

**23rd ANNUAL REPORT
2013-2014**



INDUS FINANCE CORPORATION LTD



INDUS FINANCE CORPORATION LTD

BOARD OF DIRECTORS

- | | | |
|--------------------------|---|----------------------|
| 1. Mr. BALA V. KUTTI | - | CHAIRMAN |
| 2. Mr. T.S. RAGHAVAN | - | INDEPENDENT DIRECTOR |
| 3. Dr. K.R. SHYAM SUNDAR | - | INDEPENDENT DIRECTOR |

COMPANY SECRETARY

K.K. DINA KAR

AUDITORS

M/s. V. RAMARATNAM & CO.
CHARTERED ACCOUNTANTS,
115/1, 4TH STREET,
ABHIRAMAPURAM,
CHENNAI - 600 018.
admin@vramaratnam.com

BANKERS

AXIS BANK LIMITED, CHENNAI - 600 004.
DCB BANK LIMITED, CHENNAI - 600 034.

REGISTERED OFFICE

"KOTHARI BUILDINGS", 4th FLOOR,
114, MAHATMA GANDHI SALAI,
NUNGAMBAKKAM,
CHENNAI - 600 034.
TEL : 044-28330867 / 23881310
FAX : 044-28330208
E-MAIL - contact@indusfinance.in
Website - 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 - murali@cameoindia.co.in



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 23rd Annual General Meeting of Company will be held at the registered office of the Company at "114, Kothari Buildings, 4th Floor, M.G. Road, Nungambakkam, Chennai 600 034 on 13th August 2014 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Dr. K.R. Shyamsundar, (DIN: 03560150), who was appointed as a Director and is liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 years up to the conclusion of the 28th Annual General Meeting AND THAT he shall not be liable to retire by rotation and on the terms and conditions as detailed in the Appointment Letter.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give 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 the proxy need not be a member.
2. The Proxy form duly completed stamped and signed should reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members seeking any information are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
4. Members are requested to bring their copy of the Annual Report to the Meeting.
5. Members are requested to bring with them the Attendance slip and hand it over at the entrance duly filled in and signed by them
6. The Register of Members and Share Transfer Book will remain closed from 31st July 2014 to 7th August 2014 (both days inclusive)
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
8. Member are requested to inform their change of address (with PIN code) e-mail ID, nominations, etc., to the Registrars and share Transfer Agents (RTA) of the Company in respect of shares held in physical form and their Depository participants in respect of shares held in electronic form.



9. Information regarding the Directors proposed to be reappointed pursuant to clause 49 (IV) (G) of the Listing Agreement with Stock Exchanges is annexed.

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

Place: Chennai - 600 034.

Date: 30th May 2014.

K.K. Dinakar
Company Secretary

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5

Detailed Profile of the Independent Director viz. Dr. K.R. Shyamsundar is given in the Report on Corporate Governance and Members are requested to refer the same.

Further the Independent Director has submitted their declaration of independence, as required pursuant to Section 149(7) to the Companies Act, 2013 stating that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act. The respective appointee is not disqualified from being appointed as director in terms of Section 164 of the Act. However, pursuant to Section 149(4) and Section 152(2) of the Companies Act, 2013 read with Schedule IV to the said Act and all other applicable provisions, the appointee is to be appointed as Independent Director for a period of five consecutive years (not liable to retire by rotation). This Explanatory Statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges.

In the opinion of the Board, the Independent Director proposed to be appointed, fulfills the conditions in the Companies Act, 2013 and the rules made thereunder for his respective appointment as Independent Director and are independent of the Management of the Company.

The terms and conditions contained in the Draft Letter of Appointment to be issued to the Independent Director will be available for inspection at the Registered Office of the Company between 10.00 a.m and 12.30 p.m on all working days of the Company up to and including the day of the meeting and also on the Company's website.

Your Directors recommend the Resolution mentioned in Item No. 5 of the Notice for the approval of Members.

None of the Directors of the Company are interested or concerned or may be deemed to be interested or concerned in the resolution proposed at item no. 5 of the Notice, except in their capacity as shareholders of the Company.

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

Place: Chennai - 600 034.

Date: 30th May 2014.

K.K. Dinakar
Company Secretary



BRIEF PROFILE OF MR. BALA V. KUTTI

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

BRIEF PROFILE OF Dr. K.R. SHYAMSUNDAR

Dr K.R.Shyamsundar is an Indian Police Service Officer of 1977 batch of Tamil Nadu cadre. After serving for three-and-a-half decades both in Tamil Nadu and in the Centre, he retired on superannuation on 30th April 2012. During his tenure, he served as District Superintendent of Police Tuticorin, ADC to Governor, Deputy Commissioner of Police (Law & Order) South Chennai, DIG of Ramnad Range and Villupuram Range, Inspector General of Police, Economic Offences Wing Financial Institutions (CB CID), Director Fire & Rescue Services, Director General of Prisons, DGP & Director, Vigilance & Anti-Corruption, Tamil Nadu & as CMD & DGP, Tamil Nadu Police Housing Corporation Limited. No one in India is more experienced than Dr. K.R.Shyamsundar in the investigation of Bank Fraud cases and he has supervised 650 bank fraud cases including a dozen cases worth 100 Crores and more. He has been decorated with two President's Police Medal for his Meritorious and Distinguished Service and he was the youngest to be decorated with this honour. He is not a director in any other Companies except Indus Finance Corporation Ltd, and he holds NIL shares of this Company.



REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

To

The Shareholders

Your Directors are pleased to present this, 23rd Annual Report of the Company along with the Audited Accounts of the Company for the year ended 31st March 2014.

FINANCIAL RESULTS

(₹. in Million)

PARTICULARS	2013-14	2012-13
Income from Operations	44.35	52.45
Other Income	16.77	20.82
Gross Receipts	61.12	73.27
Expenses	44.88	42.62
Depreciation & Amortization	4.42	24.76
Total Expenses	49.30	67.38
PBT	11.82	5.89
TAX	3.99	1.33
PAT	7.83	4.56
Dividend	4.63	3.24
Dividend Tax	0.79	0.53
Transfer to Statutory Reserve	1.57	0.91

FINANCIAL PERFORMANCE

The profit after tax achieved by your Company during the period under review is almost double than that of the previous year though the gross receipts are less than previous year. Therefore for the third year in succession, your Directors are pleased to recommend 5 % dividend i.e. ₹. 0.50 for every equity share of ₹.10/- each fully paid up for the year 2013-14. The Dividend, if approved by the Shareholders at the ensuing Annual General Meeting will be paid to the equity share holders, whose names appear in the Register of Members, as per the provisions of the Companies Act 2013. In which case, the dividend out go would be ₹. 4.63 Mn. and the dividend tax to be paid by the Company would be ₹.0.79 Mn.

