

Indus Finance Limited

CIN No: L65191TN1992PLC022317

Registered Office : Kothari Buildings, 4Th Floor, 114, Mahatma Gandhi Salai, Nungambakkam, Chennai Tamil Nadu 600034 INDIA

Website: www.indusfinance.in; Email : contact@indusfinance.in

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

Sl No	Particulars	Amount in Lakhs				
		Quarter ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	Audited	
1	Income from Operations					
	(a) Interest Income	149.81	23.51	74.78	220.89	135.67
	(b) Dividend Income	0.00	0.00	0.00	0.01	0.02
	(c) Bakt Debts Recovered	0.00	0.00	0.00	20.00	0.00
	(d) Net Gain on Fair Value Changes	-13.95	4.65	0.00	0.00	0.00
	(e) Sale of Power	0.00	0.00	0.00	0.00	87.92
	(f) Profit on Sale of Assets	0.00	0.00	0.00	0.00	17.80
	Total Income	135.86	28.16	74.78	240.91	241.41
2	Expenses					
	a) Finance Costs	0.00	0.00	0.00	0.00	0.00
	b) Fees and Commission Expense	0.00	0.00	0.00	0.00	0.00
	c) Net Loss on Fair Value Changes	7.77	-0.04	0.00	8.22	0.00
	d) Net Loss on Derecognition of Financial Instruments under Amortised Cost Category	0.00	0.00	0.00	0.00	0.00
	d) Employee Benefits	23.85	27.85	22.16	101.54	90.30
	f) Depreciation and amortisation expense	0.96	0.42	1.02	2.22	2.28
	g) Other expenses	90.24	11.31	80.59	121.08	121.08
	Total Expenses	122.82	39.54	103.77	233.05	213.66
3	Profit before exceptional item and tax (1-2)	13.04	-11.38	-28.99	7.86	27.75
4	Exceptional item	0.00	0.00	0.00	0.00	0.00
5	Profit before tax (3-4)	13.04	-11.38	-28.99	7.86	27.75
6	Tax expense	2.43	-2.85	0.98	2.43	8.58
7	Net profit for the period from continuing operations (5-6)	10.61	-8.54	-29.97	5.42	19.17
8	Profit / (Loss) from discontinued operations					
9	Tax expense from discontinued operations					
10	Profit / (Loss) from discontinued operations (After Tax)	0.00	0.00	0.00	0.00	0.00
11	Profit / (Loss) for the period (7+8)	10.61	-8.54	-29.97	5.42	19.17
12	Other comprehensive income , net of income tax					
	(a) (i) Items that will not be reclassified to profit or Loss - Remeasurement of Investment in Shares	-79.98	0.76	0.00	-249.38	0.00
	(ii) Income Tax relating to items that will not be reclassified to profit or Loss	20.80	-1.98	0.00	64.84	0.00
	Subtotal (A)	-59.19	-1.22	0.00	-184.54	0.00
	(b) (i) Items that will be reclassified to profit or Loss	0.00	0.00	0.00	0.00	0.00
	(ii) Income Tax relating to items that will not be reclassified to profit or Loss	0.00	0.00	0.00	0.00	0.00
	Subtotal (B)	0.00	0.00	0.00	0.00	0.00
	Other comprehensive income (A+B)	-59.19	-1.22	0.00	-184.54	0.00
	TOTAL Comprehensive Income for the period (11+12) (Comprising Profit (Loss) and other Comprehensive Income for the period)	-48.58	-9.76	-29.97	-179.12	19.17
13	Earning per equity share (for continuing operation)					
	- Basic	-0.52	-0.11	-0.32	-1.93	0.21
	- Diluted	0.00	0.00	0.00	0.00	0.00

Indus Finance Limited
Statement of audited Assets & Liabilities as at March 31, 2020

