27th ANNUAL REPORT
2017-18

INDUS FINANCE LIMITED

INDUS FINANCE LIMITED

BOARD OF DIRECTORS

1. Mr. BALA V KUTTI	-	CHAIRMAN
2. Mr. NIRANJAN R JAGTAP	-	INDEPENDENT DIRECTOR
3. Dr. K.R. SHYAMSUNDAR	-	INDEPENDENT DIRECTOR
4. Ms. ALICE CHHIKARA	-	DIRECTOR

COMPANY SECRETARY

K.K. DINAKAR

AUDITORS
STATUTORY

M/s. V. RAMARATNAM & CO.
CHARTERED ACCOUNTANTS
Address :
26, 4th Street, Abhirama Puram,
Chennai - 600 018.
Email : admin@vramaratnam.com

INTERNAL

S. VASUDEVAN & ASSOCIATES
CHARTERED ACCOUNTANTS
Address:
B1-H2 Newtech Indira, Jafferkhanpet,
Ashok Nagar, Chennai- 600 083.
Email : vaudev@yahoo.com

BANKERS

DCB BANK LIMITED
AXIS BANK LIMITED

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

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NOTICE

Notice is hereby given that 27th Annual General Meeting of **Indus Finance Limited** having CIN:L65191TN1992PLC022317 will be held at The **Music Academy, New No. 168, T.T.K. Road, Royapettah, Chennai- 600 014** on **Friday, 28th September at 11:00 AM** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance sheet as on 31st March 2018 and the Profit and Loss Account for the year ended on that date together with reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of **Ms. Alice Chhikara** (having Director Identification No. 00088920) who retires by rotation and being eligible offers herself for reappointment.
3. Appointment of Auditors.

   To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the rules) (including any statutory modifications or re-enactments thereof for the time being in force) M/s. V. Ramaratnam & Co, Chartered Accountants, Chennai having (ICAI Firm Registration No. 002956S) who have offered themselves for re – appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Act and Rule 4 of the Company Rules 2014, be and are hereby re-appointed as Statutory Auditors of the Company for the Financial year 2018-19 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

4. **RE-APPOINTMENT OF Mr. BALA V KUTTI, (DIN NO: 00765036) AS EXECUTIVE CHAIRMAN:**

   To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Act, and the Articles of Association and subject to such approvals as may be required, consent of the Company, be and is hereby accorded for the re-appointment of Mr. Bala V Kutti, (DIN No. 00765036) as the Executive Chairman of the Company for the period of 3 years with effect from 28.09.2018 to 27.09.2021 upon the terms and conditions set out in Explanatory Statement annexed to the Notice convening this Annual General Meeting, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Bala V Kutti."

   "RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

5. **ALTERATION OF MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES MADE THERE UNDER:**

   To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT the existing Memorandum of Association of the Company be and are hereby substituted by the new set of Memorandum of Association, pursuant to the provisions of Section 4, 13 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Table A of Schedule I of the Act."

"RESOLVED FURTHER THAT the existing Articles of Association of the Company be and are hereby substituted by the new set of Articles of Association, pursuant to the provisions of Section 5, 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Table F of Schedule I of the Act."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid alteration to the Memorandum of Association and Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution."

BY ORDER OF THE BOARD
For INDUS FINANCE LTD

Place: Chennai - 600 034.
Date: 30th May 2018

K.K. Dinakar
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM / HER SELF 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 **22.09.2018 to 28.09.2018** (both days inclusive)
7. The related Explanatory statements pursuant to Sec 102 of the Companies Act, 2013 setting out all the material facts concerning item No. 4 & 5 are annexed herewith.
8. Members whose shareholding is in the electronic mode are requested to inform change of address notifications and updates of saving bank account details to their respective Depository participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
9. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will as per section 124 of the Companies Act 2013 (section 205A of the erstwhile Companies Act 1956) be transferred to the Investors Education and Protection Fund.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Soft copies of the Annual Report are being sent to all the members who have registered their e-mail addresses with their Depository Participants. However, if any member requires a hard copy, they may make a request in writing to the company secretary in this regard.

11. 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.
12. 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.
13. Information regarding the Directors proposed to be reappointed pursuant SEBI (LODR) Regulations, 2015.
14. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to its members in respect of the business to be transacted at the AGM scheduled to be held on **28th September 2018, Friday, at 11:00 a.m.** with a request to follow the instructions for voting electronically as under:-

    The voting period begins on **25th September 2018 at 9:00 a.m.** and ends on **27th September 2018 at 5:00 p.m.** During this period the shareholders of the Company, holding shares either in physical form on in dematerialized form as on the cut-off date **(Record date 21st September 2018)** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    In case of member receiving e-mail:

    i. Log on to the e-voting website www.evotingindia.com during the voting period.
    ii. Click on "Shareholders"
    iii. Now, select "INDUS FINANCE LIMITED" from the drop down menu and click on "SUBMIT"
    iv. Now Enter your User ID
        a) For CDSL: 16 digits beneficiary ID.
        b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
        c) Members holding shares in Physical form should enter Folio Number registered with the Company.
    v. Next enter the image Verification as displayed and Click on Login.
    vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
    vii. If you are a first time use follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alphe-numeric "PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) "Members who have not updated their PAN with the Company Depository Participant their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB #	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account of folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts they are eligible to vote provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For members holding shares in physical form the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN of "INDUS FINANCE LIMITED" on which you choose to vote.

xii. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK' else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on "click here to print' option on the Voting page.

xvii. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Non-individual shareholders (i.e. other than individual HUF, NRI, etc) and (corporate / custodians are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.
- A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details they have to create a Corporate user who would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting you may contact company secretary Mr.K.K.Dinakar on 044-28330867 or contact@indusfinance.in

- In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions ("FAQ") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
- The Company has appointed Mr. R.Kannan, Practicing Company Secretary, Chennai (C.P. No. 3363) to act as scrutinizer for conducting the electronic voting process in a fair and transparent manner.
- In case of members receiving the physical copy, please follow all steps from sl. No. (i) to sl. No. (xvii) Above to cast vote.
- The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 21st September 2018
- A copy of this Notice has been placed on the website of the Company and the website of CDSL.

15 The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing will disclose the results forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.indusfinance.in , CDSL website and the same will also be communicated to the Stock Exchange.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on 21st September 2018.

Members who did not cast their vote through e-voting during the e-voting period shall be allowed to cast their vote at the AGM through ballot paper. Members who have voted through e-voting can attend the meeting but cannot vote again through ballot paper at AGM.

BY ORDER OF THE BOARD
For INDUS FINANCE LTD

Place: Chennai - 600 034.
Date: 30th May 2018

K.K. Dinakar
Company Secretary

ANNEXURE TO NOTICE

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

The period of appointment of Mr. Bala V Kutti, as Executive Chairman of the Company gets completed on September 27, 2018. The Remuneration Committee recommends the Board of Directors in their meeting held on 30th May, 2018 reappointing him as Executive Chairman of the Company on the following terms and conditions, subject to the approval of the Members of the Company.

a. Nature of Appointment: Contractual

b. Remuneration (Per Month) Rs. 3,00,000 (Rupees Three Lacs Only) including perquisite as per the policy of the Company.

c. An upward revision of 20% in the remuneration will be considered provided be net profit attained by the Company is Rs. 5 Crores and above.

Minimum Remuneration

In the event of loss, absence of inadequacy of profits, in any financial year during the currency of tenure of Mr. Bala V Kutti, the remuneration aforesaid shall be the minimum remuneration payable to him with the approval of the Central Government, if required.

None of the Directors of the Company is interested or deemed to be interested or concerned in the resolution proposed at Item No. 4 of the notice.

The Board of Directors recommends the special resolution set out at Item No.4 of the Notice for approval by the Members.

Item No.5

The Companies Act, 2013 deals with the general functioning of companies. The existing Memorandum of Association (MOA) and Articles of Association (AOA) of the Company was formulated based on the provisions of the Companies Act, 1956 and therefore contains certain provisions which are not in line with the provisions of the Act. It is proposed to replace the existing MOA and AOA of the Company with a new set of Memorandum and Articles aligned with the provisions of the Act, including the rules framed thereunder.

As per the provisions of Section 4 and 13 of the Companies Act, 2013, alteration of the MOA of the Company needs to be approved by the Members of the Company.

As per the provisions of Section 5 and 14 of the Companies Act, 2013, alteration of the AOA of the Company needs to be approved by the Members of the Company.

The Board of Directors at their meeting held on **30th May, 2018** have accorded approval for adoption of a new set of MOA and AOA in substitution, and to the entire exclusion, of the existing MOA and AOA. The Board of Directors recommends the Special Resolution set out at item No.5 for approval by the Members.

The proposed MOA and AOA are available on the Company's website www.indusfinance.com for perusal by the Members.