FUTURE OUTLOOK

NBFCs in India have played a significant role in financing various sectors of the economy, particularly those that have been underserved by the banks. Non-banking finance companies (NBFC) which operated mostly in unorganized sectors and under-served segments of the economy have been regulated to a large extent post reforms. Close Customer Interaction, deep understanding of the client, specialized field expertise and low cost infrastructure are the typical features of a NBFC business model. NBFCs supplement the role of the banking sector in meeting the increasing financial need of the corporate sector, delivering credit to the unorganized sector and to small local borrowers.

The fact that NBFCs as a whole account for more than 12.5% [for 2012-13 it was 12.7% as per economic survey] of the assets of the total financial system indicate the significant role NBFCs have in the financial sector. However the frequent restrictive regulations for the sector seem to be imposing regulatory burdens and causing jerks to the growth of the segment. Owing to the regulatory uncertainty and general macro-economic lull, NBFC segment has witnessed a slower growth, slow-down in construction equipment, commercial vehicle and gold loan portfolios and building of delinquencies and lowering of interest margins.

The significant change in the Regulatory frame work in the last few years has helped us to be very prudent resulting in achieving the desired goal. While your Company has maintained a perfect record of compliance of regulatory norms, as assured in the earlier years maintained a healthy credit portfolio consisting of a



select number of clients. Though the outstanding credit as on 31.03.2014 declined by 10% compared to corresponding period, the reduction is attributed to timely closure of certain borrowal accounts as per contract. With the Regulator having classified the NBFCs based on their nature of business, your Company falls under the category “Loan Company” and the activities are restricted to lending only. IFCL being non-deposit accepting, loan company and having decided to continue the status further, will be looking for alternate resources available within the regulatory framework to meet the growing demand of the credit portfolio.

OPPORTUNITIES & THREATS

The role of NBFCs has become increasingly important from both the macroeconomic perspective and the structure of the Indian financial system. It is a proven fact, that only those NBFCs which fall under the regulatory norms and serious about being in the finance business survived. To survive and constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They have to either constantly search for new products and services in order to remain competitive or exhibit highest ethical standards in conducting their business. The coming years will be testing ground for the NBFCs and only those who will face the challenge and prove themselves will survive in the long run.

There have been several committees in the past acknowledging the role and importance of NBFCs in India and their complimentary role to banks in financial intermediation. Yet there being no level playing field, it is likely that the NBFCs will be very cautious and concentrate much on the secured transaction. Any sudden spurt in the growth depends upon the monetary policies of the new Government at the Center. Since there are several credit starved and under-serviced segments in the economy, the NBFCs have a definite long term role, the beginning of which is expected during 2014-15. NBFCs have immense business potential from the segment untapped by the commercial banks.

Consolidation of business by the public sector banks, fast expansion by the new generation banks and further banking license being issued by the Regulator appear to push the NBFCs to a corner. Non-availability of a level playing field on account of absence of a strong & effective recovery tool like the SARFAESI act (available to the banks) made the NBFCs less effective compared to commercial banks though both are engaged in similar activities. The activity oriented classification & definition and in turn the restrictions has forced the NBFCs to live with only one activity thus restricting to only few select products. The Regulatory guidelines to the NBFCs to reduce the dependence on public deposit has already curtailed the capacity of the sector to raise funds and in turn sustained growth.

Your Company operating only in major cities and having not accepted any public deposit has not ventured into any riskier segments. Proper systems and procedures are in place to analyse and mitigate the threats.

RISK & CONCERNS

Your Company being a NBFC is subjected to both Business and Financial risk. While the business risk is associated with operating environment, ownership structure, Management, System & Policy and Corporate Governance, the financial risk lies in Asset Quality, Liquidity, Profitability and Capital Adequacy. Your Company recognizes these risks and makes best effort to mitigate them in time.

One of the major concerns for the sector is the deteriorating asset quality in the banking sector which has certain indirect impact on the asset qualities of NBFCs also. Any negative growth of the Industry, irrespective of the sector has some adverse effect on the workings of the NBFCs. Your Company has always kept in mind the uncertainties and their mitigation while conducting the business.

THE RBI NORMS AND ACCOUNTING STANDARDS

To comply with RBI directions, Your Company closed its accounts for the full year ending March 2014, and your Company continues to comply with the 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.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions under section 134(5) of the Companies Act, 2013, the Board of Directors hereby state that;

1. In the preparation of Annual Accounts for the year ended 31st March 2014, 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 31st March 2014 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, 2013 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.
5. The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

DIRECTOR

Mr. Bala V. Kutti, retires at the end of this meeting and being eligible, offers himself for reappointment.

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. Management Discussion and Analysis Report highlighting the performance of the Company is attached forming part of the Directors' Report.

AUDITORS

M/s.V.Ramaratnam & Co. retire at the conclusion of this Annual General Meeting and are eligible for reappointment. Necessary resolutions are placed before the Shareholders for their approval.

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 for their continued support.

For and on behalf of Board of
INDUS FINANCE CORPORATION LTD

Place: Chennai - 600 034.

Date: 30th May 2014.

K.V. Bala
Chairman



REPORT ON CORPORATE GOVERNANCE OF INDUS FINANCE CORPORATION LTD

INTRODUCTION

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

A) COMPOSITION OF THE BOARD

The Company has complied with the corporate governance norms in terms of constitution of the board. The Board comprises of 3 Directors and their details are given in following table

B) NUMBER OF BOARD MEETINGS

Indus Finance Corporation Ltd, held 4 Board Meetings during the year ended 31st March 2014. These were on 28th May 2013, 10th August 2013, 11th November 2013 and 16th January 2014.

C) DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

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 (in Public Limited Companies)
Mr. Bala V. Kutti	Director	4	4	Yes	<ul style="list-style-type: none"> ➤ M/s. IndEco Ventures Ltd ➤ M/s. Indowind Energy Ltd ➤ M/s. Indonet Global Ltd. ➤ M/s. Loyal Credit & Investments Ltd
# Mr.T.S.Raghavan	Independent Director	4	4	Yes	<ul style="list-style-type: none"> ➤ M/s. Tanfac Industries Ltd ➤ M/s. Empee Sugars & Chemicals Ltd ➤ M/s. Empee Distilleries Ltd ➤ M/s. Hindustan Safe Deposit Lockers Ltd. ➤ M/s. Indowind Energy Ltd
#Dr. K. R. Shyamsundar	Independent Director	4	4	Yes	-



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

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as restricted 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 your Company is routinely presented with information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

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 three Directors, **Mr. T.S. Raghavan, Dr. K.R. Shyamsundar & Mr. Bala V. Kutti** who are highly experienced and having knowledge in project finance, accounts and Company law. Mr. T.S. Raghavan is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee. The minutes of each Audit Committee meeting are placed before, and discussed in the full by the Board.

The Audit Committee met 4 times during the year ended 31st March 2014.