Particulars	INDAS Figures As at March 31, 2020 Audited	INDAS Figures As at March 31, 2019 Audited
ASSETS		
Financial Assets		
Cash and cash equivalents	4.82	3.68
Loans	622.17	1,344.62
Investments	1,202.81	1,358.41
Other Financial assets	28.93	27.93
Total financial assets	<u>1,858.73</u>	<u>2,734.65</u>
Non-financial Assets		
Deferred tax Assets (Net)	58.76	-
Property, Plant and Equipment	3.08	3.47
Other non-financial assets	140.96	146.42
Total non-financial Assets	<u>202.79</u>	<u>149.89</u>
Total Assets	<u>2,061.53</u>	<u>2,884.53</u>
LIABILITIES AND EQUITY		
Financial Liabilities		
Borrowings (Other than Debt Securities)	707.91	1,328.70
Other financial liabilities	1.53	6.02
Total Financial Liabilities	<u>709.44</u>	<u>1,334.72</u>
Non-Financial Liabilities		
Deferred tax liabilities (Net)	-	6.54
Current tax liabilities (Net)	2.88	14.94
Total Non-Financial Liabilities	<u>2.88</u>	<u>21.48</u>
Total liabilities	<u>712.32</u>	<u>1,356.20</u>
EQUITY		
Equity Share capital	925.83	925.83
Other Equity	423.38	602.50
Total Equity	<u>1,349.21</u>	<u>1,528.33</u>
Total Liabilities and Equity	<u>2,061.53</u>	<u>2,884.53</u>

Indus Finance Limited
Statement of Cash Flow for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and taxes	7.86	28.11
Add: Non-cash expense		
Depreciation and amortisation expense	2.22	2.28
Bad debts and write offs	-	-
Misc Expense	0.20	-
Impairment on financial instruments	8.22	1.02
Net Gain in fair value of derivative financial instruments	-	-
	<u>10.63</u>	<u>3.30</u>
Less: Income considered separately		
Dividend income	0.01	(0.02)
(Profit)/ Loss on sale of fixed asset	-	(17.80)
	<u>0.01</u>	<u>(17.82)</u>
Operating profit before working capital changes	<u>18.51</u>	<u>13.59</u>
Changes in -		
Loans	(71.91)	(22.96)
Investments	93.78	-
Other Financial assets	(1.00)	(8.00)
Other financial liabilities	-	-
Other non-financial assets	(2.53)	2.75
Cash used in operations	<u>18.34</u>	<u>(28.21)</u>
Income taxes paid (net of refunds)	2.43	8.58
NET CASH USED IN OPERATING ACTIVITIES (A)	<u>23.78</u>	<u>(26.50)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Property, plant and equipment	-	25.00
Dividend income received	(0.01)	(0.02)
Purchase of Property, plant and equipment and intangible assets	(1.83)	(0.68)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES [B]	<u>(1.84)</u>	<u>24.30</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings (Other than Debt Securities)	(20.79)	(14.34)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES [C]	<u>(20.79)</u>	<u>(14.34)</u>
Net decrease in cash and cash equivalents (A+B+C)	1.15	(16.54)
Cash and cash equivalents at the beginning of the financial year	3.68	20.22
Cash and cash equivalents at end of the year	<u>4.82</u>	<u>3.68</u>
Notes:		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	4.69	2.48
- in EEFC Account		
- in Treasury bank savings accounts		
Cash on hand	0.13	1.20
	<u>4.82</u>	<u>3.68</u>

Notes:

- The financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the Reserve Bank of India ('the RBI') and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding adjustments pertaining to comparative previous period / quarter as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at March 31, 2020 based on the Press Release issued by the Ministry of Corporate Affairs ("MCA") on 18 January 2016. Any application guidance/ clarifications/directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

- 2 The above quarterly results for the period ended March 31, 2020 as reviewed and recommended by the Audit committee of the Board, has been approved by the Board of Directors at its meeting held on July 29, 2020
- 3 There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 4 The Ind AS compliant financial results, pertaining to period ended March 31, 2019 have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 5 The Statement does not include Ind AS compliant results for the preceding quarter and previous year ended March 31, 2019 as the same is not mandatory as per SEBI's Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 6 As required by paragraph 32 of Ind AS 101, the profit reconciliation between the figures previously reported under Previous GAAP and restated as per Ind AS is as under:

Reconciliations between Ind-AS and Previous GAAP for equity and profit or loss are given below.

