



Indus Finance Ltd

CIN : L65191TN1992PLC022317

E-mail : contact@indusfinance.com

30th May 2022

BOMBAY STOCK EXCHANGE LIMITED,

The General Manager

The Corporate Relation Department

Phiroze Jeejeebhoy Tower,

14th Floor, Dalal Street,

Mumbai - 400 001

Scrip Code: 531841

Dear Sir / Madam,

SUB: OUTCOME OF THE BOARD MEETING

We wish to inform you that the Board of Directors of Indus Finance Limited, at its Board Meeting held on 30th May 2022 has approved the following items *inter-alia*:

- A. The Audited Financial Results for the fourth Quarter and Financial Year ended 31st March 2022.
- B. The Company has Constituted Stakeholders' Relationship Committee of the Share holders
 - i. Ms. K. B. K. Vasuki (Chairman)
 - ii. Mr. Bala Venckat Kutti (Member)
 - iii. Mr. K.R. Shyamsundar (Member)

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

- i. Copy of the approved Audited financial results for the quarter and financial year ended 31st March 2022
- ii. Copy of the Auditor's Report on the Audited financial results issued by the statutory Auditor M/s. Sanjiv Shah & Association, Chennai
- iii. Copy of the Reply to Auditor's Qualification.

The Meeting Commenced at 04:05 P.M and ended at 11:15 P.M

This is for your information and record.

Thanking you,

Yours faithfully,

For **INDUS FINANCE LIMITED**


K.K. Dinakar
Company Secretary



Encl: As above



Indus Finance Limited

CIN No: L65191TN1992PLC022317

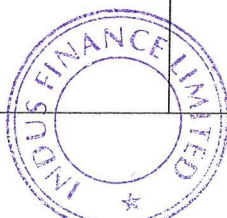
Registered Office : Kothari Buildings, 4Th Floor, 114, Mahatma Gandhi Salai, Nungambakkam, Chennai Tamil Nadu 600034 INDIA

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st March 2022

Amount in Lakhs

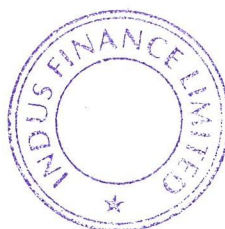
| SI No | Particulars | Quarter ended | | | Year Ended | |
|-------|---|------------------|-----------------|---------------|----------------|---------------|
| | | 31.03.2022 | 31.12.2021 | 31.03.2021 | 31.03.2022 | 31.03.2021 |
| | | Audited | Unaudited | Unaudited | Audited | Audited |
| 1 | Income from Operations | | | | | |
| | (A) Revenue from Operations | | | | | |
| | (a) Interest Income | 1.51 | 19.76 | -5.21 | 17.82 | 12.69 |
| | (b) Dividend Income | -0.00 | 0.00 | 0.00 | 0.03 | 0.00 |
| | (c) Bakt Debts Recovered | 0.00 | 10.00 | 0.00 | 20.00 | 0.00 |
| | (d) Net Gain on Fair Value Changes | 0.00 | 0.00 | 8.12 | 0.00 | 51.67 |
| | (e) Insurance Bonus | 12.56 | 0.00 | 120.18 | 20.44 | 287.00 |
| | (f) Profit on Sale of Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | 14.07 | 29.76 | 123.09 | 58.29 | 351.36 |
| | (B) Other Income | 9.13 | 5.55 | 0.49 | 34.39 | 0.49 |
| | Total Income | 23.19 | 35.31 | 123.58 | 92.67 | 351.84 |
| 2 | Expenses | | | | | |
| | a) Finance Costs | 19.97 | 0.00 | 30.20 | 38.36 | 96.01 |
| | b) Fees and Commission Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | c) Net Loss on Fair Value Changes | 48.95 | -0.08 | 0.00 | 48.97 | 0.00 |
| | d) Net Loss on Derecognition of Financial Instruments under Amortised Cost Category | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | d) Employee Benefits | 19.91 | 20.46 | 24.30 | 79.85 | 91.65 |
| | f) Depreciation and amortisation expense | -0.02 | 0.24 | 0.43 | 0.69 | 0.94 |
| | g) Other expenses | 13.53 | 13.07 | 22.49 | 51.20 | 104.48 |
| | h) Loss on Sale of Investments | 0.00 | 0.00 | 0.00 | 24.65 | 0.00 |
| | Total Expenses | 102.35 | 33.69 | 77.42 | 243.73 | 293.08 |
| 3 | Profit before exceptional item and tax (1-2) | -79.15 | 1.62 | 46.16 | -151.05 | 58.76 |
| 4 | Exceptional item | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 | Profit before tax (3-4) | -79.15 | 1.62 | 46.16 | -151.05 | 58.76 |
| 6 | Tax expense | | | | | |
| | a) Current year Tax | 0.00 | 0.00 | 4.22 | 0.00 | 1.98 |
| | b) Deferred Tax | 0.00 | 0.00 | 0.00 | 0.00 | 7.22 |
| | c) Tax of Earlier Years | -0.81 | 0.00 | 0.00 | 187.03 | 0.00 |
| 7 | Net profit for the period from continuing operations (5-6) | -78.34 | 1.62 | 41.94 | -338.08 | 49.56 |
| 8 | Profit / (Loss) from discontinued operations | | | | | |
| 9 | Tax expense from discontinued operations | | | | | |
| 10 | Profit / (Loss) from discontinued operations (After Tax) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11 | Profit / (Loss) for the period (7+8) | -78.34 | 1.62 | 41.94 | -338.08 | 49.56 |
| 12 | Other comprehensive income , net of income tax | | | | | |
| | (a) (i) Items that will not be reclassified to profit or Loss - Remeasurement of Investment in Shares | -1,301.01 | 1,895.37 | -36.54 | 801.38 | 135.50 |
| | (ii) Income Tax relating to items that will not be reclassified to profit or Loss | 338.26 | -492.80 | 10.86 | -208.37 | -33.87 |
| | Subtotal (A) | -962.75 | 1,402.57 | -25.68 | 593.01 | 101.62 |
| | (b) (i) Items that will be reclassified to profit or Loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (ii) Income Tax relating to items that will not be reclassified to profit or Loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Subtotal (B) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Other comprehensive income (A+B) | -962.75 | 1,402.57 | -25.68 | 593.01 | 101.62 |
| | Total Comprehensive Income for the period (11+12) (Comprising Profit (Loss) and other Comprehensive Income for the period) | -1,041.09 | 1,404.19 | 16.25 | 254.94 | 151.18 |
| 13 | Earning per equity share (for continuing operation) | | | | | |
| | - Basic | -0.85 | 0.02 | 0.17 | -3.65 | 1.63 |
| | - Diluted | -0.85 | 0.02 | 0.17 | -3.65 | 1.63 |