None of the Directors of the Company is interested or may be deemed to be interested or concerned in the resolution proposed at Item No. 5 of the notice.

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSIONS AND ANALYSIS OF INDUS FINANCE LIMITED

To
The Members

Your Directors are pleased to present this 27th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2018

FINANCIAL HIGHLIGHTS AND PERFORMANCE **(₹. in Million)**

PARTICULARS	2017-18	2016-17
Income from Operations	14.44	23.41
Other Income	7.60	10.59
Gross Receipts	**22.04**	**34.00**
Expenses	20.64	32.66
Depreciation & Amortization	0.19	0.18
Total Expenses	**20.84**	**32.84**
PBT	1.19	1.16
TAX	0.37	0.45
PAT	0.82	0.70
Proposed Dividend/Dividend	Nil	Nil
Proposed Dividend Tax/Dividend Tax	Nil	Nil
Transfer to Statutory Reserve	(0.16)	(0.14)

FINANCIAL PERFORMANCE

During the period under review, your Company focused on recovery and selective redeployment in secured lending, considering the volatile market conditions. As a result, the total revenue receipts witnessed a drop which is in line with the drop in our financing cost and thereby maintaining the profitability almost at the same level with that of the FY 2017. With respect to the observation made by the auditors, the Company wishes to state that substantial part of the loans are fully secured by immovable properties. The Company is taking consistent efforts to realise the entire receivables in all the cases, before the close of the current financial year. As the management is confident of realising the entire receivables, management does not consider it necessary to write off any amount. In view of inadequacy of profit your company is not in a position to recommend dividend for the year under review.

ECONOMIC SCENARIO AND OUTLOOK

India's economic performance during the financial year 2017-18 is worth looking and has been very interesting. The first quarter saw the impact of demonetization settling down; the second quarter saw the introduction of historic, landmark Goods & Service Tax (GST) which had initial teething problems that brought in some business uncertainties in the initial stages.

With the accelerated recognition of stressed assets on account of regulatory norms during 2017-18, the asset quality problems of the banks peaked in March 2018 and resulted in further additions to gross non-performing assets (GNPAs), or bad loans. The sharp rise in fresh slippages, ageing of earlier NPAs because of limited resolution, and higher provisioning on accounts referred for resolution under the Insolvency and Bankruptcy Code pushed up credit provisions and net losses for the sector.

Bank credit growth hit a 20 year low in 2016-17 with Non-Performing Assets (NPAs) reaching almost double digit. India has been ranked fifth on the list of countries with highest NPAs. Though bank recapitalization efforts are underway, the economy needs to recover from the bad loan problem quickly for favourable economic growth in the future.

With the Indian banking sector facing a lot of turbulence over the past few years due to the burden of Non-performing accounts, this scenario has opened up a new perspective for the Non-Banking Financial Companies (NBFCs). The self-imposed restriction on liberal credits & expansion that is apparent, the banking sector seems to have thrown up greater important role to NBFCs to grab the opportunities.

The government has a strong focus on promoting entrepreneurship, and therefore they can help NBFC sector in the Indian economy to realize their full potential and attain greater efficiency while performing the duties. The International Monitory Fund [IMF] expects India's economic growth to be around 7.4% in 2018-19 compared to the estimated 6.7% in the 2017-18. The IMF adds that with the continued implementation of structural reforms that raises productivity, growth is expected to gradually rise. According to Asian Development Bank Indian economy is estimated to grow 7.4% in 2018-19

MARKET SCENARIO:

As of September 2017, there were 11,469 non-banking financial companies (NBFCs) registered with the Reserve Bank, of which 172 were deposit-accepting (NBFCs-D). There were 220 systemically important non-deposit accepting NBFCs (NBFCs-ND-SI). All NBFCs-D and NBFCs-ND-SI are subjected to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements. The increasing growth in the NBFC has forced the regulator to introduce additional safeguards to contain the systemic risks. According to the Financial Stability Report released in 2017 December by the Reserve Bank of India, Gross Non-Performing Assets [GNPAs] of the NBFC sector as a percentage of total advances increased between March 2017 and September 2017. According to the report, the aggregate balance sheet size of the NBFC sector was at 13.8 trillion in September 2017, expanding by 15.6 per cent, as compared to 11.9 trillion in September 2016. Loans and advances increased by 15.7 per cent, whereas, investments increased by 15.8 per cent. In fact in the last two years NBFCs have doubled their market share in SMEs (small and medium enterprises) and wholesale loans and have made substantial in roads in other consumer loan categories.

Introduction of Insolvency & Bankruptcy Code, 2016 [IBC] is another milestone in the resolution of NPAs particularly the corporate sector. Despite sluggish economic growth, slowdown in demand and sharper bank focus on retail loans, NBFCs have been gaining market share across major asset classes. Better understanding of their customer segments and strong risk management capabilities coupled with effective control on the Bad debts is the key success of NBFCs in India.

FUTURE OUTLOOK

Indian economy is one of the fastest growing G20 economies. Smoother implementation of the recently introduced Goods and service Tax (GST) and the timely resolution under the much-talked Insolvency & Bankruptcy code, 2016 will be the key to success and will be major growth engine. Fiscal and monetary policies are expected to be neutral except marginal hike in interest rates.

The Government of India has introduced several reforms to liberalize, regulate and enhance efficiency of the finance sector. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by both government and private sector, India is undoubtedly one of the world's most vibrant capital markets. However, rising oil prices and in turn the higher inflation will be a cause of concern for the anticipated growth. Oil is India's biggest import and an increase in oil prices push inflation up and widen the trade deficit, putting pressure on the rupee.

Inflation is expected to be around 5% during 2018-19 compared 3.6 per cent in 2017-18. All these will have serious effect on interest rate and Industrial growth.

Non-Banking Financial Companies (NBFCs) have played a critical role in stimulating the growth of the Indian economy and have made a significant contribution towards supporting the government's agenda of extending financial inclusion. In fact, they have emerged as key financiers to businesses, especially the high-potential, credit-hungry MSME sector. At the same time NBFCs are subjected to more and more regulatory norms. All NBFCs are required to be registered with the Financial Intelligence Unit [FIU] of the country. The rules require a principal officer to be designated and registered with FIU to file returns on a monthly basis for all cash transactions of more than Rs 10 lakhs, or equivalent into foreign currency, and all suspicious transactions whether or not made in cash deposits, cheques, transfer from one account to another, transfer to nostro or vostro accounts. Such move will bring in much anticipated financial discipline in the system.

OPPORTUNITIES & THREATS

The shift in borrower sentiment has unlocked a tremendous opportunity for NBFCs to capitalize on. In the last two years, NBFCs have registered multi-fold growth to double their market share in SME and wholesale loan categories, in addition to making significant inroads into other consumer loan categories. Major reason for the success that NBFCs have registered in India of late has been their unique value proposition. Most NBFCs, whether online or offline, leverage alternative and tech-driven credit appraisal methodologies to gauge the creditworthiness of prospective borrowers. Non-Banking companies have extensive reach as compared to the SCBs of our economy. That is why NBFC's in Indian financial sector provide credit facility for small needs of the unbanked and rural sector of the economy. Many government-backed schemes have made it possible for most of the Indian populations to have their own bank account, but still a large chunk of population of India do not use banking facility. These factors have given ample opportunity to the NBFC sector increase their market share. As far as recovery is concerned introduction of IBC, 2016 has given a better opportunity to all NBFCs who had earlier deprived of the advantage of SARFEASI Act, 2002 [except large NBFCs with asset size more than Rs. 500 crore].

One of the major threats concerning the NBFC sector is the threat of closure due to failure to adhere to the regulatory norms. It may also be recalled that NBFC sector is always a dependent sector within the financial sector, the big brother being banking. Poor or slow industrial growth always has adverse effect on the banking sector which in turn has substantial influence on the NBFC sector.

RISKS & CONCERNS

Every Financial Institution, irrespective of the size is subject to business as well as financial risk. While the business risk is more concerned with the operating environment, policy decisions, falling or deteriorating economy, the financial risk is attributed to quality of assets, interest rate, market liquidity etc, Risk is the probability of a financial loss and not a certainty. In the financial sector majority of such loses is attributed to either Business loss due to policy decision or financial loss due to asset quality. The key then is to be aware of the risk and take adequate steps to mitigate them. Poor risk management has also resulted in frauds in large Institutions. In financial services business, effective risk management has become very crucial. As an NBFC, your company is exposed to credit risk, liquidity risk, and interest risk. Our Company has suitable mechanisms to effectively reduce such risk.

NUMBER OF MEETINGS OF BOARD

Indus Finance Ltd, held 4 Board Meetings during the year ended 31st March 2018. These were on 29th April 2017, 11th August 2017, 14th November 2017 and 13th February 2018.