Attendance record of Audit Committee Members

Name	Designation	Status	No. of meetings held	No. of meetings attended
Mr.T.S. Raghavan	Chairman	Non-Executive and Independent Director	4	4
Dr. K.R. Shyamsundar	Member	Non-Executive and Independent Director	4	4
Mr. Bala V. Kutti	Member	Executive Chairman	4	4



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

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of Auditor and the fixation of audit fees.
3. Approval of payment to Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference:
 - i. Matters required to be included in Director's responsibility statement to be included in the Board's report.
 - ii. Changes if any in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statement arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any third party transactions.
 - vii. Qualifications in the draft audit report.

(II) SHAREHOLDERS / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders / Investors' grievance committee comprises of the following members of the Board as stated in the following table:

Name	Designation	Status	No. of meetings held	No. of meetings attended
Mr.T.S. Raghavan	Chairman	Non-Executive and Independent Director	4	4
Dr. K.R. Shyamsundar	Member	Non-Executive and Independent Director	4	4
Mr. Bala V. Kutti	Member	Executive Chairman	4	4

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

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

The Company has received NIL complaint during this financial year 31st March 2014.

Mr. K.K. Dinakar Company Secretary of the Company is the Compliance officer.

(III) REMUNERATION COMMITTEE

The Remuneration Committee consists of the following members of the Board as stated in following table:

Name	Designation	Status
Mr.T.S. Raghavan	Chairman	Non-Executive and Independent Director
Mr. Bala V. Kutti	Member	Executive Chairman
Dr. K.R. Shyamsundar	Member	Non-Executive and Independent Director

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

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

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

F) MANAGEMENT

Disclosure by management to the Board

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



G) SHAREHOLDERS

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

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

Mr. Bala V. Kutti is retiring at the conclusion of this AGM and being eligible, offers himself for re-appointment.

(b) Shareholding pattern of Directors:

As per our Memorandum, the Directors need not hold any Equity Shares as Qualification Shares.

Details as to shareholding of the Directors are furnished in following table.

Name of Director	No. of Shares held as on 31.3.2014	% of Paid-up Equity Share Capital
Mr. Bala V. Kutti	22,38,511	24.18
Mr.T.S.Raghavan	NIL	NIL
Dr. K.R. Shyamsundar	NIL	NIL
Total	22,38,511	24.18

(c) 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.

(d) General Body Meetings

Details of last three annual general meetings are given in following table:

Year	Location	Date	Time
2012-13	114, "Kothari Buildings" IV Floor, M.G.Road, Nungambakkam, Chennai 600 034	26.9.2013	4.00 P.M
2011-12	114, "Kothari Buildings" IV Floor, M.G.Road, Nungambakkam, Chennai 600 034	28.9.2012	10.00 A.M
2010-11	114, "Kothari Buildings" IV Floor, M.G.Road, Nungambakkam, Chennai 600 034	30.9.2011	11.00 A.M

The following special resolutions were passed in the previous general meetings:

Date of AGM	Subject
26.9.2013	Resolution under Sec. 198,269,309,310 and 311 Schedule XIII of the companies Act 1956, for the appointment of Mr. Bala V. Kutti, as the Executive Chairman of the Company.
30.9.2011	Resolution for voluntary delisting of shares from Madras Stock Exchange Ltd and Coimbatore Stock Exchange Ltd.

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

(e) Disclosures:

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

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



(f) General Shareholders Information

i) 23rd Annual General Meeting for the year 2014

Date	13 th August 2014
Time	11.00 A.M.
Venue	“Kothari Building”, 4 th Floor, 114, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034.
Date of Book Closure	31 st July 2014 to 7 th August 2014
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: murali@cameoindia.com

ii) Financial calendar:

Dates of Adoption of the Quarterly Results for the each quarter are mentioned below:

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

iii) Listing on Stock Exchanges at

Bombay Stock Exchange Limited,

Registered Office: Floor 25,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001.

iv) Scrip Code

Bombay Stock Exchange Limited : 531841
Demat ISIN Number in NSDL and CDSL : INE935D01013

v) Market Price Data

Month & Year	BSE	
	Share Price (Rs.)	
	High	Low
April 2013	81.00	41.15
May	58.25	39.00
June	71.85	52.30
July	81.90	71.05
August	93.00	65.00
September	61.80	39.40
October	40.00	31.10
November	29.55	17.15
December	37.50	18.90
January 2014	45.40	37.50
February	38.80	31.30
March	53.20	35.90



(g) Means of Communication:

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

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

(h) Distribution of Share Holding As On 31.3.2014

Shareholding	Shares holders		Shares Amount	
	Number	% of total	(in ₹.)	% of total
10 - 5000	436	78.8260	320930	0.3466
5001 - 10000	27	4.6956	225770	0.2438
10001 - 20000	18	3.1304	285960	0.3088
20001 - 30000	9	1.5652	207730	0.2243
30001 - 40000	5	0.8695	183550	0.1982
40001 - 50000	4	0.6956	178030	0.1922
50001 - 100000	24	4.1739	1890230	2.0416
100001 and above	52	9.0434	89290800	96.4440
Total	575	100.0000	92583000	100.0000

N) DISTRIBUTION OF SHAREHOLDING PATTERN

Shareholding Pattern

Name of the Company : INDUS FINANCE CORPORATION LTD.,
As on : 31.03.2014

Statement Showing Shareholding Pattern								
Name of the Company :					INDUS FINANCE CORPORATION LTD			
Scrip Code : 531841					Quarter Ended : 31 st March 2014			
Cate-gory code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in demate-rialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	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)
(A)	Shareholding of Promoter and Promoter Group Indian							
1								
(a)	Individuals / Hindu Undivided Family	4	3023697	2243697	32.66	32.66	0	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	4	3884295	3884295	41.95	41.95	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)							
	Sub Total (A)(1)	8	6907992	6127992	74.61	74.61	0	0.00



2	Foreign							
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)							
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	6907992	6127992	74.61	74.61	0	0.00
(B)	Public shareholding							
1	Institutions							\
(a)	Mutual Funds / UTI	0	0	0	0.00	0.00	NA	NA
(b)	Financial Institutions / Banks	1	2200	0	0.02	0.02	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	0	0	0	0.00	0.00	NA	NA
(h)	Any Other (specify)							
	Sub-Total (B)(1)	1	2200	0	0.02	0.02	NA	NA
2	Non-institutions							
(a)	Bodies Corporate	33	823076	823076	8.89	8.89	NA	NA
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	465	216835	194435	2.34	2.34	NA	NA
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	38	1203479	1203479	13.00	13.00	NA	NA
(c)	Any Other (specify)						NA	NA
(c-i)	Clearing Member	4	9105	9105	0.10	0.10	NA	NA
(c-ii)	Hindu Undivided Families	23	95513	95513	1.03	1.03	NA	NA
(c-iii)	Non Resident Indians	1	100	100	0.001	0.001	NA	NA
	Sub-Total (B)(2)	564	2348108	2325708	25.36	25.36	NA	NA
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	565	2350308	2325708	25.39	25.39	NA	NA
	TOTAL (A)+(B)	573	9258300	8453700	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	NA	NA
	GRAND TOTAL (A)+(B)+(C)	573	9258300	8453700	100.00	100.00	0	0.00



(j) DEMATERIALIZATION OF SHARES AND LIQUIDITY:

91.31% Shares are held in demat as on 31st March 2014 and the balance 8.69% are in physical form.

