



# INDUS FINANCE CORPORATION LTD

(Formerly known as Subuthi Finance Limited)

## **BOARD OF DIRECTORS**

	S / Shri		
1.	K. V.BALA	-	DIRECTOR
2.	T.R.JAYARAMAN	-	DIRECTOR
3.	T.S.RAGHAVAN	-	DIRECTOR

## **AUDITORS**

M/s. V. RAMARATNAM & CO.  
CHARTERED ACCOUNTANTS,  
115/1, 4TH STREET,  
ABHIRAMAPURAM,  
CHENNAI – 600 018.

## **LEGAL ADVISOR**

Shri.S.SRIDHAR, B.COM., B.L.,  
NEW NO.14. OLD NO. 82, FLAT NO. 5,  
1<sup>ST</sup> AVENUE, INDIRA NAGAR, ADYAR,  
CHENNAI – 600 020.

## **BANKERS**

ANDHRA BANK  
DEVELOPMENT CREDIT BANK LIMITED

## **REGISTERED OFFICE**

“KOTHARI BUILDINGS”, 4<sup>TH</sup> FLOOR,  
114, MAHATMA GANDHI SALAI,  
NUNGAMBAKKAM,  
CHENNAI- 600 034.  
TEL: 044-28330867 / 28331310  
FAX: 044-28330208.  
E-MAIL – [sflmnds@md2.vsnl.net](mailto:sflmnds@md2.vsnl.net)  
[diraviam@subuthi.in](mailto:diraviam@subuthi.in)

Website - [www.indusfinance.in](http://www.indusfinance.in)

## **REGISTRAR AND SHARE TRANSFER AGENT**

CAMEO CORPORATE SERVICES LIMITED,  
“SUBRAMANIAN BUILDINGS”,  
No.1, CLUB HOUSE ROAD,  
CHENNAI- 600 002.  
TEL: 044-28460390  
FAX: 044-28460129  
E-MAIL – [cameosys@satynam.net.in](mailto:cameosys@satynam.net.in)



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## **NOTICE TO THE SHAREHOLDERS**

**NOTICE** is hereby given that the 20<sup>th</sup> Annual General Meeting of Company will be held at the Registered Office of the Company '114, Kothari Buildings, 4<sup>th</sup> Floor, M.G. Road, Nungambakkam, Chennai – 600034 at 11.00 A.M. on Friday the 30<sup>th</sup> September 2011 to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2011 and the Balance Sheet as on that date along with the Auditor's and Directors' Report thereon.
2. To declare a dividend
3. To appoint Shri.T.R. Jayaraman who retires at the end of this meeting and being eligible offers himself for re-appointment.
4. To appoint M/s. V Ramaratnam & Co., Chartered Accountants who retire at the end of this Annual General Meeting and are being eligible for re-appointment as Auditors till the conclusion of the next Annual General Meeting.

### **SPECIAL BUSINESS:**

#### **5. VOLUNTARY DELISTING OF SHARES FROM MADRAS STOCK EXCHANGE LTD AND COIMBATORE STOCK EXCHANGE LTD.**

**To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.**

**“RESOLVED THAT** consent of the Company be and is hereby accorded for voluntary delisting of equity shares of the Company from the stock exchanges situated at Chennai and Coimbatore in accordance with the provisions of the Securities & Exchange Board of India (Delisting of Equity shares) Regulations 2009 and all relevant laws, rules, regulations and guidelines [including any statutory modification(s) or re-enactment(s) thereof or may be enacted herein after by Securities & Exchange Board of India (SEBI), or any other appropriate authority(ies) from time to time and for the time being in force] and subject to such approval, permissions, consents and sanctions as may be required from any relevant authority(ies) including the Stock Exchanges concerned and in compliance with such condition(s) and modification(s) as may be necessary for this purpose”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company [herein after referred to as the 'Board' which term shall be deemed to include any committee(s) thereof for the time being to exercise the powers conferred by the Board] be and is hereby authorized to seek voluntary delisting. Take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may, its absolute discretion, deem necessary, proper or desirable and settle any question, difficulty, doubt that may arise in regard to voluntary delisting of equity shares from the aforesaid two stock exchanges and to execute all such deeds, document, writings as may be necessary or required for giving effect to this resolution”.

### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND 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.



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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.
  6. The Register of Members and Share Transfer Book will remain closed from 23<sup>rd</sup> September 2011 to 30<sup>th</sup> September 2011 (both days inclusive )

BY ORDER OF THE BOARD  
For **INDUS FINANCE CORPORATION LTD**

Formerly known as Subuthi Finance Ltd.,

Sd/-

**T.R. Jayaraman**

Director

Place : Chennai

Date: 27<sup>th</sup> July 2011

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**ANNEXURE TO NOTICE**

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

**ITEM NO 5**

Presently the equity shares of the Company are listed on Bombay Stock Exchange Ltd, Madras Stock Exchange Ltd and Coimbatore Stock Exchange Ltd. The equity shares of your Company are listed in Bombay Stock Exchange Ltd and there is no trading of any shares in Madras and Coimbatore Stock Exchanges. In view of these your Directors at their Board meeting held on 27<sup>th</sup> July 2011 have approved the voluntary delisting of equity shares of the Company in Madras and Coimbatore Stock Exchanges subject to the approval of the shareholders at this Annual General Meeting and subject to the provisions of the **Securities & Exchange Board of India (Delisting of Equity shares) Regulations 2009**

The proposed Voluntary Delisting of equity shares of your Company from the said stock exchanges will not affect any investors as there is no trading takes place in the said stock exchanges. As the equity shares continue to be listed in Bombay Sock Exchange no exit option is required to be offered to the shareholders. Further delisting will entail savings in Annual Listing Fees and other administrative costs.

Your Directors recommend the Special Resolution for approval by the members.

None of the Directors of your Company is concerned or interested in this Resolution.

BY ORDER OF THE BOARD  
For **INDUS FINANCE CORPORATION LTD**

Formerly known as Subuthi Finance Ltd.,

Sd/

**T.R. Jayaraman**

Director

Place: Chennai

Date: 27<sup>th</sup> July 2011

**RÉSUMÉ OF SHRI. T.R. JAYARAMAN**

Shri. T. R. Jayaraman, 75 years, Non-Executive and Independent Director, holds a Bachelors Degree in Arts, Bachelors Degree in Law, Government Diploma for Companies Secretaries and is a Fellow Member of the Institute of Company Secretaries of India. Shri. T.R. Jayaraman was associated with Tuticorin Alkalies and Chemicals Limited from the year 1979 till his retirement in the year 1995 as General Manager and Company Secretary. During his tenure of 16 years, he was involved in all areas of the Company, viz., implementation of the project, dealing with financial institutions / banks for term loans and working capital requirements and all general administration, legal and secretarial matters. In the year 1995, he joined M/s. New Link Overseas Finance, a NBFC Company as Company Secretary. His responsibilities include dealing with rating institutions viz., ICRA and CARE, arranging term loans from banks, complying with legal requirements, Company law matters RBI related matters, Shri. T.R. Jayaraman joined the Board on 24<sup>th</sup> January 2009.