DIRECTORS

Ms. Alice Chhikara is retiring in the forth-coming 27th AGM of the company and being eligible offers herself for re-appointment.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS' UNDER SECTION 149 (6) OF COMPANIES ACT 2013

The Company has obtained declaration from the Independent Directors that they meet the criteria of Independence as provided in section 149 (6) of the Companies Act 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors hereby state that;

1. In the presentation of the Annual accounts, applicable standards have been followed and there are no material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and profit for the Company for the year ended 31st March 2018.
3. The Directors have taken proper and sufficient care in the maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis; and
5. The Directors, had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, CEO, Managing Director and their remuneration. This policy is accordingly derived from the said charter.

1. Criteria of Selection of Non-Executive Directors

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

i. Qualification, expertise and experience of the Directors in their respective fields.

ii. Personal, Professional or business standing:

iii. Diversity of the Board.

e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and their engagement level.

2. Remuneration :

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings.

i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014).

ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3. CEO, Managing Director / Whole Time Director – Criteria for selection / appointment

For the purpose of selection of the CEO, Managing Director / Whole Time Director, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

4. Remuneration for the CEO, Managing Director / Whole Time Director

i. At the time of appointment or re-appointment, the CEO, Managing Director / Whole Time Director, shall be paid such remuneration as may be mutually agreed between the Companies (which includes the N&R Committee and the Board of Directors) and the CEO, Managing Director / Whole Time Director, within the overall limits prescribed under the Companies Act, 2013.

ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

iii. The remuneration of the CEO, Managing Director / Whole Time Director, comprises of salary allowances, perquisites, amenities and retrial benefits.

5. Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:

i. The relationship of remuneration and performance benchmark is clear;

ii. The remuneration component comprising salaries, perquisites and retirement benefits;

iii. The remuneration including annual increment is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement.

iv. N&R Committee will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors, whilst recommending the annual increment.

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 **Niranjan R. Jagtap, Mr. Bala V. Kutti and Dr. K.R. Shyamsundar** who are highly experienced and having knowledge in project finance, accounts and company law. Mr. Nirajan R. Jagtap, is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2017-18 ARE GIVEN BELOW

Name of the Directors	Ratio to Median Employee remuneration
Mr. Bala V Kutti - Executive Chairman	7.85
Dr. K.R. Shyamsundar – Independent Director	0.19
Mr. Niranjan R Jagtap–Independent Director	0.19
Ms. Alice Chhikara – Non Executive Director	0.13

THE PERCENTAGE INCREASE IN REMUNERATION OF DIRECTORS, KMP AND MEDIAN EMPLOYEE FOR THE FINANCIAL YEAR 2017-18

There is no increase in remuneration to the Directors, KMP during the financial year 2017-18.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

There is no appointment or resignation of Directors and Key Managerial Personnel of the Company during the under review.

INDUSTRIAL RELATIONS AND PARTICULARS OF EMPLOYEES

As of 31st March 2018, Your Company has 8 employees on its rolls. The employees will be inducted in to permanent services of the Company after training, to fill up vacancies as when arises. Your company has not issued any shares under Employees' Stock option Scheme during the year under review.

VARIATIONS IN THE MARKET CAPITALISATION OF THE COMPANY, PRICE EARNINGS RATIO AS AT THE CLOSING DATE OF THE CURRENT FINANCIAL YEAR AND PREVIOUS FINANCIAL YEAR.

Particulars	March 31, 2018	March 31, 2017	% Change
Market Capitalization (Rs.)	12,45,24,135/-	13,19,30,775/-	(4.38%)
Price earnings ratio	149.44	178.125	16.10%

PERCENTAGE OF INCREASE OR DECREASE IN THE MARKET QUOTATION OF THE SHARES IN COMPARISON TO THE RATE AT WHICH THE COMPANY CAME OUT WITH THE LAST PUBLIC OFFER

Price of public offer Rs. 30/-. Market price as on 31.03.2018, Rs. 13.45 difference (Rs. 16.55) (55.16%)

THE KEY PARAMETERS FOR ANY VARIABLE COMPONENT OF REMUNERATION AVAILED BY THE DIRECTORS

None

THE RATIO OF THE REMUNERATION OF THE HIGHEST PAID DIRECTOR TO THAT OF THE EMPLOYEES WHO ARE NOT DIRECTORS BUT RECEIVE REMUNERATION IN EXCESS OF THE HIGHEST PAID DIRECTOR DURING THE YEAR

None

LIST OF EMPLOYEES WHO ARE IN RECEIPT OF REMUNERATION MORE THAN THE STIPULATED AMOUNT MENTIONED UNDER RULE 5 (2) OF COMPANIES (APPOINTMENT AND REMUNERATION) RULES 2014

None

AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY

The Company affirms remuneration is as per the remuneration policy of the Company.

CORPORATE GOVERNANCE

Your Company has complied with the requirements regarding Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 entered in to with the Stock exchanges where the Company's shares are listed. A Report on the Corporate Governance in this regard is made as a part of this Annual Report and a certificate from the Auditors of Your Company regarding compliance of the conditions of the Corporate Governance is attached to this report.

LISTING OF EQUITY SHARES

Your Company's equity shares are continued to be listed on the Bombay Stock Exchange Ltd, Mumbai during the year under review.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:

Detailed information is provided in respect of loans under long term loans and advances in Note No.9 of Notes forming part of the financial statements, similarly detailed information is provided under Non-Current Investments in Note No. 8 of Notes forming part of the financial statements. As regards guarantee, the Company has not provided any guarantee to any person or Bodies Corporates.

BUSINESS RISK MANAGEMENT:

The Company has developed a Risk Management Policy by identifying the elements of risk which are mentioned below. The risk management approach at various levels including documentation and reporting seeks to create transparency, minimize adverse impact on the business objectives and enhance the company's competitive advantage.

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, IFL 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. IFL has always kept in mind the uncertainties and their mitigation while conducting the business.

BOARD EVALUATION:

Pursuant to the provisions of the companies Act 2013, and Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance the directors individually as well as the evaluation of the of its Audit, nomination and remuneration and compliance committees. The manner in which the valuation has been carried out has been explained in the Corporate Governance report.

DEPOSITS:

During the year under review the company has not accepted any deposits from the public within the ambit of section 73 of the companies Act, 2013 and The companies (Acceptance of Deposits) Rules, 2014.

There is no significant / material order passed by the Judicial / Regulatory authorities during the year under review.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY COURTS DURING THE UNDER REVIEW:

None.

WHISTLE BLOWER POLICY

The Company has a whistle blower policy to deal with instance of fraud and mismanagement if any. The detail of the policy is explained in the Corporate Governance Report and posted on the website of the company.

FINANCIAL STATEMENTS OF THE SUBSIDIARY COMPANY IF ANY

None

AUDITORS

M/s.V.Ramaratnam & Co. retires at the conclusion of this Annual General Meeting and are eligible for reappointment.

ANNUAL RETURN

As provided in Sec 92 (3) of the Act a copy of the annual return is available on the website of the company and the web-link of such annual return is http://www.indusfinance.in/iflannualreturn2017-18.pdf

TRANSACTIONS WITH RELATED PARTIES

Detailed information is provided with respect to the list of Related Parties and transactions with them are provided in note No. 17.4 of Notes forming part of the financial statements and also in Form No. AOC-2, under Annexure (I).

SECRETARIAL AUDIT

Mr. R. Kannan PCS is Secretarial Auditor of the company for the year under review and his report is attached with this report Form No. MR-3, under Annexure (II). As regards to the observation of the Secretarial Auditor in his report your company wish to state that the company is taking all initiatives on improvising policies related to RPT, update website and Form MGT-14 will shortly be complied.

ADEQUACY OF INTERNAL CONTROL

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

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

PARTICULARS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013 AND ITS COMPANIES (ACCOUNTS) RULES 2014

The particulars required to be given in terms of section 134 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014, regarding conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Foreign Exchange outgo are not applicable to your Company.

ACKNOWLEDGEMENT

The Directors wish to place on record their sincere thanks and gratitude to all its Shareholders, Bond holders, Bankers, State Governments, Central Government and its agencies, statutory bodies, suppliers, and customers, for their continued co-operation and excellent support extended to the Company from time to time.

Your Directors place on record their utmost appreciation for the sincere and devoted services rendered by the employees at all levels.