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

Stock option scheme : Nil

(k) 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. There were no resolutions passed through Postal Ballot.

(l) Address For Correspondence

Registered Office:

- 1) Indus Finance Corporation Ltd
"Kothari Building", 4th Floor,
114, Mahatma Gandhi Road,
Nungambakkam, Chennai - 600 034.
Tel: 044-28330867 / 28331310
Fax: 044-28330208
E-mail : dinakar@indowind.com

Registrar and Transfer Agent:

- 2) Cameo Corporate Services Ltd
Subramanian Building, V Floor,
No.1, Club House Road,
Chennai - 600 002.
Phone : 044-28460390 394 & 28460718
Fax : 044 28460129
E-mail: murali@cameoindia.com

The Company has no plants and site office.

DECLARATION

To

The Members of Indus Finance Corporation Ltd,

This is to declare that the respective Code of Conduct envisaged by the Company for Members of the Board and Senior Management Personnel have been complied with by all the members of the Board and senior management Personnel of the Company.

ON BEHALF OF THE BOARD
For INDUS FINANCE CORPORATION LTD.,

Bala V. Kutti

Chairman

Place: Chennai - 600 034

Date: 30th May 2014

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s. Indus Finance Corporation Ltd, for the year ended 31st March 2014, 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
FRN: 002956S

Place: Chennai - 600 034.
Date: 30th May 2014.

R. SUNDAR
Partner
Membership No. 12339



INDEPENDENT AUDITOR'S REPORT

To the Members of
INDUS FINANCE CORPORATION LIMITED.

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Emphasis of Matter

We draw your attention to Note No.20.1 which describes the demand raised by Income Tax Department. The Department has attached some of the investments of the company which is not yet lifted.



Our opinion has not been qualified in respect of above stated matters as it does not affect the financial statements materially.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;.

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

R. Sundar
Partner
Membership No. : 012339

Place: Chennai - 600 034.

Date: 30th May 2014

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

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

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. The Company is a non-banking finance company and does not hold any inventories. Accordingly, paragraph 4(ii) (a), (b) and (c) of the order are not applicable.



3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted to/ taken loans from companies, listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has not granted loan or advances to any parties that are covered in the register maintained under Section 301 of the Act during the year. The amount involved during the year is NIL and the year end balance of such loans aggregates to Rs.4.85 Crores.
The Company has not taken any loans or advances from the parties that are covered in the register maintained under Section 301 of the Act during the year. The amount involved during the year is NIL and the year end balance of such loans aggregates to Rs.26.66 Crores.
- (c) In our opinion the rate of interest and other terms and conditions on which loans have been granted / taken to / from companies, firms or other parties listed in the registers maintained under Section 301 are not, prima facie, prejudicial to the interest of the company.
- (d) The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- (e) There is no overdue amount of loans granted to / taken from companies listed in the registers maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the service rendered. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act exceeds five lacs rupees in a financial year are made under any contracts or arrangements at the price at which it is made are reasonable to prevailing market price.
6. The Company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and the provisions of under section 58A and 58AA of the Companies Act, 1956 and any other relevant provisions and the rules framed there under apply.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management and in our opinion, the company is predominantly a “Non- Banking Finance Company” and hence not required to maintain cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.



10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. In our opinion and according to information and explanations given to us, the Company is not dealing or trading in shares, securities, debenture, mutual funds & other Investments. The Company has invested surplus fund in the schemes of mutual funds and other investments. According to the information and explanations given to us, proper records have been maintained of transactions and contract and timely entries have been made therein.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution. Accordingly, Paragraph 4 (xv) of the Order is not applicable to the company.
16. Based on our audit procedures and on the information given by the management, the company has not obtained any term loans from banks or financial institutions during the year. Accordingly, Paragraph 4 (xvi) of the Order is not applicable to the company.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of Companies Act, 1956 during the year. Accordingly, Paragraph 4 (xviii) of the Order is not applicable to the company.
19. According to the information and explanations given to us and the records examined by us, the Company has not issued any debentures during the year. Accordingly, Paragraph 4 (xix) of the Order is not applicable to the company.
20. According to the information and explanations given to us and the records examined by us, the Company has not raised any money by public issue during the year. Accordingly, Paragraph 4 (xx) of the Order is not applicable to the company.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

R. Sundar
Partner
Membership No. : 012339

Place: Chennai - 600 034
Date: 30th May 2014



INDUS FINANCE CORPORATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	NOTE No.	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	92,583,000	92,583,000
(b) Reserves and surplus	4	69,640,654	67,647,000
		162,223,654	160,230,000
2 Non-current liabilities			
(a) Long-term borrowings	5	293,313,797	356,212,922
(b) Other long-term liabilities		-	-
(c) Long-term provisions		-	-
		293,313,797	356,212,922
3 Current liabilities			
(a) Short-term borrowings	6	-	2,900,000
(b) Trade payables		-	-
(c) Other current liabilities	7	5,727,624	644,519
(d) Short-term provisions	8	5,415,874	3,766,080
		11,143,498	7,310,599
	TOTAL	466,680,949	523,753,521
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,891,118	6,306,119
(ii) Intangible assets		-	-
		1,891,118	6,306,119
(b) Non-current investments	10	121,101,290	121,101,290
(c) Deferred tax assets (net)	20.6	1,914,749	1,928,713
(d) Long-term loans and advances	11	338,895,731	384,437,947
(e) Other non-current assets		-	-
		463,802,888	513,774,069
2 Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	12	758,283	7,839,130
(d) Cash and cash equivalents	13	2,119,778	2,140,322
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
		2,878,061	9,979,452
	TOTAL	466,680,949	523,753,521

See accompanying notes forming part of the financial statements - 20

In terms of our report attached.

For V. Ramaratnam & Co.

Chartered Accountants

FRN: 002956S

R. Sundar

Partner

Membership No. 012339

Place : Chennai - 600 034.