## **REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS**

To  
**The Shareholders**

Your Directors have great pleasure in presenting the 20<sup>th</sup> Annual Report along with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2011.

### **FINANCIAL RESULTS**

<b>PARTICULARS</b>	<b>(Rs. in Lacs) Year Ended 2010-11</b>	<b>(Rs. in Lacs) Year Ended 2009-10</b>
Total Income	112.45	52.85
Profit before Depreciation, Bad debt and Tax	65.33	26.58
Depreciation	11.93	11.19
Tax provision	14.28	1.33
Deferred Tax Asset	3.61	3.36
Profit after Tax	24.50	17.10
Amount available for appropriation	24.50	17.10
Transfer to Statutory Reserve	4.90	3.42
Transfer to Profit and Loss Account	19.60	13.86

### **FINANCIAL PERFORMANCE**

The performance of the Indian Economy has been affected due to the impact of a variety of factors including recession in many developed countries, continuing high rates of inflation, higher borrowing costs of corporate. This has resulted in lower than expected performance of many corporate and has affected the investor sentiments. Hence the Company is taking a cautious view and will formulate its policies accordingly. The Company is taking initiatives to consolidate and improve its performance subject to favorable market conditions.

Your Company has doubled its total income from Rs. 52.85 Lacs to Rs. 112.45 Lacs for the year under review. Your Company has registered a net profit of Rs. 24.50 Lacs for the year under review as against Rs. 17.10 Lacs in the previous period. The amount transferred to Profit & Loss account for the year under review is Rs. 19.60 Lacs as against Rs. 13.86 Lacs in the previous year.

### **DIVIDEND**

Your Directors are pleased to recommend a 2.5% dividend i.e Rs. 0.25 for every equity share of Rs. 10/- each fully paid-up for the year 2010-11, aggregating to Rs. 23.14 Lacs, The Dividend Tax of Rs. 3.75 lacs will be paid by the Company. The dividend, if approved by the shareholders at the ensuing Annual general meeting will be paid to the Equity Shareholders whose name appear in the Register of Members as per the provision of the Companies Act 1956.

### **CHANGE IN THE NAME OF THE COMPANY**

In order to be identified with the group, the name of the Company has been changed from Subuthi Finance Ltd., to **Indus Finance Corporation Ltd.**, consequent to the fresh certificate of incorporation issued by the Registrar of Companies, Tamil Nadu, Chennai with effect from 19<sup>th</sup> March 2011

### **FUTURE OUTLOOK**

With the developing Indian economy craving for financial resources credit is in great demand. With the change of name for better brand recall and visibility, your Company has already lined up several credit proposals to be disbursed in the 1<sup>st</sup> quarter of the upcoming financial year. With the honorable High Court at Chennai having delivered a favorable judgment in favour of your Company against the Income Tax demand and the IT authorities having preferred an appeal, the matter is expected to be sorted out in the 1<sup>st</sup> half of the financial year. Your Company is looking into mobilizing funds through a GDR for project funding and to meet large proposals. Your Company is confident of showing a significant performance during the financial year 2011-12 by increasing the customer base, quality advance, net profit and net worth, and by creating value for all the stakeholders in the most competitive manner.



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### **OPPORTUNITIES & THREATS**

NBFCs have immense business potential particularly lending for sunrise sectors like infrastructure and power. The strict regulations and close monitoring by the regulator have made the NBFCs highly competitive and responsible. However the stiff competition from the unorganized sector still persists.

### **RISK AND CONCERNS**

As a NBFC your Company is subject to both external and internal risk. While external risks are due to changing interest rate, market volatility, Industrial recession, etc internal risk is attributed to portfolio management and retention of talented personnel. Your Company recognizes the importance of risk management and proper systems and process are in place to mitigate the risks identified.

### **COMPLIANCE WITH RBI NORMS**

In order to comply with RBI guidelines, your Company has closed its accounts for the full year ending March 2011, Your Company also continues to comply with directives issued as well as the norms prescribed by Reserve Bank of India for NBFCs.

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

Your Company is a Non-Banking Finance Company and is not engaged in manufacturing activity of any kind. The disclosure of information relating to conservation of energy and technology absorption are therefore not applicable to your Company. There were no foreign exchange earnings or outgo for your Company during the year.

### **DEPOSITS**

The Company has not accepted any deposits from public during the year under review.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to section 217 (2A) of the Companies (Amendment) Act 2000, the Directors confirm that;

1. In the preparation of Annual Accounts for the year ended 31<sup>st</sup> March 2011, all the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2011 and of the Profit or Loss of the Company for the year under review.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts for the current financial year on a 'going concern' basis.

### **DIRECTORS**

Shri.T.R. Jayaraman retires at the end of the forth coming Annual General Meeting and being eligible, offers himself for re-appointment.

### **AUDITORS**

Since M/s. Vasudevan & Associates Chartered Accountants vacate their office due to disqualification by non receipt of peer review certificate which is pending before the Institute of Chartered Accountants of India , the casual vacancy caused was filled by the Board and M/s.V. Ramaratnam & Co., were appointed as Auditors for the period 2010-11.



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M/s. V. Ramaratnam & Co., retires at the conclusion of this Annual General Meeting and being eligible they offer themselves for reappointment.

#### **FORFEITURE OF SHARES**

Your Company has forfeited 3,70,850 partly shares on 30<sup>th</sup> March 2011, for which call money was not paid even after extending the time period for payment of call money amount.

#### **ISSUE OF BONUS SHARES**

Soon after the completion of forfeiture of partly paid shares, your Company has announced bonus issue in the ratio 1:1 and 46,29,150 bonus shares were allotted to all the share holders whose names appeared in the Register of Members as on 4<sup>th</sup> May 2011. Listing and Trading approvals for these bonus shares were obtained from the Bombay Stock Exchange Ltd on 10<sup>th</sup> May 2011.

#### **VOLUNTARY DELISTING OF SHARES FROM MADRAS STOCK EXCHANGE LTD AND COIMBATORE STOCK EXCHANGE LTD**

Since there is no trading of shares in Madras and Coimbatore Stock Exchanges for a long period, your Company has decided to delist from these stock exchanges by seeking your approval in the forthcoming Annual General Meeting. The Notice convening the AGM contains this agenda under Special Business.

#### **CORPORATE GOVERNANCE**

Your Company provides considerable importance to good Corporate Governance and complying with the Code of Corporate Governance introduced by SEBI. A detailed report on Corporate Governance together with a certificate from the Statutory Auditors in compliance of Clause 49 of the Listing Agreement has been annexed as part of the Annual Report.

#### **PERSONNEL**

Your Company does not have any employee drawing salary in excess of the amount stipulated under Section 217 (2A) of the Companies Act, 1956.