FOR AND ON BEHALF OF THE BOARD OF
INDUS FINANCE LTD.,

Place: Chennai - 600 034
Date: 30th May 2018

Niranjan R Jagtap
Director

ANNEXURE I

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which were not at Arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Nature of Related Party	Nature of Relationship	Salient Terms	Amount (in Rupees)
Indowind Energy Limited	Associate	Power share	76,03,086
Indowind Energy Limited	Associate	Interest expenses	81,259
Balance as at the end of the year			
Indowind Energy Ltd	Associate	Long term Borrowings	90,120,323
Ind Eco ventures Ltd	Associate	Long term Loans and advances	22,905,176
Indowind Energy Ltd	Associate	Non-current investments	57,460,875
Indonet Global Ltd	Associate	Non-current investments	11,144,400
Bekae Properties Pvt Ltd	Associate	Non-current investments	1,50,00,000
Ind Eco ventures Limited	Associate	Non-current investments	3,24,930
Indus Nutri Power Pvt Ltd	Associate	Non-current investments	1,250,000

ANNEXURE II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Indus Finance Limited
Kothari Buildings, 4th Floor,
114 MG Road,
Nungambakkam,
Chennai- 600034

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Indus Finance Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on corporate government issued by statutory bodies and My verification of **M/s Indus Finance Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Indus Finance Limited** ("the Company") for the financial year ended on **March 31, 2018** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) The other laws as may be applicable specifically to the company in our opinion

(a) Reserve Bank of India Act, 1934

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges in India

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

(a) The company has to improvise the Related Party transaction policies as required under Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) The company has to file certain MGT-14 as required under Companies Act 2013

(c) The policies placed on the website needs to be reviewed and updated.

I report that there were no actions / events in pursuance of

(a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(e) No specific violations in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However, I report that I have not carried out the audit with reference with the applicable financial laws, such as the Direct and Indirect Tax Laws, as same falls under the review of statutory audit and other designed professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I have also examined compliance with the applicable clauses of the following:

I. Secretarial standards on the meetings of the board of directors (SS-1) and General Meeting (SS-2) issued by the institute of Company Secretaries of India (ICSI).

II. The Listing Agreement entered into by the company with the Bombay Stock Exchange (BSE).

I further report that during the audit period, the Company had the following events / actions having a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

R Kannan
Practicing Company Secretary
FCS No: 6718
C P No: 3363

Place: Chennai
Date: 30th May 2018

REPORT ON CORPORATE GOVERNANCE OF INDUS FINANCE 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 Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

B) COMPOSITION OF THE BOARD

The company has complied with the corporate governance norms in terms of constitution of the board. The Board comprises of 4 Directors and their details are given in following table.

C) NUMBER OF BOARD MEETINGS

Indus Finance Ltd, held 4 Board Meetings during the year ended 31st March 2018. These were on 29th April 2017, 11th August 2017, 14th November 2017 and 13th February 2018.

D) DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

Details of the above are given in Table 1.

TABLE 1 : DETAILS ABOUT BOARD OF DIRECTORS OF INDUS FINANCE LIMITED

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	Chairman	4	2	Yes	➢ M/s.Ind Eco Ventures Ltd., ➢ M/s.Indowind Energy Ltd., ➢ M/s.Indonet Global Ltd., ➢ M/s.Loyal Credit & Investments Ltd., ➢ M/s. BVK Agri Producers Company Ltd., ➢ M/s. Ever On Power Ltd.,
Mr. Niranjan R Jagtap	Independent Director	4	4	No	➢ M/s.Indowind Energy Ltd., ➢ M/s.Ind Eco Ventures Ltd., ➢ M/s. BVK Agri Producers Company Ltd ➢ Skyline Millars Ltd.,

Name	Designation	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Other Directorship (in Public Limited Companies)
Dr. K.R. Shyamsundar	Independent Director	4	4	Yes	➢ M/s.Indowind Energy Ltd.,
Ms. Alice Chhikara	Non Independent Director	4	4	No	➢ M/s.Indowind Energy Ltd.,

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

None of the Directors is a member of more than 10 Board-level committees, or Chairman of more than five such committees, as prescribed under Regulation 26 of (Listing obligations and Disclosure Requirements) SEBI 2015.

E) INFORMATION SUPPLIED TO THE BOARD:

Among others, this includes:

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

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

F) 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 Directors, **Mr. Niranjan R. Jagtap, Dr. K.R. Shyamsundar,** and **Mr. Bala V. Kutti** who are highly experienced and having knowledge in project finance, accounts and company law. **Mr. Nirajan R Jagtap** the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee met 4 times during the year ended 31st March 2018.

Attendance records of Audit Committee Members are given in Table 2.

Table 2

Name	No. of meetings held	No. of meetings attended
Mr. Niranjan R Jagtap	4	4
Mr. Bala V Kutti	4	2
Dr. K.R. Shyamsundar	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 of any in accounting policies and practices and reasons for the same.
   - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
   - iv. Significant adjustments made in the financial statement arising out of audit findings.
   - v. Compliance with listing and other legal requirements relating to financial statements.
   - vi. Disclosure of any related party transactions.
   - vii. Qualifications in the draft audit report.

(II) STAKE HOLDERS' RELATIONSHIP COMMITTEE

In line with the Companies Act 2013 / Schedule V of SEBI (Listing Obligations and disclosure Requirements) Regulations 2015, this Committee comprises of the following members of the Board as given in Table 3.

Table 3 :

Name of Director	Designation
Mr. Niranjan R. Jagtap	Chairman
Dr. K.R. Shyamsundar	Member
Ms. Alice Chikkara	Member

The terms of reference of the stake holders relationship Committee are as follows:

The stake holders relationship committee shall be responsible to look into redressal of the grievances of the security holders.

The Company has received nil complaint during this financial year 31st March 2018.

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

iii) NOMINATION AND REMUNERATION COMMITTEE

In line with the Companies Act 2013 & LODR Regulations 2015, this Committee has been constituted which consists of the following members of the Board as given in Table 4

Table 4:

Name of Director	Designation
Mr. Niranjan R. Jagtap	Chairman
Dr. K.R. Shyamsundar	Member
Ms. Alice Chikkara	Member

The Committee met on 13th February 2018 during the Financial Year 2017-18 .

The terms of reference of the Nomination and Remuneration Committee are as follows:

This Committee shall have all necessary powers and authority to ensure appropriate disclosure on the remuneration of the whole-time Director, KMP and other employees.

G) PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct as per the Guidelines issued by the Securities and Exchange Board of India for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Board of Directors and the designated employees have confirmed compliance with the Code.

H) BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its mandatory shareholders etc. The performance evaluation of the independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

I) WHISTLE BLOWER POLICY

Your Company has established a Whistle blower Policy to enable the stakeholders to report unethical behavior, actual or subtract fraud or violation of the companies' code of contact directly to the Chairman of the Audit Committee. This policy provides adequate safeguards against victimization of Directors / Employees and provides direct access to the Chairman of the Audit Committee. The protected disclosers if any reported under this policy will be appropriately and expeditiously investigated by the Chairman of the Audit Committee.

Your Company here by affirms that no Director / Employee have been denied access to the Chairman of the Audit Committee and that no compliant was received during the year under review. The Whistle Blower policy has been disclosed on the Company's website.

J) 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.

K) SHAREHOLDERS

i) 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 them selves for re-appointment as and when required.

Ms. Alice Chhikara is retiring at the conclusion of this AGM and being eligible, offers herself for re-appointment.

ii) 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 given in following Table 5:

Table 5:

Name of Director	No. of Shares held as on 31.3.2018	% of Paid-up Equity Share Capital
Mr. Bala V Kutti	1458511	15.75
Mr. Niranjan R Jagtap	NIL	NIL
Dr. K.R. Shyamsundar	NIL	NIL
Ms. Alice Chhikara	NIL	NIL
Total	**1458511**	**15.75**

iii) 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.

iv) General Body Meetings

Details of last Three Annual General Meetings are given in following Table 6:

Table 6:

Year	Location	Date	Time
2016-17	The Music Academy, New No. 168, T.T.K. Road Royapettah, Chennai- 600014.	31.8.2017	3.00 P.M
2015-16	No. 25, Hotel Clarion, Dr. RadhakrishnanSalai, Mylapore, Chennai – 600 004.	16.09.2016	11.30 A.M
2014-15	No. 25, Hotel Clarion, Dr. RadhakrishnanSalai, Mylapore, Chennai – 600 004.	25.09.2015	4.00 P.M

The special resolutions were passed in the previous three annual general meetings are given in Table 7:

Table 7:

Date of AGM	Subject
31.08.2017	No Special Resolution was passed
16.09.2016	Resolution under Sec 149 and 152 read with Schedule IV of the companies Act 2013 for the appointment of Mr. Niranjan R. Jagtap as an Independent Director of the Company.
	Resolution under Sec. 196, 197 read with Schedule V of the Companies Act 2013 for the appointment of Mr. Bala V. Kutti as an Executive Chairman of the Company.
25.09.2015	Resolution under Sec 152,161 read with Schedule IV of the companies Act, 2013 for the appointment as Director of the Company.
	Resolution under Sec 180(1)(c)and other applicable provisions, if any of the companies Act 2013 for the borrowing limits of the company
	Resolution under Sec 42, 71 and all other applicable provisions, if any, of the companies Act, 2013 for the private Placement of Non-Convertible Debentures And/or other Debt Securities.