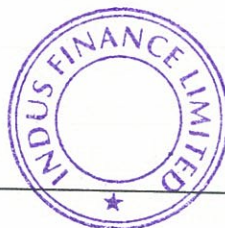
a) Profit reconciliation

Particulars	Year ended March 31, 2019
Net Profit as per previous GAAP (Indian GAAP)	19.18
Ind AS Adjustments : Add/ (less)	
Impairment on financial instruments	-1.02
Written back of Misc Expense	1.38
Comprehensive income for the year	19.53
Other comprehensive Income	
Impact on recognition of securitised portfolio (de-recognised in Previous GAAP) (Net of Taxes)	-85.55
Total Comprehensive Income as per Ind AS	-66.02

b) Equity reconciliation

Particulars	As at 31 March 2019	As at 01 April 2018
Equity as reported under Previous GAAP		
Misc Expense to be Written Off	1,668.21	1,667.64
Net gain on derecognition of financial instruments under amortised cost category	(238.07)	(12.43)
Net loss on fair value changes on Loans	399.44	380.84
Prior period income tax	(71.02)	(70.00)
Deferred Tax on the above adjustment	-	(227.02)
	(77.58)	(77.59)
Other Comprehensive Income / (loss) (net of tax)	1,680.98	1,661.44
	(152.65)	(67.10)
Total Comprehensive Income as per Ind AS	1,528.33	1,594.35

This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by issued SEBI dated July 5, 2016 on account of implementation of Ind AS by listed companies.



for Indus Finance Limited

Bala Venckat Kutti
BALA VENCKAT KUTTI
 Director
 DIN No: 00765036

Place: Chennai
 Date : July 29, 2020



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

TO THE MEMBERS OF INDUS FINANCE LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the Ind AS Financial Statements of Indus Finance Limited (**Formerly Known as INDUS FINANCE CORPORATION LIMITED**) ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, including the statement of Other Comprehensive Income and the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS Financial Statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2020 and its profit & loss and its cash flows for the year ended on that date.

Basis of Qualified Opinion

- We refer to note no 5 of the Ind AS Financial Statements under Investments, out of the total investments of Rs 1,146 Lakhs an amount of Rs 115.59 Lakhs is relating to an Investment in Indowind Energy Limited, a BSE and NSE listed company. An order of admission has been pronounced by the Madras High court vide CD No. 172/2011 dated 20.05.2020. The company has appealed against this order and it stands numbered before the Division bench at Madras High Court. Under these circumstances we are unable to ascertain the recoverability of this investment.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code

Branch Office; No 10, 45th street, 9th Avenue, Ashok Nagar, Chennai - 600083. Phone: 91-44-23711132



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

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

Key Audit Matter:

Key Audit Matter	Key Audit Matter Description	How the Key Audit Matters were addressed
Application of new accounting standards	<ul style="list-style-type: none">With reference to Note 2.1 of the Ind AS Financial Statements, The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2019 in terms of the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The transition date balance sheet as on April 1, 2018 and the comparative Ind AS Financial Statements for the year ended March 31, 2019 included in these Ind AS Ind AS Financial Statements, is based on the statutory Ind AS Financial Statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS.The application of mandatory and optional transitional adjustment involves significant level of judgment by the management and there is a significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.	<ul style="list-style-type: none">Considered the Ind AS impact assessment performed by management to identify areas to be impacted on account of Ind AS transition. Also considered the changes made to the accounting policies in light of the requirements of the new framework.Understood the financial statement closure process and the additional controls established by the Company for transition to Ind AS.Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.Compared the disclosures included in the Ind AS Ind AS



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

		Financial Statements, in respect of the previous periods presented, with the requirements of Ind AS 101.
Impairment of loans measured at amortized cost	<p>With reference to Note 4 of the Ind AS Financial Statements the company has financial assets in the form of loans and advances given to customers of Rs 674.83 Lakhs net of provision for expected credit loss (ECL).</p> <p>The management has exercised the following assumptions in estimation of ECL:</p> <ol style="list-style-type: none">1. The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.2. When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes	<ul style="list-style-type: none">• Our audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109.• Engaged our team to review management's approach for calculating the impairment provision and assess the key assumptions i.e., Probability of Default (PD) and Loss Given Default (LGD) used to determine the impairment provision• Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates.• Tested the arithmetical accuracy of



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

	both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.	computation of ECL provision performed by the Company in spreadsheets. <ul style="list-style-type: none">• Compared the disclosures included in the Ind AS Ind AS Financial Statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.
--	---	--