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation and gratitude to the bankers of the Company and various Government agencies for their support, assistance and co-operation and look forward to their continued support.

For and on behalf of Board of  
**INDUS FINANCE CORPORATION LTD**  
(Formerly known as Subuthi Finance Ltd.,)

Place: Chennai  
Date: 27<sup>th</sup> July 2011

**K.V. Bala, T.R. Jayaraman,**  
**Directors**



## 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.

### 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) CHANGE OF NAME OF THE COMPANY AND COMPOSITION OF THE BOARD.

The Name of the Company ie Subuthi Finance Ltd has been changed as INDUS FINANCE CORPORATION LTD with effect from 19-3-2011 and the Company has complied with the corporate governance norms in terms of constitution of the Board. The Board comprises of 3 Directors and their details are given in Table 1.

#### B) NUMBER OF BOARD MEETINGS

Indus Finance Corporation Ltd held 8 Board Meetings during the year ended 31<sup>st</sup> March 2011. These were on 30<sup>th</sup> April 2010, 2<sup>nd</sup> July 2010, 10<sup>th</sup> August 2010, 21<sup>st</sup> October 2010, 29<sup>th</sup> November 2010, 14<sup>th</sup> February 2011, 14<sup>th</sup> March 2011 & 30<sup>th</sup> March 2011.

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

Table I: Details about Indus Finance Corporation Ltd., Board of Directors

Name	Designation	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Other Directorship
Shri.K.V.Bala	Director	8	7	Yes	<del>M/s.Ind Eco Ventures Ltd</del> <del>M/s.Indowind Energy Ltd</del> <del>M/s.Indonet Global Ltd.</del> <del>M/s.Loyal Credit &amp; Investments Ltd.</del>
#Shri.T.R.Jayaraman	Director	8	8	Yes	<del>M/s.Indowind Energy Ltd</del>
#Shri.T.S.Raghavan	Director	8	7	Yes	<del>M/s.Tanfac Industries Ltd</del> <del>M/s.Empee Sugars &amp; Chemicals Ltd.</del> <del>M/s.Empee Distilleries Ltd.</del> <del>M/s.Viswapriya Financial Services &amp; Securities Ltd.</del> <del>M/s.Swajas Air Charters Ltd.</del> <del>M/s.Leather Crafts India Ltd.</del>
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# Independent 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:

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

The Board of M/s. Indus Finance Corporation Ltd 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**

##### **i) Audit Committee**

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

The Company continued to derive immense benefit from the deliberation of the Audit Committee comprising of two Directors, Shri. T.S.Raghavan, Shri. T.R. Jayaraman who are eminent professionals having knowledge in project finance, accounts and Company law. The minutes of each Audit Committee meeting are placed before, and discussed in the full by the Board.

The Audit Committee met 4 times during the year ended 31<sup>st</sup> March 2011.

Table 2: Attendance record of Audit Committee Members

Name of Director	No. of Meetings	Meetings attended
Shri.T.R. Jayaraman	4	4
Shri.T.S. Raghavan	4	4

In addition to the areas, Indus Audit Committee looks into controls and security of the Company's critical internal control and assurance audit reports of all major divisions and profit centers and deviations from the code of business principles, if any.

##### **ii) Shareholders / Investors Grievances Committee**

The Shareholders / Investors Grievances Committee specifically looks into redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividends and to ensure expeditious share transfer process. This Committee comprises of Shri. K.V.Bala and Shri.T.R. Jayaraman Since there was no shareholder or investor grievance, there was no meeting held during the year.





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## **F) MANAGEMENT**

Disclosures 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.

## **G) SHAREHOLDERS**

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

According to the Articles of Association of Indus Finance Corporation Ltd, not less than 1/3<sup>rd</sup> of the Directors who are liable to retire by rotation, shall retire from office. All the Directors are eligible and are offering themselves for re-appointment as and when required.

Shri. T.R. Jayaraman is retiring at the conclusion of the forthcoming AGM and being eligible offers himself for reappointment.

### **b) Communication to shareholders**

Indus Finance Corporation Ltd has its own web-site and all vital information relating to the Company and its performance including quarterly results, official releases and presentation to analysts are posted on the web-site.

### **c) Remuneration Committee**

The Remuneration Committee consists of Shri. K.V. Bala and Shri. T. R. Jayaraman, The Company's remuneration policy is based on three principles: Pay for responsibility, pay for performance and potential, and pay for growth. The Company's Remuneration Committee is vested with all the necessary powers and authority to deal with all elements of remuneration package of all directors. This includes details of fixed components and performance-linked incentives.

As for the Non-Managing Directors, their appointment is for the benefit of their professional expertise in their individual capacity as independent business executives. Accordingly, the service contract, notice period and severance fees, if any of the Company are not applicable to such Non-Managing Directors.

The Board felt that increase in remuneration to Managerial personnel could be considered after substantial improvement in the performance of the Company. Therefore no Remuneration Committee was held during the Financial Year 2010-11

### **d) Investor Grievances**

As mentioned earlier in this chapter, the Company has constituted Shareholder / Investors' Grievances Committee for redressing shareholders' and investors' complaints. The status on complaints is reported to the Board of Directors as an agenda item.

### **e) Share transfer**

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Shares in physical mode which are lodged for transfer at either with the Company or with the Share Transfer Agent are processed and share certificates are returned within the time prescribed by the authorities. A summary of transfer / transmission etc. of the Company so approved by the Chairman is placed at every board meeting.

The Company obtains from a Company Secretary in practice on half-yearly basis, a certificate of compliance with the share transfer formalities as required under clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock exchanges.

## **H) REGISTRAR AND TRANSFER AGENT**

M/s. Cameo Corporate Services Limited Registrar, who is registered with SEBI as a category II Registrar, have been appointed as the registrar and share transfer agent of the Company for both physical and electronic segment and have attended to share transfer formalities regularly.



## I) GENERAL BODY MEETINGS

Details of last three annual general meetings are given in Table 3

Year	Location	Date	Time
2009-10	The Accord Metropolitan, 35, G.N.Chetty Road, T. Nagar, Chennai – 600 017	24.9.10	4.00 P.M
2008-09	The Accord Metropolitan, 35, G.N.Chetty Road, T. Nagar, Chennai – 600 017	30.9.09	4.00 P.M
2007-08	“Kothari Buildings”, 4th Floor, 114, M.G. Road, Nungambakkam, Chennai – 600 034.	30.9.08	9.30 A.M

### Disclosures:

- a) Disclosure on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.
- c) Compliance by the Company. The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets as and when applicable. The Stock Exchanges or SEBI or any other Statutory Authority has not imposed any penalty or stricture on the Company.