Similarly there was no resolution requiring approval through postal ballot during the year and for which no such resolution is being proposed to be passed.

v) 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.

vi) General Shareholders Information

i) 27th Annual General Meeting for the year 2018 is given in Table 8:

Table 8:

Date	28th September 2018
Time	11.00 a.m.
Venue	The Music Academy, New No.168, T.T.K. Road, Royapettah, Chennai- 600 014
Date of Book Closure	22.09.2018 to 28.09.2018
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

Adoption of the Quarterly Results for the quarter ending is given in Table 9

Table 9

Quarter ending	Date of results adoption
30th June 2017	11/08/2017
30th September 2017	14/11/2017
31st December 2017	13/02/2017
31st March 2018	30/05/2018

iii) Name of the Stock Exchange where the shares of the company listed is given in Table 10

Table 10

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

iv) Scrip Code

BSE Limited : 531841

Demat ISIN Number in NSDL and CDSL : INE935D01013

v) Market Price Data is given in Table 11

Table 11:

Month & Year	BSE	
	Share Price (Rs.) High	Low
April 2017	23.05	14.35
May	23.15	17.50
June	22.65	12.15
July	21.09	12.35
August	17.50	13.15
September	16.80	10.40
October	14.00	10.75
November	12.90	10.65
December	12.07	11.00
January 2018	13.93	10.93
February	14.15	13.00
March	14.15	13.45

(L) MEANS OF COMMUNICATION

As stipulated under Regulation 47 of SEBI (Listing Obligations and Disclosure and Requirements) Regulations 2015, 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.in

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.

M) DISTRIBUTION OF SHARE HOLDING AS ON 31.3.2018 IS GIVEN IN TABLE 12

Table 12:

Shareholding	Shares holders		Shares Amount	
	Number	% of total	(in ₹.)	% of total
10 – 5000	702	80.3203	488170	0.5272
5001 – 10000	46	5.2631	399680	0.4316
10001 – 20000	29	3.3180	440730	0.4760
20001 – 30000	13	1.4874	317190	0.3426
30001 – 40000	8	0.9153	294100	0.3176
40001 – 50000	8	0.9153	358790	0.3875
50001 – 100000	19	2.1739	1462380	1.5795
100001 and above	49	5.6064	88821960	95.9376
Total	**874**	**100.00**	**92583000**	**100.00**

N) SHAREHOLDING PATTERN AS ON: 31.03.2018 IS GIVEN IN TABLE 13.

Table 13:

CATAGORY	HOLDERS		SHARES	
	No	%	No	%
Promoter and promoters group	7	0.80	1474051	15.9214
Financial Institutions/Banks	1	0.11	300	0.0032
Bodies Corporate	32	3.66	873757	9.4375
Individuals	833	95.42	2200	0.0237
NRI-Repat	1	0.11	6907992	74.6140
Total	**874**	**100**	**9258300**	**100**

O) DEMATERIALIZATION OF SHARES AND LIQUIDITY

99.73% Shares are held in demat as on 31st March 2018 and the balance 0.27% are in physical form. Which belongs to general public.

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

Stock option scheme : Nil

P) NON-MANDATORY REQUIREMENTS

a. Chairperson of the Board: Whether the Chairperson of the Board is entitled to maintain a Chairperson's Office at the Company's expense and also allowed reimbursement of expenses incurred in the performance of his duties: No

b. The Company's audited and un-audited results are widely published in English and Tamil Newspapers.

c. Postal Ballot:

There were no resolutions passed through Postal Ballot.

Q) ADDRESSES FOR CORRESPONDENCE ARE PROVIDED IN TABLE 14.

Table 14:

Registered Office:	**Registrar and Transfer Agent:**
Indus Finance Ltd "Kothari Building", 4th Floor, 114, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034. Tel: 044-28330867 / 28331310 Fax: 044-28330208 E-mail : contact@indusfinance.in	Cameo Corporate Services Ltd Subramanian Building, V Floor, No.1, Club House Road, Chennai - 600 002. Phone : 044-28460390 & 28460718 Fax : 044 28460129 E-mail: murali@cameoindia.com

FOR AND ON BEHALF OF THE BOARD OF
INDUS FINANCE LTD.,

Place: Chennai - 600 034
Date: 30th May 2018

Niranjan R Jagtap
Director

DECLARATION

To

The Members of Indus Finance 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.

FOR AND ON BEHALF OF THE BOARD OF
INDUS FINANCE LTD.,

Place: Chennai - 600 034
Date: 30th May 2018

Niranjan R Jagtap
Director

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s. Indus Finance Ltd, for the year ended 31st March 2018, as stipulated in Schedule V of SEBI (Listing Obligations and Disclosures) Regulations 2015 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 Schedule V of SEBI (Listing Obligation and Disclosures) Regulations 2015. 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
Firm Registration No. 002956S

R. SUNDAR
Partner
Membership No. 12339

Place: Chennai.
Date: 30th May 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDUS FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of INDUS FINANCE LIMITED (Formerly Known as INDUS FINANCE CORPORATION LIMITED)("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis of Qualified Opinion

(i) We refer to Note 9 in the financial statements regarding Long Term Loans and Advances. There are 5 parties where no interest or principle amount is realized during the course of the year. In the absence of regular repayment of principal and / or interest, reconciliation and confirmation from the parties, amounting to Rs. 1,91,85,975/-. As per Accounting Standard 28 on impairment of assets, if the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. This impairment loss should be recognized in the statement of profit and loss.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the paragraph "Emphasis on Matter", the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

- Note No. 9 of the financial statements regarding staff loans, amounting to Rs.70,27,979/- (Previous Year Rs.71,97,094/-) In our opinion, the loans are not in accordance with remuneration policy of the company or in accordance with the conditions of service applicable to the employee.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
   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 & Co
Chartered Accountants
Firm Registration No. 002956S

R. Sundar
Partner
Membership No. : 012339

Place: Chennai.
Date: 30th May 2018

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has no immovable property. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

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

a) "According to the information and explanations given to us 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 covered in the register maintained under section 189 of the Companies Act, 2013, are not prejudicial to the company's interest.

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

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

(iv) In our opinion and according to the information and explanation given to us the provisions of section 185 and I86 of the Companies Act, 2013 are not applicable. Thus, paragraph 3(iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the directives issued by the Reserve Bank of India to the limit extent applicable. Since the company is a Non-Banking Finance Company not accepting deposits from the public, the provisions of section 73 to 76 of the Companies Act, 2013 are not applicable to the Company.

(vi) 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. Thus, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

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

S. No	Name of the Statute	Amount (Rs.) in lakhs	Period	Forum where dispute is pending
1	Income tax act, 1961	227.08	AY 2012-13	Second Appellate authority - ITAT

(viii) According to the information and explanations given to us, 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.

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

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

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

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

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

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

(xvi) The Company has registered as required under section 45-IA of the Reserve Bank of India Act 1934.

For V. Ramaratnam & Co
Chartered Accountants
Firm Registration No. 002956S

R. Sundar
Partner
Membership No. : 012339

Place: Chennai
Date : 30th May 2018

"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 ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by Institute of Chartered Accountants of India.

Emphasis of Matter

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 2018, 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

For V. Ramaratnam & Co
Chartered Accountants
Firm Registration No. 002956S

R. Sundar
Partner
Membership No. : 012339

Place: Chennai
Date : 30th May 2018

INDUS FINANCE LIMITED
CIN - L65191TN1992PLC022317

BALANCE SHEET AS AT 31st MARCH, 2018

	PARTICULARS	NOTE No.	As at 31.3.2018 Rs.	As at 31.3.2017 Rs.
A	**EQUITY AND LIABILITIES**			
1	Shareholders' funds			
	(a) Share capital	3	92,583,000	92,583,000
	(b) Reserves and surplus	4	74,181,066	73,359,362
			166,764,066	**165,942,362**
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	134,304,329	137,070,135
	(b) Other long-term liabilities		-	-
	(c) Long-term provisions		-	-
			134,304,329	**137,070,135**
3	**Current liabilities**			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities	6	974,731	1,223,651
	(d) Short-term provisions		-	-
			974,731	1,223,651
	TOTAL		**302,043,126**	**304,236,147**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	7	1,227,231	1,317,300
	(ii) Intangible assets		-	-
			1,227,231	1,317,300
	(b) Non-current investments	8	118,385,990	119,766,788
	(c) Deferred tax assets (net)	17.6	1,696,740	1,667,249
	(d) Long-term loans and advances	9	177,447,147	180,508,753
	(e) Other non-current assets		-	-
			298,757,108	**303,260,090**
2	**Current assets**			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables	10	21,282	14,297
	(d) Cash and cash equivalents	11	2,022,018	961,760
	(e) Short-term loans and advances		-	-
	(f) Other current assets		1,242,718	-
			3,286,018	**976,057**
	TOTAL		**302,043,126**	**304,236,147**