Date : 30th May 2014

K.K. Dinakar

Company Secretary

For and on behalf of the Board of Directors

Bala V. Kutti

Chairman

T.S.Raghavan

Director



INDUS FINANCE CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

PARTICULARS	NOTE No.	for the year ended 31.3.2014 Rs.	for the year ended 31.3.2013 Rs.
A CONTINUING OPERATIONS			
1 Revenue from operations	14	44,353,590	52,453,862
2 Other income	15	16,769,068	20,820,437
3 Total revenue (1+2)		61,122,658	73,274,299
4 Expenses			
(a) Employee benefits expenses	16	6,328,454	4,114,921
(b) Finance costs	17	25,893,842	16,499,130
(c) Depreciation and amortisation expense	9.B	4,415,001	24,758,335
(d) Other expenses	18	4,112,161	5,362,952
Total expenses		40,749,458	50,735,338
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		20,373,200	22,538,961
6 Exceptional items		8,548,742	3,643,405
7 Profit / (Loss) before extraordinary items and tax (5 - 6)		11,824,458	18,895,556
8 Extraordinary items	19	-	13,000,000
9 Profit / (Loss) before tax (7 - 8)		11,824,458	5,895,556
10 Tax expense:			
(a) Tax expenses for current year		3,978,320	1,640,863
(b) Deferred tax	20.6	13,964	-308,433
		3,992,284	1,332,430
11 Profit / (Loss) from continuing operations (9 -10)		7,832,174	4,563,126
12 Profit / (Loss) for the year		7,832,174	4,563,126
13 Earnings per share (of Rs.10/- each):			
(a) Basic		0.85	0.49
(b) Diluted		0.85	0.49
14 Earnings per share (excluding extraordinary items) (of Rs.10/- each):			
(a) Basic		0.85	1.90
(b) Diluted		0.85	1.90

See accompanying notes forming part of the financial statements - 20

In terms of our report attached.

For V. Ramaratnam & Co.

Chartered Accountants

FRN: 002956S

R. Sundar

Partner

Membership No. 012339

Place : Chennai - 600 034.

Date : 30th May 2014

K.K. Dinakar
Company Secretary

For and on behalf of the Board of Directors

Bala V. Kutti
Chairman

T.S.Raghavan
Director



INDUS FINANCE CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

PARTICULARS	For the year ended 31.3.2014		For the year ended 31.3.2013	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		11,824,458		18,895,556
<i>Adjustments for:</i>				
Depreciation and amortisation	4,415,001		24,758,335	
Sale consideration - windmill	-		(1,500,000)	
Finance costs	25,893,842		16,499,130	
Bad debts written-off	-		3,643,405	
WDV of windmills sold	-		4,436,665	
Other non-cash items written-off	-		-	
		30,308,843		47,837,535
Operating profit / (loss) before working capital changes		42,133,301		66,733,091
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	-		563,710	
Trade receivables	7,080,847		(6,122,866)	
Short-term loans and advances	-		-	
Long-term loans and advances	43,204,759		(38,091,761)	
Other current assets	-		-	
Other non-current assets	-		-	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-		(27,575)	
Other current liabilities	5,083,105		(2,223,504)	
Other long-term liabilities	-		-	
Short-term provisions	1,649,794		-	
Long-term provisions	-		-	(45,901,996)
		57,018,505		
Cash flow from extraordinary items		99,151,806		20,831,095
Cash generated from operations		-		(13,000,000)
Net income tax (paid) / refunds		99,151,806		7,831,095
		(2,119,834)		-
Net cash flow from / (used in) operating activities (A)		97,031,972		7,831,095
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances				
Proceeds from sale of fixed assets			1,500,000	
- Associates			-	
Rental income from investment properties			-	1,500,000
Cash flow from extraordinary items				-
Net income tax (paid) / refunds				-
Net cash flow from / (used in) investing activities (B)				1,500,000
C. Cash flow from financing activities				
Proceeds from issue of equity shares				-
Increase / (Decrease) in long-term borrowings	(62,899,125)		13,950,589	
Increase / (Decrease) in short-term borrowings	(2,900,000)		2,900,000	
Finance cost	(25,893,842)		(16,499,130)	
Increase / (Decrease) in Reserves	(5,359,549)		(8,222,070)	
Decrease / (Increase) in Mis Expenditure	-		-	
Dividends paid	-		-	
Tax on dividend	-	(97,052,516)	-	(7,870,611)
Net cash flow from / (used in) financing activities (C)		(97,052,516)		(7,870,611)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(20,544)		1,460,484
Cash and cash equivalents at the beginning of the year		2,140,322		679,838
Cash and cash equivalents at the end of the year		2,119,778		2,140,322
(a) Cash on hand		24,361		274
(b) Balances with banks in Current Accounts		2,095,417		2,140,048
		2,119,778		2,140,322

Note: The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For V. Ramaratnam & Co.

Chartered Accountants

FRN: 002956S

R. Sundar

Partner

Membership No. 012339

Place : Chennai - 600 034.

Date : 30th May 2014

K.K. Dinakar
Company Secretary

For and on behalf of the Board of Directors

Bala V. Kutti
Chairman

T.S.Raghavan
Director



INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements

Note	Particulars
1	Corporate Information "The Company was incorporated as a private limited company on 11 th March 1992 and was converted into public limited company U/s 44 of the Companies Act, 1956 on 29 th March, 1994 with an object of carrying business as ""Non - Banking Finance Company"" having registered office at Kothari building, 4 th Floor, No.114, Mahatama Gandhi Salai, Nungambakkam, Chennai - 600 034. The Company has been registered with Reserve Bank of India as "Non - Banking Finance Company" on 5 th May 1998 vide Registration No. B-07-00068." Formerly, the Company was known as "Subuthi Finance Limited" and the name has been changed to "Indus Finance Corporation Limited" on 19 th March 2011
2	Significant accounting policies
2.1	Basis of accounting and preparation of financial statements The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 200X, that are carried at revalued amounts.
2.2	Use of estimates The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	Inventories Inventories include, Energy generated from Wind Mills and not sold.
2.4	Cash and cash equivalents (for purposes of Cash Flow Statement) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
2.5	Cash flow statement The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
2.6	Depreciation and amortisation Depreciation is provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in case of windmills where Depreciation is provided at equitant to rates prescribed under Income Tax Act, treating the rates prescribed under schedule XIV to the Companies Act, 1956 as minimum.
2.7	Revenue recognition Power income is recognised on accrual basis as they are earned or incurred. Interest Income is recognised on the basis of circular issued by RBI for "Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" Income from other financing activities and services is recognised on accrual basis.
2.8	Other income Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
2.9	Tangible fixed assets Fixed assets are stated at historical cost less accumulated depreciation.



Note	Particulars
2.10	Investments Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.
2.11	Employee benefits The Company has not formulated any policy for employee benefits, including Provident Fund, ESI or Gratuity. The Company is in the position to meet Employee Liability when it becomes due.
2.12	Borrowing costs Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.
2.13	Segment Reporting The company is operating in two business segment viz., Non-Banking Finance and Power Generation. Details of Segment-wise Assets and Profit & Loss Statement can be referred in Note No. 21.7.
2.14	Earnings Per Share Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.
2.15	Taxes on income "Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences."
2.16	Impairment of assets The carrying values of assets are reviewed for impairment at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised 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.
2.17	Provisions Provisions are recognised 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.
2.18	Provisioning requirement as per circular issued by RBI for "Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" The Circular states that Provision has to be made for Non-Performing Asset on its value if it satisfy certain criteria. The Criteria mentioned in the Circular is reproduced here:



Note	Particulars
(1)	The provisioning requirement in respect of loans, advances and other credit facilities including bills purchased and discounted shall be as under :
(i)	Loss Assets The entire asset shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding should be provided for;
(ii)	Doubtful Assets (a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the mortgage guarantee company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis; (b) In addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion (i.e. estimated realisable value of the outstanding) shall be made.
(iii)	Sub-standard assets A general provision of 10% of total outstanding shall be made.