## J) GENERAL SHAREHOLDERS INFORMATION

### AGM

Date	30 <sup>th</sup> September 2011
Time	11.00 A.M.
Venue	“Kothari Buildings”, 4th Floor, 114, M.G. Road, Nungambakkam, Chennai - 600 034.
Date of Book Closure	23 <sup>rd</sup> September 2011 to 30 <sup>th</sup> September 2011
Listing on Stock Exchanges	The Bombay Stock Exchange Limited & The Madras Stock Exchange Limited
ISIN Number for NSDL & CDSL	INE935D01013
Registrar and Share Transfer Agent	M/s.Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai – 600 002 Ph: 044-28460390 Fax: 044-28460129, E-mail:cameosys@satyam.net.in

## K) FINANCIAL CALENDAR:

Adoption of the Quarterly Results for the quarter ending:

30 <sup>th</sup> June 2010	10 <sup>th</sup> August 2010
30 <sup>th</sup> September 2010	21 <sup>st</sup> October 2010
31 <sup>st</sup> December 2010	14 <sup>th</sup> February 2011
31 <sup>st</sup> March 2011	12 <sup>th</sup> May 2011



**L) DISTRIBUTION OF SHARE HOLDING AS ON 31.3.2011**

Shareholding	Shareholders		Shares Amount	
	Number	% of total	(in Rs.)	% of total
1 - 100	189	60.9677	87190	0.1883
101 - 500	57	18.3870	161220	0.3482
501 - 1000	11	3.5483	85530	0.1847
1001 - 2000	10	3.2258	158450	0.3422
2001 - 3000	2	0.6451	54720	0.1182
3001 - 4000	3	0.9677	106390	0.2298
4001 - 5000	3	0.9677	139030	0.3003
5001 - 10000	6	1.9354	456770	0.9867
10001 and above	29	9.3548	45042200	97.3012
<b>Total</b>	<b>310</b>	<b>100.0000</b>	<b>46291500</b>	<b>100.0000</b>

**M) DISTRIBUTION OF SHAREHOLDING PATTERN**

Statement Showing Shareholding Pattern								
Name of the Company :				INDUS FINANCE CORPORATION LTD (Formerly known as Subuthi Finance Ltd)				
Scrip Code : 531841				Quarter Ended : 31 <sup>ST</sup> March 2011				
Category code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of Shares	As a Percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	4	1637693	1247693	35.38	35.38	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	3	1656100	1656100	35.78	35.78	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)							
	<b>Sub Total(A)(1)</b>	<b>7</b>	<b>3293793</b>	<b>2903793</b>	<b>71.15</b>	<b>71.15</b>	<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non-Residents)							
	Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)							
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>7</b>	<b>3293793</b>	<b>2903793</b>	<b>71.15</b>	<b>71.15</b>	<b>0</b>	<b>0.00</b>



<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	NA	NA
(b)	Financial Institutions / Banks	2	2700	1600	0.06	0.06	NA	NA
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	NA	NA
(d)	Venture Capital Funds	0	0	0	0.00	0.00	NA	NA
(e)	Insurance Companies	0	0	0	0.00	0.00	NA	NA
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	NA	NA
(g)	Foreign Venture Capital Investors							
(h)	Any Other (specify)							
	<b>Sub-Total (B)(1)</b>	<b>2</b>	<b>2700</b>	<b>1600</b>	<b>0.06</b>	<b>0.06</b>	NA	NA
<b>2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	31	558670	558670	12.07	12.07	NA	NA
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	251	80370	67120	1.74	1.74	NA	NA
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	10	521475	521475	11.26	11.26	NA	NA
(c)	Any Other (specify)							
(c-i)	Clearing Members	3	9787	9787	0.21	0.21	NA	NA
(c-ii)	Hindu Undivided Families	4	162355	162355	3.50	3.50	NA	NA
(c-iii)	Non Resident Indians	0	0	0	0.00	0.00	NA	NA
	<b>Sub-Total (B)(2)</b>	<b>299</b>	<b>1332657</b>	<b>1319407</b>	<b>28.79</b>	<b>28.79</b>	NA	NA
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>301</b>	<b>1335357</b>	<b>1321007</b>	<b>28.85</b>	<b>28.85</b>	NA	NA
	<b>TOTAL (A)+(B)</b>	<b>308</b>	<b>4629150</b>	<b>4224800</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	NA	NA
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>308</b>	<b>4629150</b>	<b>4224800</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>



#### **N) NON-MANDATORY REQUIREMENTS**

- a. Chairperson of the Board: Whether the Chairperson of the Board is entitled to maintain a Chairperson's Office at the Company's expense and also allowed reimbursement of expenses incurred in the performance of his duties: No
- b. The Company's audited and un-audited results are widely published in English and Tamil Newspapers.
- c. Postal Ballot:  
There were no resolutions passed through Postal Ballot.

#### **O) ADDRESS FOR CORRESPONDENCE:**

- |   |   |
|---|---|
| <p>1) Indus Finance Corporation Ltd.<br/>(Formerly known as Subuthi Finance Limited)<br/>"Kothari Building", 4<sup>th</sup> Floor,<br/>114, Mahatma Gandhi Road,<br/>Nungambakkam,<br/>Chennai – 600 034.<br/>Tel: 044-28330867 / 28331310<br/>Fax: 044-28330208.<br/>E-Mail – <a href="mailto:sflmids@md2.vsnl.net">sflmids@md2.vsnl.net</a></p> | <p>2) Cameo Corporate Services Ltd<br/>Subramanian Building, V Floor,<br/>No.1, Club House Road,<br/>Chennai – 600 002.<br/>Phone : 044-28460390 – 394 &amp; 28460718<br/>Fax : 044 – 28460129<br/>E-mail: <a href="mailto:cameosys@satyam.net.in">cameosys@satyam.net.in</a></p> |
|---|---|

#### **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by M/s. Indus Finance Corporation Ltd, (formerly known as Subuthi Finance Ltd.,) for the year ended 31<sup>st</sup> March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement. As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor's Grievance committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **V. RAMARATNAM & CO**  
Chartered Accountants

Place: Chennai  
Date: 27.07.2011

**R. SUNDAR**  
Partner  
Membership No. 12339



**Nominal Capital: 150,000,000**  
**Reg. No: 18- 022317**

### **COMPLIANCE CERTIFICATE**

To

The Members of the Company  
M/s. Indus Finance Corporation Ltd  
(Formerly known as Subuthi Finance Ltd.)  
Chennai

Sir,

#### **Sub: Inspection of records.**

I have examined the registers, records, books and papers of **M/s Indus Finance Corporation Ltd** as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31st, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its Officers and Agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company has the minimum prescribed Paid Up Capital.
4. The Board of Directors duly met 8 (Eight) times respectively on 30<sup>th</sup> April 2010, 2<sup>nd</sup> July 2010, 10<sup>th</sup> August 2010, 21<sup>st</sup> October 2010, 29<sup>th</sup> November 2010, 14<sup>th</sup> February 2011, 14<sup>th</sup> March 2011 and 30<sup>th</sup> March 2011. In respect of which meetings, proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was required to close its Register of Members and Share Transfer Book as per the provisions of the Companies Act 1956 and has closed it from 17<sup>th</sup> September 2010 to 24<sup>th</sup> September 2010.
6. The Annual General Meeting for the financial year ended March 31st, 2010 was held on 24<sup>th</sup> September 2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. Two Extra-Ordinary General Meetings were held during the Financial Year on 30<sup>th</sup> November 2010 and 16<sup>th</sup> March 2011
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into a contract falling within the purview of Section 297 of the Act during the year.
10. The Company has made entries in the register maintained under Section 301 of the Act and the Board has approved the transactions.