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.
Date : 30th May 2018

For and on behalf of the Board of Directors

Niranjan R Jagtap
Director
DIN - 01237606

K.R. Shyamsundar
Director
DIN - 03560150

Alice Chhikara
Director
DIN - 00088920

V. Kannappan
CFO

K.K. Dinakar
Company Secretary

INDUS FINANCE LIMITED
CIN - L65191TN1992PLC022317

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

	PARTICULARS	NOTE No.	for the year ended 31.3.2018 Rs.	for the year ended 31.3.2017 Rs.
A	**CONTINUING OPERATIONS**			
1	Revenue from operations	12	14,437,551	23,409,541
2	Other income	13	7,603,086	10,596,772
3	**Total revenue (1+2)**		**22,040,637**	**34,006,313**
4	**Expenses**			
	(a) Employee benefits expenses	14	7,214,783	7,275,133
	(b) Finance costs	15	81,259	6,400,726
	(c) Depreciation and amortisation expense	7	195,528	181,017
	(d) Other expenses	16	13,352,232	18,986,922
	Total expenses		**20,843,802**	**32,843,798**
5	**Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)**		**1,196,835**	**1,162,515**
6	**Exceptional items**		-	-
7	**Profit / (Loss) before extraordinary items and tax (5 + 6)**		**1,196,835**	**1,162,515**
8	**Extraordinary items**		-	-
9	**Profit / (Loss) before tax (7 + 8)**		**1,196,835**	**1,162,515**
10	**Tax expense:**			
	(a) Current Tax		404,622	481,013
	(b) Deferred tax	17.6	(29,491)	(26,801)
			375,131	**454,212**
11	**Profit / (Loss) from continuing operations (9 +10)**		**821,704**	**708,303**
12	**Profit / (Loss) for the year (10 + 11)**		**821,704**	**708,303**
	Note:			
	Proposed dividend		-	-
	Dividend distribution tax		-	-
	Total		-	-
	Earnings per share (of Rs.10/- each):			
	(a) Basic		0.09	0.08
	(b) Diluted		0.09	0.08

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.
Date : 30th May2018

For and on behalf of the Board of Directors

Niranjan R Jagtap
Director
DIN - 01237606

K.R. Shyamsundar
Director
DIN - 03560150

Alice Chhikara
Director
DIN - 00088920

V. Kannappan
CFO

K.K. Dinakar
Company Secretary

INDUS FINANCE LIMITED
CIN - L65191TN1992PLC022317

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

PARTICULARS	For the year ended 31.3.2018		For the year ended 31.3.2017	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		**1,196,835**		**1,162,515**
Adjustments for:				
Depreciation and amortisation	195,528		181,017	
Finance costs	81,259		6,400,726	
Profit on sale of asset	-		-	
	-	276,787		6,581,743
Operating profit / (loss) before working capital		**1,473,622**		**7,744,258**
Changes in working capital:	-			
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(6,985)		6,460,814	
Short-term loans and advances	-		-	
Long-term loans and advances	3,061,606		22,537,483	
Other current assets	(1,242,718)		-	
Other non-current assets	-		-	
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities	(248,920)		(1,876,968)	
Other long-term liabilities	-		-	
Short-term provisions	-		(4,457,229)	
Long-term provisions	-	1,562,983	-	22,664,100
		3,036,605		30,408,358
Cash flow from extraordinary items		-		-
Cash generated from operations		**3,036,605**		**30,408,358**
Net income tax (paid) / refunds		(404,622)		(481,013)
Net cash flow from / (used in) operating activities (A)		**2,631,983**		**29,927,344**
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(118,983)		(27,990)	
Sale of investments	1,380,798		-	
Proceeds from sale of fixed assets	13,524	1,275,339	-	(27,990)
Cash flow from extraordinary items		-		-
Net income tax (paid) / refunds		-		(1,037,889)
Net cash flow from / (used in) investing activities (B)		**1,275,339**		**(1,065,879)**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		-	
Increase / (Decrease) in long-term borrowings	(2,765,806)		(22,545,645)	
Increase / (Decrease) in short-term borrowings	-		-	
Increase / (Decrease) in Reserves	-		-	
Decrease / (Increase) in Misc. Expenditure	-		-	
Finance cost	(81,259)		(6,400,726)	
Dividend paid	-		-	
Tax on dividend	-		-	
		(2,847,065)		(28,946,371)
Net cash flow from / (used in) financing activities (C)		**(2,847,065)**		**(28,946,371)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**1,060,258**		**(84,906)**
Cash and cash equivalents at the beginning of the year		961,760		1,046,666
Cash and cash equivalents at the end of the year		**2,022,018**		**961,760**
(a) Cash on hand		1,399,429		415,292
(b) Balances with banks in Current Accounts		622,589		546,468
		2,022,018		**961,760**

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.
Date : 30th May 2018

For and on behalf of the Board of Directors

Niranjan R Jagtap
Director
DIN - 01237606

K.R. Shyamsundar
Director
DIN - 03560150

Alice Chhikara
Director
DIN - 00088920

V. Kannappan
CFO

K.K. Dinakar
Company Secretary

INDUS FINANCE LIMITED
CIN - L65191TN1992PLC022317

Notes forming part of the financial statements

Note	Particulars
1	**Corporate Information** The company was incorporated as a private limited company on 11th March 1992 and was converted into public limited company U/s 44 of the Companies Act, 1956 on 29th March, 1994 with an object of carrying business as "Non - Banking Finance Company" having registered office at Kothari building, 4th 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 5th May 1998 vide Registration No. B-07-00068 Formerly, the company was known as "Indus Finance Corporation Limited" and the name has been changed to "Indus Finance Limited" on 22nd January, 2015.
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) including Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
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	**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.
2.4	**Cash flow statement** Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. 'The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
2.5	**Depreciation and amortisation** Depreciation/amortisation on fixed assets, including revaluation cost and the capitalisation of capital expenditure, are charged over the period of the remaining useful life of the asset, arrived at after considering the asset life as prescribed under Schedule-II to the Companies Act, 2013, adopting straight line method of depreciation/amortisation.
2.6	**Revenue recognition - Income from Financing Activity** Interest income is recognised in the Profit and Loss Account as it accrues except in the case of non-performing assets where it is recognised upon realization as per the prudential norms of the Reserve Bank of India. Accrual of income is also suspended on certain other loans where in the opinion of the management, significant uncertainties exist as at the year end. All other fees are recognised upfront on their becoming due.
2.7	**Revenue recognition - Income from Non-Financing Activity** (i) Power income is recognised on accrual basis as they are earned or incurred. (ii) Dividend income is accounted for when the right to receive it is established.

Note	Particulars
2.8	**Tangible fixed assets** Fixed assets are stated at historical cost less accumulated depreciation.
2.9	**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.
2.10	**Employee benefits** The Company has not formulated any policy for employee benefits, including Provident Fund, ESI or Gratuity.
2.11	**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.
2.12	**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 reffered in Note No.17.7
2.13	**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.
2.14	**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.
2.15	**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 recoverale amount is higher of the net sellilng price of the assets and their value in use.
2.16	**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.

INDUS FINANCE LIMITED
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Notes forming part of the financial statements

Note 3 Share Capital

PARTICULARS	As at 31.3.2018		As at 31.3.2017	
	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	18,000,000	180,000,000
		180,000,000		**180,000,000**
(b) Issued				
Equity shares of Rs.10/- each with voting rights	9,258,300	92,583,000	9,258,300	92,583,000
		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	9,258,300	92,583,000
Total		**92,583,000**		**92,583,000**

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, 2018				
Number of shares	9,258,300	-	-	9,258,300
Amount (Rs.)	92,583,000	-	-	92,583,000
Year ended 31 March, 2017				
Number of shares	9,258,300	-	-	9,258,300
Amount (`Rs.)	92,583,000	-	-	92,583,000

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

CLASS OF SHARES / NAME OF SHAREHOLDER	As at 31.3.2018		As at 31.3.2017	
	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	2,238,511	24.18
Ind Eco Ventures Limited	2,700,495	29.17	2,700,495	29.17
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
Commendam Investments Private Limited	721,806	7.80	721,806	7.80

(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 31.3.2018	As at 31.3.2017	As at 31.3.2016	As at 31.3.2015	As at 31.3.2014
Fully paid up by way of bonus shares	-	-	-	-	-
Equity shares with voting rights	-	-	-	-	-

INDUS FINANCE LIMITED
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Notes forming part of the financial statements

PARTICULARS	As at 31.3.2018 Rs.	As at 31.3.2017 Rs.
Note 4 Reserves and surplus		
(a) Capital Reserve		
Opening balance	1,854,250	1 ,854,250
Add: Additions during the year (give details)	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	**1,854,250**	**1,854,250**
(b) Statutory Reserve		
Opening balance	13,042,338	12,900,677
Add: Addition during the year	164,341	141,661
Closing balance	**13,206,679**	**13,042,338**
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	58,462,774	58,934,021
Add: Profit / (Loss) for the year	821,704	708,303
Less: Tranferred to / Adjustments		
Statutory Reserve	164,341	141,661
Prior period items	-	1,037,889
Closing balance	**59,120,137**	**58,462,774**
Total	**74,181,066**	**73,359,362**
Note 5 Long-term borrowings		
(a) Term loans		
From other parties		
Secured (refer Note (i) below)	44,184,006	42,070,135
(b) Loans from related parties		
Secured (refer Note (i) below)	90,120,323	95,000,000
Total	**134,304,329**	**137,070,135**