Notes forming part of the financial statements

Note 3 Share Capital

PARTICULARS	As at 31.3.2014		As at 31.3.2013	
	Number of Shares	Rs.	Number of Shares	Rs.
(a) Authorised Equity shares of Rs. 10/- each with voting rights	18,000,000	180,000,000 180,000,000	18,000,000	180,000,000 180,000,000
(b) Issued Equity shares of Rs.10/- each with voting rights	9,258,300	92,583,000 92,583,000	9,258,300	92,583,000 92,583,000
(c) Subscribed and fully paid up Equity shares of Rs.10/- each with voting rights	9,258,300	92,583,000 92,583,000	9,258,300	92,583,000 92,583,000
Total		92,583,000		92,583,000

Notes forming part of the financial statements

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

PARTICULARS	Opening Balance	Fresh issue	Bonus	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2014				
- Number of shares	9,258,300	-	-	9,258,300
- Amount (Rs.)	92,583,000	-	-	92,583,000
Year ended 31 March, 2013				
- Number of shares	9,258,300	-	-	9,258,300
- Amount (Rs.)	92,583,000	-	-	92,583,000



INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements

Notes:

(ii) Details of shares held by each shareholder holding more than 5% shares:

CLASS OF SHARES / NAME OF SHAREHOLDER	As at 31.3.2014		As at 31.3.2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Bala Venckat Kutti	2,238,511	24.18	2,490,191	26.90
Karumuthu Finance Pvt Ltd	2,270,495	24.52		
Subuthi Investmetns Private Limited	-	-	1,849,400	19.98
Loyal Credit and Investments Limited	1,133,800	12.25	1,133,800	12.25
K B Prathadevi	783,600	8.46	783,600	8.46

(iii) Aggregate number and class of shares allotted as fully paid up bonus shares for the period of 5 years immediately preceding the Balance Sheet date:

PARTICULARS	Aggregate number of shares				
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
Fully paid up by way of bonus shares	-	4,629,150	-	-	-

PARTICULARS	As at 31.3.2014	As at 31.3.2013
	Rs.	Rs.
Note 4 Reserves and surplus		
(a) Capital Reserve	1,854,250	1,854,250
(b) Statutory Reserve		
Opening balance	8,496,256	7,583,631
Add: Addition during the year (transfer from surplus in P&L)	1,566,435	912,625
Closing balance	10,062,691	8,496,256
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	57,296,494	61,868,062
Add: Profit / (Loss) for the year	7,832,174	4,563,126
Less: Transferred to / Adjustments		
Others - Income Tax previous year adjustment	422,646	19,324
General Reserve	-	-
Statutory Reserve	1,566,435	912,625
Dividends proposed to be distributed to equity shareholders	4,629,150	3,240,405
Tax on dividend	786,724	525,675
Written Down Value of Sale of Windmill*	-	4,436,665
Closing balance	57,723,713	57,296,494
Total	69,640,654	67,647,000

* Written Down Value of Asset sold adjusted against Reserve.



INDUS FINANCE CORPORATION LIMITED				
Notes forming part of the financial statements				
PARTICULARS		As at 31.3.2014 Rs.	As at 31.3.2013 Rs.	
Note 5 Long-term borrowings				
(a) Term loans				
From other parties				
Secured (refer Note (i) below)		26,693,808	26,693,808	
(b) Loans from related parties				
Secured (refer Note (i) below)		266,619,989	329,519,114	
Total		293,313,797	356,212,922	
Notes: (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:				
PARTICULARS		Terms of repayment and security	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
Term loans from other parties:				
Secured				
(i) LIC of India		To be repaid on maturity of policy. Secured against Keyman Insurance Policy	26,693,808	26,693,808
Loans and advances from related parties:				
Secured				
(i) Indowind Energy Ltd		Secured against 3.5 MW wind project	233,187,253	215,194,114
(ii) Everon Power Pvt Ltd		Secured against 1 Mw solar power project	33,432,736	114,325,000
Total			266,619,989	329,519,114
Note 6 Short-term borrowings				
(a) Loans repayable from Related party				
Secured (Refer Note (i) below)			-	2,900,000
Total			-	2,900,000
Notes: (i) Details of security for the secured short-term borrowings:				
<u>Loans repayable</u>		<u>Nature of security</u>		
Loyal Credit and Investments Limited		Secured against receivables.	-	2,900,000



INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements

PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
Note 7 Other Current Liabilities		
(a) Other payables		
(i) Statutory remittances	667,241	192,667
(ii) Current maturities of Long-term debt - Interest on LIC	4,984,451	-
(iii) Other Payables	75,932	451,852
Total	5,727,624	644,519
Note 8 Short Term Provisions		
(a) Dividend and Dividend Tax payable	5,415,874	3,766,080
Total	5,415,874	3,766,080

INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements

Note 9 Fixed assets

PARTICULARS	Gross block				Accumulated depreciation and impairment			Net block	
	Balance As at 1 April, 2013	Additions	Disposals	Balance As at 31 March, 2014	Balance As at 1 April, 2013	Depreciation /amortisation expense for the year	Eliminated on sale	Balance As at 31 March, 2013	Balance As at 31 March, 2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. TANGIBLE ASSETS									
<i>(a) Plant and Equipment</i>									
Owned	105,000,000	-	-	105,000,000	99,599,999	4,320,001	-	5,400,001	1,080,000
<i>(b) Vehicles</i>	1,714,583	-	-	1,714,583	870,851	95,000	-	843,732	748,732
<i>(c) Office equipment</i>	68,850	-	-	68,850	6,464	-	-	62,386	62,386
Total - Tangible Assets	106,783,433	-	-	106,783,433	100,477,314	4,415,001	-	6,306,119	1,891,118

B. Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2014 Rs.	For the year ended 31 March, 2013 Rs.
Depreciation and amortisation for the year on tangible assets as per Note 9 A	4,415,001	24,758,335
Depreciation and amortisation relating to continuing operations	4,415,001	24,758,335

INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements

Note 10 Non-current investments

PARTICULARS	No of Shares	As at 31 March, 2014			As at 31 March, 2013		
		Quoted	Unquoted	Total	Quoted	Unquoted	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Investments (At cost):							
(a) Investment in equity instruments							
(i) of associates							
Indowind Energy Limited	6,421,765	57,460,875	-	57,460,875	57,460,875	-	57,460,875
Bekae Properties Pvt Limited	150,000	-	15,000,000	15,000,000	-	15,000,000	15,000,000
Indonet Global Limited	2,228,880	-	11,144,400	11,144,400	-	11,144,400	11,144,400
Ind Eco Ventures Limited	32,493	-	324,930	324,930	-	324,930	324,930
Indus Nutri Foods Private Limited	250,000	-	1,250,000	1,250,000	-	1,250,000	1,250,000
(ii) of other entities							
Andhra Bank	9,100	91,000	-	91,000	91,000	-	91,000
ICICI Bank Ltd.,	256	25,211	-	25,211	25,211	-	25,211
IDBI Ltd.,	4,960	403,000	-	403,000	403,000	-	403,000
ITC Ltd.,	1,050	99,264	-	99,264	99,264	-	99,264
NEPC India Ltd.,	1,200	36,000	-	36,000	36,000	-	36,000
Reliance Industries Ltd.,	200	82,000	-	82,000	82,000	-	82,000
Picture House Media Ltd	500	5,000	-	5,000	5,000	-	5,000
Country Club India Ltd							
(Amruta Inns Ltd.,)	9,500	39,710	-	39,710	39,710	-	39,710
Hindustan Industrial							
Chemicals Ltd.,	2,700	45,900	-	45,900	45,900	-	45,900
Avikem Resins Ltd	650	6,500	-	6,500	6,500	-	6,500
Skyline NEPC							
(previously Damania Airways)	10,000	100,000	-	100,000	100,000	-	100,000
Ravlon Pen Co. Ltd	5,000	87,500	-	87,500	87,500	-	87,500
Money Shoppe Network Limited	240,000	-	2,400,000	2,400,000	-	2,400,000	2,400,000
		58,481,960	30,119,330	88,601,290	58,481,960	30,119,330	88,601,290
			20,000	20,000		20,000	20,000
			32,480,000	32,480,000		32,480,000	32,480,000
(b) Investment in mutual funds							
(c) Other non-current investments							
(Key Man Insurance Policy)							
Total		58,481,960	62,619,330	121,101,290	58,481,960	62,619,330	121,101,290
Market value of Quoted Investment		24,342,986			24,692,294		
Diminution in value of investments		34,138,974			33,789,666		



INDUS FINANCE CORPORATION LIMITED		
Notes forming part of the financial statements		
PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
Note 11 Long-term loans and advances		
(a) Loans and advances to related parties		
Secured, considered good	2,415,200	949,793
Unsecured, considered good	51,500,000	32,055,000
Total	53,915,200	33,004,793
(b) Loans and advances to employees		
Unsecured, considered good	546,500	40,500
Total	546,500	40,500
(c) Balances with government authorities	25,772,464	22,550,415
(d) Other loans and advances		
Secured, considered good	253,981,351	320,600,766
Unsecured, considered good	3,730,207	7,385,207
Doubtful	950,009	856,266
Total	258,661,567	328,842,239
Total	338,895,731	384,437,947
Note: Long-term loans and advances include amounts due from:		
Companies where Director is a Director		
Indus Capital Private Ltd	40,000,000	20,000,000
Karumuthu Finance Pvt Ltd	11,500,000	12,000,000
	51,500,000	32,000,000
Note 12 Trade receivables		
Trade receivables outstanding for a period within six months from the date they were due for payment		
Secured, considered good	758,283	7,839,130
Total	758,283	7,839,130
Note 13 Cash and cash equivalents		
(a) Cash on hand	24,361	274
(b) Balances with banks - in current accounts	2,095,417	2,140,048
Total	2,119,778	2,140,322



INDUS FINANCE CORPORATION LIMITED		
Notes forming part of the financial statements		
PARTICULARS	for the year ended 31.3.2014 Rs.	for the year ended 31.3.2013 Rs.
Note 14 Revenue from operations		
(a) Income From Operations	44,272,004	52,366,154
(b) Income from Investments	81,586	87,708
Total	44,353,590	52,453,862
Notes: Income From Operations		
(i) Interest Income	44,252,004	52,207,414
(ii) Processing Charges	20,000	158,740
Total - Income From Operations	44,272,004	52,366,154
Note 15 Other income		
(a) Other Income - Income from Sale of Electricity	16,769,068	17,305,437
(b) Other Income - Sale of Windmill	-	1,500,000
(c) Bad Debts recovered	-	2,015,000
Total	16,769,068	20,820,437
Note 16 Employee benefits expenses		
Salaries and wages	6,209,045	4,093,288
Staff welfare expenses	119,409	21,633
Total	6,328,454	4,114,921
Note 17 Finance costs		
Interest expense on borrowings	25,893,842	16,499,130
Note 18 Other expenses		
Repairs and maintenance - Machinery	591,612	2,481,116
Repairs and maintenance - Vehicles	23,865	45,404
Insurance	80,319	81,601
Fees, Rates and taxes	217,103	759,531
Communication	122,597	107,273
Travelling and conveyance	690,276	528,323
Printing and stationery	99,156	40,186
Business promotion	8,910	141,620
Advertisement & Publicity expenses	40,080	-
AGM / EGM Expenses	27,413	20,507
Legal & Professional Charges	1,682,500	798,872
Payments to auditors (Refer Note (i) below)	98,500	81,247
Donation paid	-	50,000
Bank Charges	240,664	92,206
Sitting Fee	80,000	100,000
Miscellaneous expenses	109,166	35,066
Total	4,112,161	5,362,952
Notes (i) - Payments to the auditors comprises:		
As auditors - statutory audit	50,000	50,000
For taxation matters	25,000	25,000
For Certification	13,500	6,247
others	10,000	-
Total	98,500	81,247



INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements

PARTICULARS	for the year ended 31.3.2014 Rs.	for the year ended 31.3.2013 Rs.
Note : 19 Extraordinary items		
WDV of windmills sold	-	4,436,665
Less: Transfer from reserves	-	4,436,665
Advances irrecoverable written off	-	13,000,000
Total	-	13,000,000

Note 20 Additional information to the financial statements and Disclosures under Accounting Standards

20.1 Contingent liabilities and commitments (to the extent not provided for)

	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
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Contingent liabilities

(a) Claims against the Company not acknowledged as debt

Total Demand as per Order raised by Income Tax Department	26,549,769		
Less : Income Tax Refund Due or Tax paid during Regular / Scrutiny Assessment	22,539,672	4,010,097	9,459,180

The Company is disputing various demands raised by the Income Tax Department, which are pending before Supreme Court & High Court. The Company has got Opinion from Legal Counsel which is in favour of the Company and hence the liability has not been recognised in the Books of Account.