- 
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
  12. The Company has not issued any duplicate certificates during the financial year.
  13.
    - i) The Company has not allotted any Equity Shares / transfer / transmission of securities during the financial year.
    - ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
    - iii) The Company has not posted warrants to any member of the company as no dividend was declared during the financial year.
    - iv) The Company has duly complied with requirements of Section 217 of the Act.
  14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors/ Alternate Directors and Directors to fill casual vacancy during the financial year. The Company has to appoint a Company Secretary during the year.
  15. The Company has not appointed any Managing Director/ whole time directors/ managers during the financial year.
  16. The Company has not appointed any sole selling agents during the financial year.
  17. The Company was not required to obtain any approvals of the Central Government, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
  18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has issued Bonus shares during the financial year and complied with the provisions of the Act.
  20. The Company has not bought back any shares during the financial year ending March 31st, 2011.
  21. There was no redemption of preference shares or debentures during the financial year.
  22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
  24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31<sup>st</sup> March 2011 is within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened annual/extraordinary general meeting.
  25. The Company has not made loans or advances, or given guarantees or provided securities to other bodies corporate and consequently no entries has been made in the register kept for the purpose. The Company has made investments.
  26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office.
  27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.



28. The Company has altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny. The name of the Company has been changed from "Subuthi Finance Limited" to "Indus Finance Corporation Ltd".
29. The Company has altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has altered its articles of association during the financial year in respect of the authorised capital.
31. There were no prosecution initiated against or show cause notices received by the company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any trust for the purpose of the Provident Fund pursuant to Section 418 of the Act.

Place: Chennai  
Date: 27<sup>th</sup> July 2011

Signature:  
Name: R.KANNAN  
C. P. No 3363

#### **ANNEXURE - A**

Registers as maintained by the Company:

1. Register of Members u/s. 150 of the Companies Act, 1956.
2. Register of Directors u/s. 303 of the Companies Act, 1956.
3. Register of Directors' Shareholding u/s. 307 of the Companies Act, 1956.
4. Register of Contracts with Directors, Companies and Firms in which Directors are interested u/s. 301 of the Companies Act, 1956.
5. Register of Share Transfer
6. Register of Investments u/s. 372 of the Companies Act, 1956.

#### **ANNEXURE - B**

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending March 31st, 2011:

<b>FORM NO.</b>	<b>FILED U/S</b>	<b>SUBJECT MATTER</b>	<b>DATE OF CHALLAN/FILING</b>	<b>SRN</b>
Form 20 B	159	Annual Return / 31.03.2010	13-01-2011	P65329575
Form 23 AC & 23 ACA	220	Balance Sheet & Profit and Loss Account / 31.03.2010	22-12-2010	P64615594
Form 66	393 (1)	Compliance Certificate by Practicing Company Secretary	22-12-2010	P64603640
Form 23	21	Change of Name	16-03-2011	B07932064
Form 23	192	Registration of Resolution(s)	03-01-2011	B02132033
Form 5	94	Increase in Share Capital	31-03-2011	B09006719





## AUDITORS' REPORT

To

The Members of  
INDUS FINANCE CORPORATION LTD  
( Formerly Known as Subuthi Finance Limited )

We have audited the attached Balance Sheet of INDUS FINANCE CORPORATION LTD (Formerly Known as Subuthi Finance Limited ), as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account of the Company for the same period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' report) Order 2003, issued by the Central Government of India in terms of Section 227 (IV) (a) of the Companies Act, 1956, we annex hereto a statement of the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the statement referred to in paragraph 1 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account, as required by law have been kept by the company so far as it appears from our examination of such books.
  - c. The Company's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - d. In our opinion the Profit & Loss Account and the Balance Sheet comply with the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon under Schedule give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India
    - 1 in the case of the Balance Sheet, the state of affairs of the company as at 31<sup>st</sup> March, 2011 and
    - 2 in the case of the Profit and Loss Account, profit for the period ended on that date.

For V Ramaratnam & Co  
Chartered Accountants  
FRN 002956S  
Sd/-  
R Sundar  
Partner  
PRN 005295

CHENNAI  
27.07.2011



## Annexure - I

RE: INDUS FINANCE CORPORATION LTD ( Formerly Known as Subuthi Finance Limited )  
Referred to Paragraph 2 of our report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.  
  
(b) All the Assets have been physically verified by the management during the year and the Company has regular programme of verification which, in our opinion, is reasonable having regard to the nature of the Company and its size. No material discrepancies were noticed.  
  
(c) The Company has not disposed off substantial portion of the fixed assets during the year, affecting the concern.
2. As the Company is a Non Banking Finance Company, the requirement for verification of inventory is not applicable.
3. The company has not taken any unsecured loan from a company covered under register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered.  
  
(b) In our opinion and according to the information and explanation given to us and according to the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956, the value of transactions exceeding Rs.5,00,000/- with those parties, are reasonable having regard to the prevailing market price.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which the provisions of section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under are applicable and therefore paragraph 4(vi) of the Order is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As the Company is Non Banking Finance Company, it is not required to maintain Cost Audit Records under the Act.
9. In our opinion and according to the information and explanations given to us, the company does not have any undisputed statutory dues, as at 31st March, 2011 for a period of more than six months from the date they became payable to investor education protection fund, employees' state insurance, sales tax, wealth tax, customs duty, excise duty, cess and other statutory dues, if any, with the appropriate authorities except Income Tax of Rs.2,81,89,967/- relating to accounting years 1996-97, 1997-98, 1998-99 and 2004-05 raised by the department which is disputed and the Company's appeals are pending for disposal due to disputes related to earlier years.
10. The Company has neither accumulated losses nor incurred cash loss during the financial year covered under our audit and preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has no overdue of Installments payable to any financial Institutions.
12. In our opinion the company has maintained adequate records for loans granted on the basis of security by way of pledge of shares.