INDUS FINANCE LIMITED
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Notes forming part of the financial statements

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 31.3.2018 Rs.	As at 31.3.2017 Rs.
Term loans from other parties:			
Secured			
(i) LIC of India	To be repaid on maturity of policy. Secured against Keyman Insurance Policy	44,184,006	42,070,135
Loans and advances from related parties:			
Secured			
(i) Indowind Energy Ltd	Secured against 1.5 MW wind project Repayment :	90,120,323	95,000,000
Note 6 Other Current Liabilities			
(a) Other payables			
(i) Statutory remittances		642,473	849,841
(ii) Current maturities of Long-term debt		-	-
(iii) Other Payables		332,258	373,810
Total		**974,731**	**1,223,651**

INDUS FINANCE LIMITED
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Notes forming part of the financial statements

Note 7 Fixed assets

PARTICULARS	Gross block				Accumulated depreciation and impairment				Net block	
	Balance As at 1 April, 2017	Additions	Disposals	Balance As at 31 March, 2018	Balance As at 1 April, 2017	Depreciation /amortisation expense for the year	Eliminated on sale	Balance As at 31 March, 2018	Balance As at 31 March, 2017	Balance As at 31 March, 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS										
(a) Plant and Equipment Owned	90,000,000			90,000,000	89,280,000	-		89,280,000	720,000	720,000
(b) Vehicles	1,714,583		270,519	1,444,064	1,297,354	110,501	256,995	1,150,860	417,229	293,204
(c) Office equipment	216,338	-		216,338	93,360	23,370	-	116,730	122,978	99,608
(d) Computers & accessories	108,288	118,983		227,271	51,195	61,657		112,852	57,093	114,419
Total - Tangible Assets	**92,039,209**	**118,983**	**270,519**	**91,887,673**	**90,721,909**	**195,528**	**256,995**	**90,660,442**	**1,317,300**	**1,227,231**

Particulars	For the year ended 31 March, 2018 Rs.	For the year ended 31 March, 2017 Rs.
Depreciation and amortisation for the year on tangible assets	195,528	181,017
Depreciation and amortisation relating to continuing operations	**195,528**	**181,017**

INDUS FINANCE LIMITED
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Notes forming part of the financial statements

Note 8 Non-current investments

PARTICULARS	No of Shares	As at 31 March, 2018			As at 31 March, 2017		
		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 Power 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.,	**1,280**	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**
Reliance Industries Ltd.,	**200**	82,000	-	**82,000**	82,000	-	**82,000**
Picture House Media Ltd	**500**	-	-	-	5,000	-	**5,000**
Country Club India Ltd (Amruta Inns Ltd.,)	**9,500**	-	-	-	19,855	-	**19,855**
Hindustan Industrial Chemicals Ltd.,	**2,700**	-	-	-	22,950	-	**22,950**
Avikem Resins Ltd	**650**	-	-	-	3,250	-	**3,250**
Skyline NEPC (previously Damania Airways)	**10,000**	-	-	-	50,000	-	**50,000**
Ravlon Pen Co. Ltd	**5,000**	-	-	-	43,750	-	**43,750**
Money Shoppe Network Limited	**240,000**	-	-	-	-	1,200,000	**1,200,000**
Other Misc Investments			7				
Axis Bank Ltd	**10**	5,303		**5,303**	5,303	-	**5,303**
		58,166,653	**27,719,330**	**85,885,990**	**58,347,458**	**28,919,330**	**87,266,788**
(b) Investment in mutual funds			20,000	**20,000**		20,000	**20,000**
(c) Other non-current investments							
(Key Man Insurance Policy)			32,480,000	**32,480,000**		32,480,000	**32,480,000**
Total of Non-Current Investments		**58,166,653**	**60,219,330**	**118,385,990**	**58,347,458**	**61,419,330**	**119,766,788**

Notes:			
Book Value of Quoted Investments	**58,166,653**	**58,347,458**	
Market value of Quoted Investment	**49,063,941**	**28,472,452**	
Diminution in value of investments (temporary)	**9,283,517**	**29,875,006**	

INDUS FINANCE LIMITED
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Notes forming part of the financial statements

PARTICULARS	As at 31.3.2018 Rs.	As at 31.3.2017 Rs.
Note 9 Long-term loans and advances		
(a) Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	23,380,176	30,096,009
(b) Loans and advances to employees		
Unsecured, considered good	7,027,979	7,197,094
(c) Balances with government authorities		
(d) Other loans and advances		
Secured, considered good	113,351,171	110,966,309
Unsecured, considered good	4,146,207	3,686,378
Doubtful	9	9
	117,497,387	**114,652,696**
Total (a + b + c + d)	**177,447,147**	**180,508,753**
Note: Long-term loans and advances include amounts due from:		
Companies where Directors are interested		
Ind Eco Ventures Limited	22,905,176	29,796,009
Total	**22,905,176**	**29,796,009**
Note 10 Trade receivables		
Accrued interest / finance income		
Loans	21,282	14,297
Total	**21,282**	**14,297**
Note 11 Cash and cash equivalents		
(a) Cash on hand	1,399,429	415,292
(b) Balances with banks		
in current accounts	622,589	546,468
Total	**2,022,018**	**961,760**

INDUS FINANCE LIMITED
CIN - L65191TN1992PLC022317

Notes forming part of the financial statements

PARTICULARS	for the year ended 31.3.2018 Rs.	for the year ended 31.3.2017 Rs.
Note 12 Revenue from operations		
(a) Income From Operations	14,434,301	23,357,591
(b) Income from Investments	3,250	51,950
Total	**14,434,301**	**23,409,541**
Notes: Income From Operations		
(i) Interest Income	14,434,301	23,357,591
Total -	**14,434,301**	**23,357,591**
Note 13 Other income		
(a) Other Income - Income from Sale of Electricity	7,603,086	10,596,772
(b) Profit on sale of asset	-	-
Total	**7,603,086**	**10,596,772**
Note 14 Employee benefits expenses		
Salaries and wages	7,040,929	6,951,330
Staff welfare expenses	173,854	323,803
Total	**7,214,783**	**7,275,133**
Note 15 Finance costs		
(a) Interest expense on:		
- Borrowings	81,259	6,400,726
Total	**81,259**	**6,400,726**
Note 16 Other expenses		
Repairs & Maintenance	78,373	288,468
Rent	237,000	153,000
Postage & Telegram	-	6,926
Repairs and maintenance - Vehicles	7,886	45,883
Fees, Rates and taxes	472,850	753,991
Communication	164,988	120,012
Travelling and conveyance	1,325,431	1,967,773
Printing and stationery	72,894	80,430
Business promotion	753,657	797,650
Advertisement & Publicity expenses	93,114	84,760
AGM / EGM Expenses	100,016	114,110
Legal & Professional Charges	2,031,926	2,333,000
Payments to auditors (Refer Note (i) below)	438,550	285,150
Bank Charges	182,485	222,942
Sitting Fee	187,600	126,500
Bad debts to be Included	6,951,135	11,025,241
Miscellaneous expenses	254,327	581,086
Total	**13,352,232**	**18,986,922**
Notes (i) - Payments to the auditors comprises:		
As auditors - statutory audit	243,350	130,450
For taxation matters	25,000	25,000
Others	170,200	129,700
Total	**438,550**	**285,150**

INDUS FINANCE LIMITED
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Note 17 Additional information to the financial statements and Disclosures under Accounting Standards

17.1 Contingent liabilities and commitments (to the extent not provided for)		**As at 31.3.2018 Rs. In lacs**	**As at 31.3.2017 Rs. In lacs**
Contingent liabilities (a) Claims against the Company not acknowledged as debt			
Total Demand as per Order raised by Income Tax Department	493.00		
Less : Income Tax Refund Due or Tax paid during Regular / Scrutiny Assessment	227.02	265.98	265.98

The Company is disputing various demands raised by the Income Tax Department at various forums. 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.

17.2 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.

