNAM & Co., 26/1, 4th Street, Abhiramapuram, Chennai-600 018 Ph: 24997151 Chartered Accountants

R Sundar,
Partner.
Membership No. 012339

Place of Signature: Chennai
Date:

V. Ramaratnam & Company

Chartered Accountants

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"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company except for seven cases of freehold land having aggregate gross block of Rs. 1,80,72,120/-.

(ii) According to the information and explanation given to us, the physical verification of the inventory has been conducted at the reasonable intervals by the management and there has been no material discrepancies noticed during such verification.

(iii) The Company has granted loans, both secured and unsecured to companies, firms, limited liability partnerships and other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(a) "In our opinion, the terms and conditions of loans granted by the company to the parties covered in the register maintained under section 189 of the Companies Act, 2013 are not prejudicial to the company's interest.

(b) According to the information and explanation given to us, the schedule of repayment of principal and payment of interest has been stipulated and the repayments are regular.

(c) According to the information and explanations given to us, there are no over dues for more than 90 days from the parties covered in the register maintained under section 189 of the Companies Act, 2013.

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(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the companies Act 2013, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act, 2013 for the Company. Thus, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases which is not material. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute, except for the following:

S.No	Name of the Statute	Amount (Rs.) in lakhs	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act	27.00	AY 1998 - 1999	First appellate authority - Commissioner of Income tax appeals
2.	Service Tax	218.00	FY 2005 - 2006, 2006 - 2007, 2007 - 2008, 2008 - 2009 and 2009 - 2010	Central Excise and service tax appellate tribunal [CESTAT]

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3.	Value Added Tax	16.80	FY 2007 – 2008	High Court of madras
4.	Value Added Tax	29.60	FY 2008 – 2009	High Court of madras

(viii) In our opinion and according to the information and explanations given to us, the Company has not issued any debentures and not defaulted in the repayment of dues to banks and financial institution except the following :

Name of Institution - Export-Import Bank of India (EXIM
Amount of overdue as on balance sheet date - Rs. 143,16,269/- (USD 2,20,798.55)
Period of overdue - Quarter IV of FY 2016-17

Exim bank had sanctioned a facility of USD 25 million and disbursed USD 12.70 million only. Exim Bank is holding a Fixed deposit of Rs. 370 Lakhs which is due to the company as on the balance sheet date.

(ix) The company did not raise money by way of initial public offer or further public offer including debt instruments and term Loans. Thus, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Thus, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 and the

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details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him

(xvi) According to the information and explanation given to us and in our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For V Ramaratnam and Company,
Chartered Accountants
Firm Registration Number: 002956S

R. Sundar
Partner
Membership Number: 012339

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Place : Chennai

Date :23rd May, 2017

V. Ramaratnam & Company
Chartered Accountants

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"Annexure B" to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indowind Energy Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

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reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by Institute of Chartered Accountants of India.

Emphasis of Matter

We would draw attention to the matters disclosed in the paragraph 3(iii) of the 'Annexure A' referred in paragraph 1 under the heading **"Basis of Qualified Opinion" and "Emphasis of Matters"** which could indicate possible lapses in internal financial control system at various points in time.

Our opinion under clause (i) of sub-section 3 of the section 143 of the Act is not qualified in respect of this matter.

For V.Ramaratnam and Company,
Chartered Accountants
Firm Registration Number: 002956S

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R. Sundar
Partner
Membership Number: 012339

Place : Chennai

Date : 23rd May, 2017

V. Ramaratnam & Company

Chartered Accountants

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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 Holding Company") and its subsidiary and associate (Collectively referred to as "the Company" or "the Group), which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss and Consolidated 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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

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Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

The financial statements of the subsidiary Company reflecting total assets of Rs. 1316.20 Lakhs (Previous year Rs. 666.57 Lakhs) as at 31st March, 2017, total revenue of Rs. Lakhs (Previous year Rs. 127.98 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.