13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund, society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, where the company has given any guarantees for loans taken by others from banks or financial institutions the terms and conditions are not prejudicial to the interest of the Company.
15. The Company has not taken term loans during the period covered under our audit and there is no term loan outstanding as on the date of audit.
16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no short-term funds were invested in long-term investment.
17. According to the information and explanations given to us, there is no allotment of share capital during the period under our audit.
18. According to the information and explanations given to us during the period covered under our audit, the company has not issued any debentures during the year and hence, the provisions of clause no 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
19. According to the information and explanations given to us, the company has not raised any money by way of public issue during the year and therefore paragraph 4 (xx) of the Order is not applicable to the company.
20. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For V Ramaratnam & Co  
Chartered Accountants  
FRN 002956S

Sd/-

R Sundar  
Partner

PRN 005295

CHENNAI

27.07.2011

## Annexure - II

RE: INDUS FINANCE CORPORATION LTD (Formerly Known as Subuthi Finance Limited )

Auditors' Report as per Reserve Bank of India Notification No. DFC.114/DG(SPT)-98

1. The Company had applied for and obtained registration as provided in Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934).
2. According to Information and Explanation provided to us, the Board of Directors of the Company has passed the necessary resolution for the non-acceptance of any public deposits during the year.
3. According to Information and Explanation provided to us, the Company has not accepted deposits from the public during the year.
4. According to Information and Explanation provided to us, the Company has complied with the prudential norms relating the income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

For V Ramaratnam & Co  
Chartered Accountants  
FRN 002956S

Sd/-

R Sundar  
Partner

PRN 005295

CHENNAI

27.07.2011



<b>INDUS FINANCE CORPORATION LTD</b>			
(Formerly known as Subuthi Finance Limited)			
<b>BALANCE SHEET AS AT 31ST MARCH 2011</b>			
<b>PARTICULARS</b>	<b>SCHEDULE No.</b>	<b>2010-2011 Rs.</b>	<b>2009-2010 Rs.</b>
<b>Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	46,291,500	48,145,750
Reserves & Surplus	2	117,484,374	124,350,215
<b>Loan Funds</b>			
Secured Loans	3	24,658,452	19,654,961
Unsecured Loans	4	-	-
		<b>188,434,326</b>	<b>192,150,926</b>
<b>Assets</b>			
<b>Fixed assets</b>			
Gross Block	5	40,985,103	40,985,103
Less: Accumulated Depreciation		30,404,778	29,211,193
Net Block		<b>10,580,325</b>	<b>11,773,910</b>
<b>Investments</b>	6	120,591,985	120,604,485
<b>Deferred Tax Assets</b>		697,320	336,187
<b>Current Assets, Loans &amp; Advances</b>			
<b>A) Current Assets</b>	7		
Cash & bank balances		564,818	484,389
Sundry Debtors		42,023,521	30,494,771
<b>B) Loans &amp; Advances</b>	8	23,236,989	23,171,715
<b>Total (A+B)</b>		<b>65,825,328</b>	<b>54,150,875</b>
<b>Less: Current Liabilities</b>	9	9,260,632	3,182,868
<b>Net Current Assets</b>		56,564,696	50,968,007
Miscellaneous Expenditure	10	-	8,468,337
		<b>188,434,326</b>	<b>192,150,926</b>
Notes to the Account	15		
For and on behalf of <b>V Ramaratnam &amp; Co</b> Chartered Accountants FRN 002956S Sd/- <b>R Sundar</b> Partner PRN 005295 Place : Chennai Date : 27.07.2011		For and on behalf of the Board <b>Indus Finance Corporation Ltd</b> Sd/- <b>K V BALA</b> Director Sd/- <b>T R JAYARAMAN</b> Director	





<b>INDUS FINANCE CORPORATION LTD</b> (Formerly known as Subuthi Finance Limited)				
<b>SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011 (Rs.)</b>				
	<b>31.03.2011</b>		<b>31.03.2010</b>	
<b>1. CAPITAL</b>				
Authorised 6,000,000 Equity Shares of Rs.10/- each 15,000,000 Equity Shares of Rs.10/- each		<b>150,000,000</b>		60,000,000
<b>Issued, Subscribed :</b>				
5,000,000 Equity Shares of Rs.10/- each	50,000,000		50,000,000	
Less: Forfeiture of 3,70,850 Shares of Rs.10/- each	3,708,500		-	
Less: Call in Arrears	-	<b>46,291,500</b>	1,854,250	48,145,750
<b>2. RESERVES &amp; SURPLUS</b>				
General Reserve	8,656,000		8,656,000	
Profit & Loss Account	64,715,088		73,925,351	
Share Premium Account	35,451,250		35,451,250	
	108,822,338		118,032,601	
Add: Capital Reserve	1,854,250		-	
Statutory Reserve	6,807,785	<b>117,484,374</b>	6,317,614	124,350,215
<b>3. SECURED LOANS</b>				
LIC of India	19,658,452		19,654,961	
Indowind Engery Limited	5,000,000	<b>24,658,452</b>	-	19,654,961
<b>4. UNSECURED LOANS</b>		-		-

**INDUS FINANCE CORPORATION LTD**  
(Formerly known as Subuthi Finance Limited)

<b>SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011</b>								
<b>( Rs.)</b>								
<b>5. FIXED ASSETS</b>	<b>PARTICULARS</b>	<b>GROSS BLOCK</b>			<b>DEPRECIATION</b>		<b>NET BLOCK</b>	
		As at 1.4.2010	Additions During the year	Deductions During the year	As at 31.03.2011	UP TO 31.03.2010	31.03.2011	AS AT 31.03.2011
	<b>LEASED ASSETS(A)</b>							
	Plant & Machinery	2,000,000	0	0	2,000,000	0	0	2,000,000
		<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>2,000,000</b>
	<b>OWN ASSETS (B)</b>							
	Plant & Machinery	22,000,000	0	0	22,000,000	14,300,000	15,400,000	7,700,000
	Portals	16,000,000	0	0	16,000,000	14,689,583	14,689,583	1,310,417
	Vehicles	985,103	0	0	985,103	221,610	315,195	763,493
		<b>38,985,103</b>	<b>0</b>	<b>0</b>	<b>38,985,103</b>	<b>29,211,193</b>	<b>30,404,778</b>	<b>9,773,910</b>
	<b>( A + B )</b>	<b>40,985,103</b>	<b>0</b>	<b>0</b>	<b>40,985,103</b>	<b>29,211,193</b>	<b>30,404,778</b>	<b>11,773,910</b>
								<b>10,580,325</b>