Income Tax department has attached the Company's Investment in Equity Shares of one of its associates against the above stated litigated demands. "

20.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no amounts due to small scale industries in terms of " The Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

20.3 Foreign Exchange Expenses / Earnings	for the year ended 31.3.2014 Rs.	for the year ended 31.3.2013 Rs.
Expenditure in foreign currency	-	-
Earnings in foreign exchange	-	-

20.4 Related party transactions

Details of related parties:

Description of relationship	
Associates and Companies where Key Management Personnel has a significant influence.	Indowind Energy Limited Indowind Power Private Limited Everon Power Private Limited Indus Capital Private Limited Karumuthu Finance Private Limited
Key Management Personnel (KMP)	Bala V. Kutti - Director T S Raghavan - Director K.R. Shyam Sundar - Director

Note: Related parties have been identified by the Management.



INDUS FINANCE CORPORATION LIMITED

Note 20 Additional information to the financial statements and Disclosures under Accounting Standards

Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

	Associates	KMP	Total
Power share payments			
Indowind Energy Limited	10,831,242	-	10,831,242
Indowind Power Private Limited	5,937,826	-	5,937,826
Interest expenses			
Indowind Energy Limited	16,123,018	-	16,123,018
Everon Power Pvt Ltd	4,786,373	-	4,786,373
Mangerial Remuneration			
K V Bala	-	2,400,000	2,400,000
Sitting fees			
T S Raghavan	-	40,000	40,000
Shyam Sundar	-	40,000	40,000
Balances outstanding at the end of the year			
Loan taken from Associates			
Indowind Energy Ltd	233,187,253	-	233,187,253
Everon Power Pvt Ltd	33,432,736	-	33,432,736
Loans and advances			
Indus Capital Private Ltd	40,000,000	-	40,000,000
Karumuthu Finance Pvt Ltd	11,500,000	-	11,500,000

PARTICULARS	For the year ended 31 March, 2014 Rs.	For the year ended 31 March, 2013 Rs.
20.5 EARNINGS PER SHARE		
Basic		
Total operations		
Net profit / (loss) for the year	7,832,174	4,563,126
Net profit / (loss) for the year attributable to the equity shareholders	7,832,174	4,563,126
Weighted average number of equity shares	9,258,300	9,258,300
Par value per share	10.00	10.00
Earnings per share - Basic	0.85	0.49
Diluted		
Total operations		
Net profit / (loss) for the year	7,832,174	4,563,126
Net profit / (loss) for the year attributable to the equity shareholders	7,832,174	4,563,126
Profit / (loss) attributable to equity shareholders (on dilution)	9,258,300	9,258,300
Weighted average number of equity shares for Basic EPS	9,258,300	9,258,300
Weighted average number of equity shares - for diluted EPS	9,258,300	9,258,300
Par value per share	10.00	10.00
Earnings per share - Diluted	0.85	0.49
20.6 Deferred tax (liability) / asset		
Opening balance - Deferred tax asset	1,928,713	1,620,280
Additions for the year:		
Tax effect of items constituting deferred tax liability		
-- On difference between book balance and tax balance of fixed assets	(13,964)	-
Tax effect of items constituting deferred tax assets		
-- On difference between book balance and tax balance of fixed assets	-	308,433
Closing balance - Deferred tax asset	1,914,749	1,928,713



INDUS FINANCE CORPORATION LIMITED

Note 20 Additional information to the financial statements and Disclosures under Accounting Standards (contd.)

Note	Particulars
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20.7 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Non-banking Finance, Power Generation and Others which include Investment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

Particular	Business segments				Total	
	Finance		Power		2013-14	2012-13
	2013-14	2012-13	2013-14	2012-13		
Revenue	44,353,590	52,453,862	16,769,068	20,820,437	61,122,658	73,274,299
Expenses	33,904,796	21,412,923	5,232,596	27,318,257	39,137,392	48,731,180
Segment result	10,448,794	31,040,939	11,536,472	-6,497,820	21,985,266	24,543,119
Unallocable expenses (net)					1,612,066	2,004,158
Exceptional expenses					8,548,742	3,643,405
Extra-Ordinary Items					-	13,000,000
Profit before taxes					11,824,458	5,895,556
Tax expense					3,992,284	1,332,430
Net profit for the year					7,832,174	4,563,126
Segment assets	376,045,152	442,864,567	1,080,000	5,400,001	377,125,152	448,264,568
Segment liabilities	32,852,855	34,004,407	271,604,440	329,519,114	304,457,295	363,523,521

20.8 Previous Year's Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For V. Ramaratnam & Co.

Chartered Accountants

FRN: 002956S

R. Sundar

Partner

Membership No. 012339

Place : Chennai - 600 034.

Date : 30th May 2014

K.K. Dinakar
Company Secretary

For and on behalf of the Board of Directors

Bala V. Kutti
Chairman

T.S.Raghavan
Director



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No. 22317	State Code 18
---------------------------	------------------

Balance sheet date : 31 03 2014

II CAPITAL RAISED DURING THE YEAR (RS. IN 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 466680.95	Total asset 466680.95
--------------------------------	--------------------------

SOURCES OF FUNDS

Paid up capital 92583.00	Reserves & Surplus 69640.65
-----------------------------	--------------------------------

Secured loans 293313.80	Unsecured loans NIL
----------------------------	------------------------

APPLICATION OF FUNDS

Net fixed assets 1891.11	Investments 121101.29
-----------------------------	--------------------------

Net current assets (8265.44)	Misc. Expenditure NIL
---------------------------------	--------------------------

Accumulated losses
NIL

IV PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover 61122.69	Total Expenditure 49298.20
----------------------	-------------------------------

Profit / (Loss) before tax 11824.49	Profit / (Loss) after tax 7832.17
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Earning/share (Rs.) 0.85	Dividend Rate 5%
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INDUS FINANCE CORPORATION LTD.

Regd. Office "Kothari Building", 4th 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 SHARE HOLDER

Folio No.	
-----------	--

DP.ID	
CLIENT ID*	

* Application to investors holding shares in electronic form

I hereby record my presence at the 23rd Annual General Meeting being held on 13th August 2014 at 11.00 am, "Kothari Buildings", 4th Floor, 114 M.G. Road, Nungambakkam, Chennai - 600 034.

SIGNATURE OF THE MEMBERS OR PROXY	SHARES HELD



INDUS FINANCE CORPORATION LTD.

Regd. Office "Kothari Building", 4th 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 23rd Annual General Meeting of the Company to be held on _____ and at any adjournment thereof.

Signed this _____ day of _____ 2014.

Folio No. _____

DPID : _____ CLIENT ID: _____

Re 1/-
Revenue
Stamp

Notes:

1. 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.

BOOK-POST

If Undelivered Please Return to:-

REGISTERED OFFICE:
INDUS FINANCE CORPORATION LTD.,
"KOTHARI BUILDING", 4th Floor,
No. 114, Mahatma Gandhi Salai,
Nungambakkam,
Chennai - 600 034.