Other Information:

The other information comprises the information included in the Audit Report but does not include the Ind AS Financial Statements and our Auditor's report thereon. The Company's Board of Director's is responsible for the other information.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Ind AS Financial Statements, our responsibility is to read and the other information and, in doing so, considers whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is no material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures

Branch Office; No 10, 45th street, 9th Avenue, Ashok Nagar, Chennai - 600083. Phone: 91-44-23711132



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

Emphasis of Matter

1. We refer to note no 5 of the Financial Statement, whereby a loan given of Rs 600 Lakhs to Quantum Capital has been adjusted from Associate Companies loans and the resultant asset and liability amounts have been reduced to that extent vide notice of assignment dated 31/03/2020.
2. We refer to Note 19 of the Ind AS Financial Statements under Travelling and Conveyance, expenses amounting to Rs 9.49 Lakhs which were not supported with adequate supporting evidences.
3. We refer to Note 9 of Ind AS Financial Statements under other Non-Financial Assets, the Staff loan of Rs. 43 Lakhs extended by the company, is not in accordance with the remuneration policy of the company and we are unable to comment on the recoverability of the advance.
4. We refer to Note no 1 and 2 of the Ind AS Financial Statements which is related to the impact of COVID-19 pandemic on the company's operations and financial metrics (Including impact on impairment allowances for loan portfolio). The financial metrics will depend on future developments including governmental and regulatory measures and the company's response thereto, which are highly uncertain at this time.

Our opinion is not modified in respect of above matters.

Other Matters:

Further to the continuous spreading of COVID-19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till July 31, 2020 across India to contain the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards of Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/Remote Audit/Online audit under Covid-19 situation" issued by the Auditing and the Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. Further to the comments in the annexure, as required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been provided by the Company to its directors in accordance with the provisions of Section 197 read with the Schedule V to the Act.



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position to be disclosed in its Ind AS Financial Statements- Refer to Note no. 26 of the Ind AS Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

VENKATESHWAR VENKATESHWAR
KRISHNAMURTH KRISHNAMURTHY
Y Date: 2020.07.29
21:11:51 +05'30'

Venkat Krishnamurthy

Partner

Membership Number: 049322

UDIN: 20049322AAAACW8072

Place: Chennai

Date: 29th July 2020



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Ind AS Financial Statements of the Company for the year ended March 31, 2020:

1. In respect of the Company’s fixed assets:

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

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. However no physical verification has been carried at the end the year due to Covid-19 pandemic lockdown. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the Ind AS Financial Statements.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly the requirements under the clause 3(i)(c) of the Order are not applicable to the Company.

2. The Company's business does not involve inventories, accordingly the requirements under clause 3(ii) of the Order is not applicable to the Company.

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

⌘) “According to the information and explanations given by the management and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company to a party are covered in the register maintained under section 189 of the Companies Act, 2013, except for the advance as mentioned under point no.2 under emphasis of matters.

⌘) According to the information and explanation given by the management and based on the audit procedures conducted by us the schedule of repayment of

Branch Office; No 10, 45th street, 9th Avenue, Ashok Nagar, Chennai - 600083. Phone: 91-44-23711132



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

principal and payment of interest has been stipulated except for the advance as mentioned under point no.2 under emphasis of matters.

- c)** According to the information and explanations given by the management, there are over dues for more than 90 days from the parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanation given by the management and based on the audit procedures conducted by us, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
 5. In our opinion and according to the information and explanations given by the management , the Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance and Deposit) Rules, 2014(as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable.
 6. The Central Government has not prescribed the maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Company.
 7. (a) According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales-tax, Value Added Tax, Wealth Tax, Service Tax, Goods and services tax, Custom Duty, Excise Duty, Cess & other statutory dues applicable.