<b>INDUS FINANCE CORPORATION LTD</b> (Earlier known as Subuthi Finance Limited)			
<b>SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011</b>			
<b>Schedule -6</b>	<b>No. of Shares</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>1. In Shares @ Cost - Fully Paid</b>			
<b>Listed Shares</b>			
Country Club India Ltd (Amruta Inns Ltd.)	9,500	39,710	39,710
Andhra Bank	9,100	91,000	91,000
Avikem Resins Ltd	650	6,500	6,500
ICICI Bank Ltd.,	256	25,211	25,211
Damania Airways	10,000	100,000	100,000
Hindustan Industrial Chemicals Ltd.,	2,700	45,900	45,900
IDBI Ltd.,	4,960	403,000	403,000
ITC Ltd.,	1,050	99,264	99,264
NEPC India Ltd.,	1,200	36,000	36,000
Ravlon Pen Co. Ltd.,	5,000	87,500	87,500
Reliance Industries Ltd.,	200	82,000	82,000
Telephoto Enterprises Ltd.,	500	5,000	5,000
Indowind Energy Limited	6,421,765	57,276,500	57,276,500
<b>Unlisted Shares</b>			
Bekae Properties Pvt Limited	150,000	15,000,000	15,000,000
Indonet Global Limited	2,228,880	11,144,400	11,144,400
Money Shoppe Network	240,000	2,400,000	2,400,000
SGM windfarms Private Limited	250,000	1,250,000	1,250,000
Televista Digitals Ltd	2,500	-	12,500
<b>2. In Bonds / Mutual Funds - At Cost</b>			
ICICI Units	2,000	20,000	20,000
<b>3. Others</b>			
LIC Policies - Paid up value		32,480,000	32,480,000
		<b>120,591,985</b>	120,604,485
	<b>31.03.2011</b>	<b>31.03.2010</b>	
	<b>Rs.</b>	<b>Rs.</b>	
<b>7. CURRENT ASSETS</b>			
<b>A. CASH AND BANK BALANCES</b>			
Cash at Bank	558,374	481,224	
Cash on Hand	6,444	3,165	484,389
<b>B. SUNDRY DEBTORS</b>			
		<b>42,023,521</b>	30,494,771





<b>INDUS FINANCE CORPORATION LTD</b>				
(Earlier known as Subuthi Finance Limited)				
(Rs.)				
<b>SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011</b>				
	<b>31.03.2011</b>		<b>31.03.2010</b>	
<b>8. LOANS AND ADVANCES</b>				
NPA Accounts	2,327,357		3,482,214	
Income Tax	14,043,157		12,823,026	
Advances / Deposit Recoverable in Cash or Kind	6,866,475	<b>23,236,989</b>	6,866,475	23,171,715
<b>9. CURRENT LIABILITIES :</b>				
Creditors For Expenses	5,030,990		1,694,257	
Creditors For Others	4,229,642	<b>9,260,632</b>	1,488,611	3,182,868
<b>10. MISCELLANEOUS EXPENDITURE TO BE WRITTEN OFF</b>		-		8,468,337
<b>11. INCOME FROM OPERATIONS</b>				
Financial Income	9,550,984		-	
Investment Income	63,486	<b>9,614,470</b>	3,327,000	3,327,000
<b>12. OTHER INCOME</b>				
Income from Sale of Power		1,630,954		1,958,364
<b>13. FINANCIAL EXPENSES</b>				
Interest on Loans		-		279,702
<b>14. ESTABLISHMENT, ADMIN &amp; OTHER EXPENSES</b>				
Advertisement	86,315		17,360	
Bank Charges	2,047		9,269	
Business Promotion	7,500		-	
Conveyance	29,054		-	
Electricity	1,294		-	
Insurance Charges	39,268		-	
Miscellaneous	58,300		9,341	
AGM Expenses	33,314		21,730	
Salaries	868,061		1,002,888	
Postage	19,798		-	
Repairs and Maintenance	347,564		82,338	
Fees, Rates & Taxes	4,984,990		427,327	
Printing & Stationery	29,767		28,620	
Staff Welfare	6,110		-	
Travelling	20,000		-	
Misc. Exp. Written Off	-	<b>6,533,382</b>	780,000	2,378,874



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**15 I Significant Accounting Policies**

**1. Basis of Accounting**

The Financial Statements are prepared on Accrual Basis under the Historic Cost Convention.

**2. Recognition of Income and Expenditure**

Revenues / Incomes and Costs / Expenditure are generally accounted on Accrual Basis as they are earned or incurred.

Finance Charges in respect of Hire-Purchase transactions are apportioned over the period of the contract on the basis of internal rate of return method.

Lease income is accounted as per the terms of lease agreement entered into with the lessees from time to time in respect of leases entered prior to 31st March 2001. No lease agreements have been entered since 1st April 2001.

**3. Fixed Assets**

Fixed Assets are stated at cost, less accumulated depreciation.

**4. Amortisation Policy**

a) Leased Assets - Depreciation on all leased assets are provided over the primary lease period.

b) Assets held for own use - Depreciation on Assets held for own use is provided under Straight Line Method, at the rates prescribed by Schedule XIV of the Companies (Amendment), Act 1988.

**5. Investments**

Investments are stated at cost. Income from investments is included in the Profit and Loss Account. As the investments are long term in nature, fluctuation in its market value from time to time has not been considered.

**6. Borrowing Costs**

Interest and other costs incurred by the Company in connection with the borrowing of funds are recognized as an expense in the period in which they are actually incurred.

**7. Lease Rentals**

Lease Rentals are being accounted for on accrual basis.

**8. Retirement Benefits**

The Company has not provided for any retirement benefits to the employees. No Provision has been made for any liability for gratuity payable to the employees.

**9. Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the net selling price of the assets and their value in use.



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**10. Provisions:**

Provisions are recognized when the company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

**11. Taxation:**

Current Tax is provided on the taxable income for the year.

Deferred tax liabilities arising from timing differences have been fully provided for. Deferred tax assets are recognized on the consideration of prudence.

**15 II NOTES TO THE ACCOUNTS**

**A. Balance Sheet**

**Share Capital**

During the year the company has forfeited 3,70,850 Equity Shares of Rs 10/- each on account of non payment of calls in arrears. The Company has transferred Rs 18,54,250/- to capital reserve representing paid up value of the forfeited shares.

**Secured Loans**

The Company availed loan from the Life Insurance Corporation of India on the security of the Key Man Insurance Policies.

**Investments**

Investments are long term in nature and is stated at cost and expenses incurred for acquiring them. Fluctuations in market values are not considered. Investments consists of investments in Listed, Un-listed, Associate Companies.

**Current Assets, Loans and Advances**

In the opinion of the Board, the current Assets, Loans and Advances have a value on the realisation in the ordinary course of business at least equal to the amount at which they are stated except in the case of Income Tax where the company is disputing the demands raised by the Income Tax Department before various appellate forums.

**Misc Expenditure Written Off**

The Miscellaneous Expenditure written off during the year in the Profit and Loss Appropriation account represents Bad Debts of earlier years amounting to Rs 84,68,337/- and Investments of Rs 12,500/- .

**B. Profit & Loss Account**

Income :

Income includes " Income from Operations" and " Other Income". Other income represents sale of power generated from Wind mills. This income is under attachment by the Income Tax Department and is collected against the disputed demands of earlier years.



**C. “Administrative and other expenses” includes remuneration to Auditors towards:**

	2010-11	2009-10
	(Rs. in thousands)	
Statutory Audit	25.00	25.00
Tax Audit	10.00	10.00
Certification	3.00	2.00

**D Contingent Liabilities:**

Income Tax Demand Rs. 2,81,89,967/-

For the Assessment years 1996-97, 1997-98, 1998-99 and 2004-05 the total demand of Rs. 2,81,89,967 raised by the department is disputed since the company's appeals related to earlier years are pending for disposal. Though these liabilities are not recognised by the company, as these are under litigations, the Income tax department has attached the company's power income from two wind mills and the current year's power income of Rs. 16,30,954/- has been attached and recovered against the disputed arrears. Further, the Company's investment in Equity shares of Indowind Energy Limited are also under attachment by the Income Tax Department against the litigated demands.