17.3 Foreign Exchange Expenses / Earnings	**for the year ended 31.3.2018 Rs.**	**for the year ended 31.3.2017 Rs.**
Expenditure in foreign currency	-	-
Earnings in foreign exchange	-	-

17.4 Related party transactions
Details of related parties:

Description of relationship	**Related parties**
Associates / Companies where Key Managerial Personnel have a significant influence.	Indowind Energy Ltd Indowind Power Pvt Ltd Everon Power Ltd Indus Capital Pvt Ltd Ind Eco VenturesLtd Indus Nutri Power Pvt Ltd Indonet Global Ltd Soura Capital Pvt Ltd Loyal Credit & Investments Ltd Bekae Properties Pvt Ltd Perpetual Power Pvt Ltd Kishore Electro Infra Pvt Ltd BVK Agri Producer Company Ltd
Key Managerial Personnel (KMP)	Bala V Kutti - Director Alice Chhikara - Director N. bhaskara Chakkera - Executive Director K K Dinakar - Company Secretary

Note: Related parties have been identified by the Management.

INDUS FINANCE LIMITED
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Note 17 Additional information to the financial statements and Disclosures under Accounting Standards (contd.)

Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018: (Rs.)

Details	KMP	Companies where key Managerial Personnel has significant influence	Directors & their relatives
Power share payments	-	7,603,086	-
Interest expenses	-	81,259	-
Mangerial Remuneration	2,400,000	-	-
Sitting fees	-	-	160,000
Investments	-	85,180,205	-

Companies where Key Managerial Personnel has a significant influence.	Transactions during the year		Balances outstanding at the end of the year
	Granted/taken during the year	Repaid during the year	
Long-term borrowings	-	4,879,677	90,120,323
Current liability	581,259	873,944	-
Loans and advances	6,431,071	12,721,904	24,505,176
Director & their relatives			
Loans and advances	**475,000**	-	**475,000**

PARTICULARS	For the year ended 31 March, 2018 Rs.	For the year ended 31 March, 2017 Rs.
17.5 EARNINGS PER SHARE		
Basic		
Total operations		
Net profit / (loss) for the year attributable to the equity shareholders	821,704	2,160,858
Weighted average number of equity shares	9,258,300	9,258,300
Par value per share	10.00	10.00
Earnings per share - Basic	**0.09**	**0.23**
Diluted		
Total operations		
Net profit / (loss) for the year attributable to the equity shareholders	821,704	2,160,858
Profit / (loss) attributable to equity shareholders (on dilution)	821,704	2,160,858
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	**0.09**	**0.23**
17.6 Deferred tax (liability) / asset		
Opening balance - Deferred tax asset	1,667,249	1,640,448
Additions for the year:		
Tax effect of items constituting deferred tax liability	-	-
-- On difference between book depreciaiton and tax depreciation	-	-
Tax effect of items constituting deferred tax assets	-	-
-- On difference between book balance and tax balance of fixed assets	29,491	26,801
Closing balance - Deferred tax asset	**1,696,740**	**1,667,249**

INDUS FINANCE LIMITED
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Note 17 Additional information to the financial statements and Disclosures under Accounting Standards (contd.)

Note	Particulars

17.7 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.

(Rs.)

Particular	Business segments				Total	
	Finance		Power			
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
Revenue	**14,437,551**	23,409,541	**7,603,086**	10,596,772	**22,040,637**	34,006,313
Expenses	**9,327,968**	16,008,859	**182,485**	222,942	**9,510,453**	16,231,801
Segment result	**5,109,583**	**7,400,682**	**7,420,601**	**10,373,830**	**12,530,184**	**17,774,512**
Unallocable expenses (net)					11,333,349	16,611,998
Exceptional expenses					-	-
Extra-Ordinary Items					-	-
Profit before taxes					**1,196,835**	**1,162,514**
Tax expense					**375,131**	454,212
Net profit for the year					**821,704**	**708,303**
Segment assets	**140,877,563**	230,733,108	**720,000**	720,000	**141,597,563**	231,453,108
Segment liabilities	**44,184,006**	65,105,720	**90,120,323**	96,533,413	**134,304,329**	161,639,133

17.8 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.
Date : 30th May 2018

For and on behalf of the Board of Directors

Niranjan R Jagtap
Director
DIN - 01237606

K.R. Shyamsundar
Director
DIN - 03560150

Alice Chhikara
Director
DIN - 00088920

V. Kannappan
CFO

K.K. Dinakar
Company Secretary

INDUS FINANCE LIMITED
CIN: L65191TN1992PLC022317
No.114, Kothari Building, IV Floor, M.G. Road,
Nungambakkam, Chennai 600 034.
Tel: 044-28330867 Fax: 044-28330208 Email: contact@indusfinance.com
Website: www.indusfinance.in

ATTENDANCE SLIP

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

NAME AND ADDRESS OF THE SHARE HOLDER

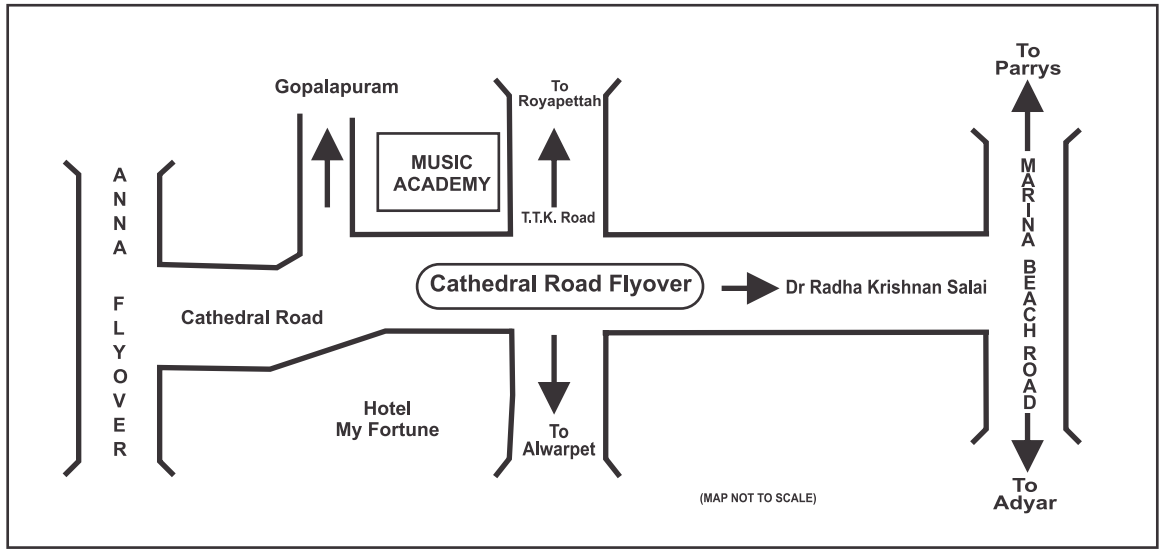
Folio No.	

DP.ID	
CLIENT ID	

I hereby record my presence at the 27th Annual General Meeting being held on Friday, 28th September 2018 at 11.00 am at The Music Academy, New No. 168, T.T.K. Road, Royapettah, Chennai - 600 014.

SIGNATURE OF THE MEMBERS OR THE PROXY	NO OF SHARES HELD

ROUTE MAP TO AGM VENUE



PROXY FORM

[Pursuant to Section105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

INDUS FINANCE LIMITED

CIN: L65191TN1992PLC022317
No.114, Kothari Building, IV Floor, M.G. Road,
Nungambakkam, Chennai 600 034.
Tel: 044-28330867 Fax: 044-28330208 Email: contact@indusfinance.com
Website: www.indusfinance.in

Name of the member(s):

Registered address

E-mail Id:

Folio No. / Client ID: DP ID:

I / We, being the member(s) of INDUS FINANCE LIMITED, holding..... Equity shares of the Company, hereby appoint

1. Name: .....
   Address: .....
   .....
   .....
   Email Id: .....
   Signature: .....

   or failing him

2. Name: .....
   Address: .....
   .....
   .....
   Email Id: .....
   Signature: .....

   or failing him

3. Name: .....
   Address: .....
   .....
   .....
   Email Id: .....
   Signature: .....

   or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Friday, 28th September 2018 at 11.00 am at The Music Academy, New No. 168, T.T.K. Road, Royapettah, Chennai - 600 014. India and at any adjournment there of in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
	ORDINARY BUSINESS	For	Against	Abstain
1	To consider and adopt the Audited Financial statement of the Company for the financial year ended 31st March 2018 and the Report of the Board of Directors and the Auditors thereon			
2	To appoint a Director in the place of Ms. Alice Chhikara (holding DIN- 00088920) who retires at this meeting in terms of selection 152(6) of the Companies Act 2013 and being eligible, offers herself for Re-appointment.			
3	Appointment of Auditor			
	SPECIAL BUSINESS			
4	Re-appointment of Mr. Bala V Kutti, (DIN No: 00765036) as executive chairman with remuneration.			
5	Alteration of Memorandum of Association and Articles of Association as per the provisions of the Companies Act, 2013 and rules made there under			

Signed this /----------/day of /----------/ 2018.

Re 1/- Revenue Stamp

Signature of shareholder: ----------

Signature of the proxy holder(s): ----------

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

If Undelivered Please Return to:-

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