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Opinion

Based on our audit and on consideration of report of other auditor on separate financial statements and on the other financial information of the component, 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 Holding Company:**

a) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Company as at March 31, 2017;

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 and Company,
Chartered Accountants,
Firm's Registration No. : 002956S

V.RAMARATNAM & Co., 26/1, 4th Street, Abhiramapuram, Chennai-600 018 Ph: 24697151 Chartered Accountants

R Sundar,
Partner
Membership No. 012339

Place of Signature: Chennai
Date: May 23, 2017

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Financial Results - (*Standalone and Consolidated separately*)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. In Lakhs)

I.	Sl. No.	Particualrs	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover /Total Income	2,617.36	2,800.36
	2.	Total Expenditure	2,603.95	2,859.95
	3.	Net Profit/(Loss)	13.41	-59.59
	4.	Earnings Per Share (in Rs.)	0.18	-0.07
	5.	Total Assets	31,960.51	31,704.51
	6.	Total Liabilities	14,613.83	16,929.83
	7.	Net Worth	17,346.68	14,774.68
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II) **Audit Qualification:**

a. **Detail of Audit Qualification:**

There are amounts receivable from various parties, amounting to Rs. 14.14 Crores which have been shown under the heads Current Asset – Inventory, Long Term Trade Advance, Trade Debtors and Other Non Currents Asset. There is an absence of regular adjustments, reconciliation and confirmation from the parties. In our opinion the management has to recognize a provision for adjusting the carrying amount of these assets.

Based on the above we are not in a position to ascertain and comment on the correctness of the outstanding balances and resultant impact of the same on the financial statements of the company.

b. Type of audit qualification: Qualified opinion

c, Frequency of Qualification: First Time

d. For the Audit Qualification(s) where impact is quantified by the Auditor, management views:

Not quantified.

e. For Audit Qualification(s) where impact is not quantified by the auditors:

(i) Management's estimation on the impact of audit qualification:

With respect to the observation made by the auditors the Company wishes to state that the advances / receivables mentioned are in the nature of project advances and claims which are being pursued by the Company for completion and recovery. The management is of the view that in due course, the subject projects would be completed and receivables will be recovered.

(II) If management is unable to estimate the impact, reasons for the same:

Not applicable

(III) Auditors' comment on (i) or (II) above:

None

II) Audit Qualification:

a. Detail of Audit Qualification:

Note 5 of schedule to the financial statements. The company is the defendant in a legal case filed by the Foreign Currency Bond Holders for winding up. The impact of the matter cannot be ascertained at this stage.

b. Type of audit qualification: Qualified opinion (Emphasis of matter)

c. Frequency of Qualification: Repititive

d. For the Audit Qualification(s) where impact is quantified by the Auditor, management views:

Not quantified.

e. For Audit Qualification(s) where impact is not quantified by the auditors:

(i) Management's estimation on the impact of audit qualification:

During the financial year 2007-08, the company had issued foreign currency convertible bonds for USD 30 Mn. Out of which, the company had already redeemed bonds worth USD 15 Mn. The company had entered into restructuring agreement with the bond holders for conversion of the balance bonds into equity. However, before the maturity date, the trustees of the bond holders had filed a winding up petition before the Hon'ble High Court of Madras, which is being heard. The management is confident of getting justice in company's favour.

(II) If management is unable to estimate the impact, reasons for the same:

Not applicable

(III) Auditors' comment on (i) or (II) above:

None

II) Audit Qualification:

a. Detail of Audit Qualification:

Note No. 9 of financial statements under fixed assets regarding capitalization of Plant and Machinery by way of addition amounting to Rs. 17.01 Crores.