(b) According to the records of the company, there are no dues to Sales Tax, Custom Duty, Income tax, Wealth Tax, Value Added Tax, Service Tax, Excise Duty or Cess which have not been deposited on account of any dispute, except for the following:



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

S. No	Name of the Statute	Amount (Rs.) in lakhs	Period	Forum where dispute is pending
1	Income tax act, 1961	227.021	AY 2012-13	Third appellate authority – High Court
2	Income tax act, 1961	10.61	AY 2013-14	Second appellate authority – ITAT

8. According to the information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks or financial institution. The company does not have any loans or borrowings from the government and has not issued any debentures.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid an amount of Rs.36 Lakhs as remuneration to the directors.
- The remuneration paid is in accordance with the requisite approvals mandated under the provisions of section 197 read with provisions of part II of Schedule V of Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Thus, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statement as required by the applicable accounting standard except for the advance as mentioned under point no. 2 of emphasis of matters.



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

14. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Thus, paragraph 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not into entered Non-cash transactions with directors or persons connected with him.
16. The company has obtained the registration as required under Section 45 IA of Reserve Bank of India Act, 1934.

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

VENKATESHWAR
KRISHNAMURTH
Y

Digitally signed by
VENKATESHWAR
KRISHNAMURTHY
Date: 2020.07.29 21:12:52
+05'30'

Venkat Krishnamurthy

Partner

Membership Number: 049322

UDIN: 20049322AAAACW8072

Place: Chennai

Date: 29th July 2020



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

“Annexure B” to the Independent Auditors’ Report Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Indus Finance Limited (**Formerly Known as INDUS FINANCE CORPORATION LIMITED**) (“the Company”) as of 31st March, 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of



V. RAMARATNAM & COMPANY

Chartered Accountants

26, Ground Floor, IV Street,
Abhiramapuram, Chennai- 18.
Phone: 91-44-23711132

E- mail: info@vramaratnam.com
<http://www.vramaratnam.com>

any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by Institute of Chartered Accountants of India.

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

VENKATESHWAR
KRISHNAMURTHY

Digitally signed by
VENKATESHWAR
KRISHNAMURTHY
Date: 2020.07.29 21:13:43
+05'30'

**Venkat Krishnamurthy
Partner**

**Membership Number: 049322
UDIN: 20049322AAAACW8072**

**Place: Chennai
Date: 29th July 2020**

ANNEXURE I

Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted along with Annual Financial Results

Statement on Impact of Audit Qualifications for the Financial year ended March 31, 2020 (See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)			
(Rs. In Lakhs)			
Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total Income		
2.	Total Expenditure	240.91	240.91
3.	Net Profit / (Loss)	233.05	233.05
4.	Earnings Per Share (in Rs.)	5.42	5.42
5.	Total Assets	0.06	0.06
6.	Total Liabilities	2061.53	2061.53
7.	Net Worth	1352.09	1352.09
8.	Any other financial item(s) (as felt appropriate by the management)	709.44	709.44
		-	-

ANNEXURE II**Audit Qualification:**

- a. We refer to note no 5 of the Ind AS Financial Statements under Investments, out of the total investments of Rs 1,146 Lakhs an amount of Rs 115.59 Lakhs is relating to an Investment in Indowind Energy Limited, a BSE and NSE listed company. An order of admission has been pronounced by the Madras High court vide CD No. 172/2011 dated 20.05.2020. The company has appealed against this order and it stands numbered before the Division bench at Madras High Court. Under these circumstances we are unable to ascertain the recoverability of this investment.
- b. Type of audit qualification: Qualified opinion
- c. Frequency of Qualification: First Time
- d. For the Audit Qualification where impact is quantified by the auditor, management views: Not Quantified.

Management Reply :

We have been informed by Indowind Energy Ltd, that an appeal challenging the admission has been preferred by them, that has been numbered before the registry of Honble High Court of Madras. It is also informed that the petitioner is seeking a proposal for the redressal of his grievance. We have also analyzed the subject order, admitting the winding up petition and the grounds of admission do not seem to be sustainable under the law. Hence, a conscious decision has been taken to wait till the outcome of the appeal or any other subsequent appeal before the higher courts by either parties.

III) Signatories:



Executive Director

Bala Venckat Kutti



CEO

N. Bhaskara Chakkera

Audit Committee Chairman

(Through Video Conference)

Statutory Auditor

M/s. V. Ramaratnam & Co

VENKATESHW Digitally signed by
AR VENKATESHWAR
KRISHNAMUR KRISHNAMURTHY
THY Date: 2020.07.29
21:17:18 +05'30'

Place: Chennai

Date: 29th July 2020