The company has been advised by the advisors that the company has fair chances of succeeding in the appeals. Accordingly, the company is confident that there will be a substantial reduction in the demands.

**E. Related Party Disclosure under Accounting Standard -18:**

The details of related parties as identified by the management are as under:

i) Key Management Personnel:

Shri K V Bala	- Director
Shri T R Jeyaraman	- Director
Shri T S Raghavan	- Director

ii) Associates:

Indowind Energy Limited  
Loyal Credit & Investments Limited  
Ind Eco Ventures Limited  
Indus Nutri Foods Private Limited  
Bekea Properties Private Limited  
Bewind Power Private Limited  
Subuthi Investments Private Limited  
Indowind Power Private Limited  
Soura Capital Private Limited  
Indus Capital Private Limited



**F. RELATED PARTY TRANSACTIONS:**

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made and no amounts have been written off or written back during the year in respect of debts due from or to related parties. There are no other related parties where control exists that need to be disclosed.

The following transactions were carried out with the Related Parties:

Particulars	Associates	Key management personnel
Power Income	Rs. 16,30,954	————
Secured loan taken	Rs. 50,00,000	————
Advances	Rs. 30,49,803	————
Sitting Fees	————	Rs 1,10,000

- G Information with regard to other matters specified in Part II of schedule VI of the companies Act, 1956, are either NIL, or not applicable to the company for the period under audit.
- H There are no amounts due to Small Scale Industries in terms of “ The Micro, Small and Medium Enterprises Development Act, 2006 “.
- I Expenditure in Foreign currency - Nil
- J Earnings in Foreign Currency - Nil
- K Previous year's figures have been regrouped wherever found necessary.

As per our report of even date  
for and on behalf of  
V Ramaratnam & Co  
Chartered Accountants  
FRN 002956S

For and on behalf of  
Board of Directors

Sd/-  
R Sundar  
Partner  
PRN 005295  
Place : Chennai  
Date : 27.07.2011

Sd/-  
K V Bala  
Director

Sd/-  
T R Jayaraman  
Director



**INDUS FINANCE CORPORATION LTD**  
(Formerly known as Subuthi Finance Limited)  
**CASH FLOW STATEMENT**

(Rs.)

	2010-2011		2009-2010	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit after Tax	2,450,860		1,710,182	
Add: Financial Expenses	0	2,450,860	279,702	1,989,884
Depreciation		1,193,585		1,119,365
Other Income		(1,630,954)		(1,958,364)
		<b>2,013,491</b>		<b>1,150,885</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>				
(Increase) Decrease in stock of Shares	0		0	
(Increase) Decrease in Sundry Debtors	(11,528,750)		2,987,277	
(Increase) Decrease in loans and advances	(65,274)		(1,201,138)	
Deferred Tax (Asset) / Liability	(361,133)		(336,187)	
Dividend and Dividend Tax	(2,690,115)		0	
Increase (Decrease) in current liabilities	6,077,764		(148,224)	
Cash generated from operations		<b>(8,567,507)</b>		<b>1,301,728</b>
Financial expenses	0	<b>0</b>	(279,702)	<b>(279,702)</b>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>(6,554,016)</b>		<b>2,172,911</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale / (Purchase) of fixed assets	0		171,060	
(Increase) Decrease in Investments	12,500		(5,680,000)	
Other Income	1,630,954	1,643,454	1,958,364	(3,550,576)
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		1,643,454		(3,550,576)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Increase / (Decrease) in Reserves	(8,480,837)		(120,000)	
Decrease / (Increase) in Mis. expd	8,468,337		780,000	
Increase / (Decrease) in long term borrowings	5,003,491	4,990,991	279,702	939,702
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>		4,990,991		939,702
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>		80,429		(437,963)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		484,389		922,352
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		564,818		484,389

for and on behalf of  
V Ramaratnam & Co  
Chartered Accountants  
FRN 002956S

For and on behalf of  
Board of Directors

Sd/-  
R Sundar  
Partner  
PRN 005295  
Place : Chennai  
Date : 27.07.2011

Sd/-  
K V Bala  
Director

Sd/-  
T R Jayaraman  
Director



## Balance Sheet abstract and company's general business profile

### I REGISTRATION DETAILS

Regn No. 22317	State Code 18
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Balance sheet date 31 03 2011

### II CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

Public issue NIL	Rights issue NIL
Bonus issue NIL	Private Placement NIL

### III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

Total liabilities 197695	Total assets 197695
SOURCES OF FUNDS	
Paid up capital 46292	Reserves & Surplus 117484
Secured loans 24658	Unsecured loan NIL
APPLICATION OF FUNDS	
Net fixed assets 10580	Investments 120592
Net current assets 56565	Misc. Expenditure NIL
Accumulated losses NIL	

### IV PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover 11245	Total Expenditure 6533
Profit/(Loss) before tax 3518	Profit/(Loss) after tax 2451
Earning/share 0.53	



**INDUS FINANCE CORPORATION LTD.**

(Formerly known as Subuthi Finance Limited)

“Kothari Buildings”, 4<sup>th</sup> Floor, 114, Mahatma Gandhi Road, Nungambakkam, Chennai- 600 034.

**ATTENDANCE SLIP**

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

NAME AND ADDRESS OF THE SHAREHOLDER

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Folio No.	_____
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DP.ID	_____
CLIENT ID*	_____

\*Applicable to investors holding shares in electronic form

I hereby record my presence at the 20<sup>th</sup> Annual General Meeting being held on Friday the 30<sup>th</sup> September, 2011 at “Kothari Buildings”, 4<sup>th</sup> Floor, 114, M.G. Road, Nungambakkam, Chennai – 600 034.

SIGNATURE OF THE MEMBERS OR PROXY	SHARES HELD



**INDUS FINANCE CORPORATION LTD.**

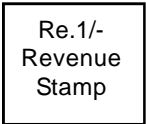
(Formerly known as Subuthi Finance Limited)

“Kothari Buildings”, 4<sup>th</sup> Floor, 114, Mahatma Gandhi Road, Nungambakkam, Chennai- 600 034.

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ in district of \_\_\_\_\_ being a member(s) of the above named Company hereby appoint Mr/Ms. \_\_\_\_\_ of \_\_\_\_\_ in the district \_\_\_\_\_ of or failing him Mr/Ms. \_\_\_\_\_ of \_\_\_\_\_ in district of \_\_\_\_\_ as my/our Proxy and to vote for me/ us on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on Friday the 30<sup>th</sup> September, 2011 at 11.00 A.M and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.



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

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

**Notes:**

1. The proxy to be valid should be deposited at the Registered Office of the Company not later than Forty- Eight hours before the time for holding the Meeting.
2. The Proxy should be executed on Re.1/- Revenue Stamp.