The above capitalization includes additions to Plant and Machinery of Rs 11 Crores which was done by way of a Transfer agreement with suppliers towards settlement of project advances made in the past.

b. Type of audit qualification: Qualified opinion (Emphasis of matter)

c, Frequency of Qualification: Second Time

d. For the Audit Qualification(s) where impact is quantified by the Auditor, management views:

Not quantified.

e. For Audit Qualification(s) where impact is not quantified by the auditors:

(i) Management's estimation on the impact of audit qualification:

With respect to the observation made by the auditors, the company would like to state that out of the project advances and project expenses made in the past, the company had capitalised to the plant and machinery by way of transfers during the year.

(II) If management is unable to estimate the impact, reasons for the same:

Not applicable

(III) Auditors' comment on (i) or (II) above:

None

II) Audit Qualification:

a. **Detail of Audit Qualification:**

In accordance with Accounting Standard - 11 (Standard on The Effects of Changes in Foreign Exchange Rates), the Company is required to value its monetary assets and liabilities viz., Long Term Provisions at the foreign exchange rate prevailing on the date of the balance sheet. The company has not re-instated the foreign currency term loan disclosed under Note No 4 & 7 amounting to Rs. 55.99 Crores representing a part of the loan amount taken from EXIM Bank at the year end forex rates. Had the same been re-instated, the liability to Exim Bank would be Rs 79.42 Crores and the profit for the financial year ended 31st March 2017 would have been increased by Rs 1.83 Crores. The entity has not re – instated the loan from the time of taking up which results in decrease in reserve and surplus upto previous year by Rs. 24.99 Crores.

b. Type of audit qualification: Qualified opinion (Emphasis of matter)

c, Frequency of Qualification: Second time

d. For the Audit Qualification(s) where impact is quantified by the Auditor, management views:

Your Directors wish to state that your company is following the policy of recording loans based on INR values realized on the dates of withdrawals. However, the repayments are being made at the prevailing market rates. Accordingly, the differences on account of exchange rate fluctuations are being recorded as expenses in the respective years over the repayment period.

e. For Audit Qualifications(s) where impact is not quantified by the auditors:

(i) Management's estimation on the impact of audit qualification:

Not Applicable

(II) If management is unable to estimate the impact, reasons for the same:

Not applicable

(III) Auditors' comment on (i) or (II) above:

None

II) Audit Qualification:

a. Detail of Audit Qualification:

Note No. 17 in respect of Misc Expenditure shown under Other Assets of Rs 2.56 Crores (Which also includes Rs 30 Lakhs grouped under Cash & Cahs Equivalent last year for which we had expressed a qualified opinion). In our opinion Rs 2.56 Crores is to be written off during the year. If written off the Profit would have decreased by 2.56 Crores

b. Type of audit qualification: Qualified opinion (Emphasis of matter)

c, Frequency of Qualification: First time

d. For the Audit Qualification(s) where impact is quantified by the Auditor, management views:

In connection with the above, the management states that during the year the company has identified and classified under "Misc. Expenses to be written off " Rs 2.56 Crores which will be written off, over a period. As the items contained therein are not in the nature of revenue expenditure, such a classification is made.

e. For Audit Qualifications(s) where impact is not quantified by the auditors:

(i) Management's estimation on the impact of audit qualification:

Not Applicable

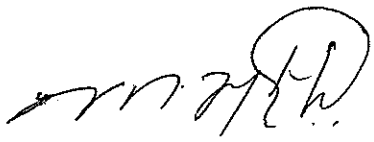
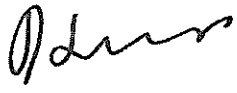
(II) If management is unable to estimate the impact, reasons for the same:

Not applicable

(III) Auditors' comment on (i) or (II) above:

None

Annexure III

Signatories	
Bala V. Kutti Chairman DIN: 00765036	
Dinakar KK President Finance	
Niranjan R. Jagtap Independent Director & Chairman of Audit Committee DIN: 01237606	
R. Sundar, Partner M.No. 012339 For V. Ramaratnam & Company FRN No. 002956S	
Date:23rd May 2017 Place: Chennai-600034.	