Indus Finance Limited**Balance Sheet as at March 31, 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| | Notes | As at March 31, 2022 | As at March 31, 2021 |
|---|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 3 | 10.59 | 1.84 |
| Loans | 4 | 509.49 | 565.72 |
| Investments | 5 | 1,861.85 | 1,111.63 |
| Other financial assets | 6 | 56.14 | 28.93 |
| Total financial assets | | 2,438.07 | 1,708.11 |
| Non-Financial Assets | | | |
| Deferred tax asset (Net) | 7 | - | 17.64 |
| Property, plant and equipment | 8 | 14.52 | 2.89 |
| Other non-financial assets | 9 | 782.53 | 143.21 |
| Total non-financial Assets | | 797.05 | 163.74 |
| Total Assets | | 3,235.12 | 1,871.85 |
| LIABILITIES AND EQUITY | | | |
| Financial Liabilities | | | |
| Borrowings (Other than Debt Securities) | 10 | 841.62 | 598.36 |
| Other financial liabilities | 11 | 7.92 | 10.59 |
| Total Financial Liabilities | | 849.53 | 608.95 |
| Non-Financial Liabilities | | | |
| Deferred tax liability (Net) | 7 | 190.72 | - |
| Current tax liabilities (Net) | | 2.21 | 4.76 |
| Total Non-Financial Liabilities | | 192.93 | 4.76 |
| Total liabilities | | 1,042.46 | 613.70 |
| EQUITY | | | |
| Equity Share capital | 12 | 925.83 | 925.83 |
| Other Equity | 13 | 1,266.83 | 387.04 |
| Total Equity | | 2,192.66 | 1,312.87 |
| Total Liabilities and Equity | | 3,235.12 | 1,926.58 |



Indus Finance Limited**Statement of cash flows for the year ended March 31, 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before exceptional items and taxes | (151.05) | 58.78 |
| Add: Non-cash expense | | |
| Depreciation and amortisation expense | 0.69 | 0.94 |
| Bad debts and write offs | - | 46.54 |
| Misc expense | - | - |
| Finance Cost | 38.36 | 96.01 |
| Loss on Sale of Investments | 24.65 | - |
| Loss on deregonisation of PPE | 0.79 | - |
| Insurance bonus | 20.44 | 287.00 |
| Net gain / loss in fair value of derivative financial instruments | 48.97 | (51.67) |
| | 133.90 | 378.81 |
| Less: Income considered separately | | |
| Dividend income | 0.03 | 0.00 |
| (Profit)/ Loss on sale of fixed asset | - | - |
| | 0.03 | 0.00 |
| Operating profit before working capital changes | -17.12 | 437.59 |
| Changes in - | | |
| Loans | 121.70 | 40.22 |
| Investments | (16.22) | (139.41) |
| Other Financial assets | - | - |
| Other financial liabilities | 7.92 | 9.06 |
| Other non-financial assets | 2.86 | 26.32 |
| Cash used in operations | 116.26 | -63.81 |
| Income taxes paid (net of refunds) | 195.19 | - |
| NET CASH USED IN OPERATING ACTIVITIES (A) | -229.96 | -5.03 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Dividend income received | (0.03) | 0.00 |
| Purchase of property, plant and equipment and intangible assets | (13.11) | (0.75) |
| Proceeds from Sale of Investments | 46.95 | - |
| NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES [B] | 33.81 | -0.75 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings (other than debt securities) | 204.90 | 2.80 |
| NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES [C] | 204.90 | 2.80 |
| Net decrease in cash and cash equivalents (A+B+C) | 8.75 | -2.98 |
| Cash and cash equivalents at the beginning of the financial year | 1.84 | 4.82 |
| Cash and cash equivalents at end of the year | 10.59 | 1.84 |
| Notes: | | |
| 1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements". | | |
| 2. Components of cash and cash equivalents | | |
| Balances with banks | | |
| - in current accounts | 10.53 | 1.78 |
| Cash on hand | 0.06 | 0.06 |
| | 10.59 | 1.84 |



Notes:

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

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

There financial results have been drawn up on the basis of the Ind As that are applicable to the Company as at March 31, 2022 based on the press Release issued by the Ministry of Corporate Affairs ("MCA") on 18 January 2016. Any applicable guidance/ clarifications/ directors issued by RBI or other regulation as implemented as and when they are issued/ applicable.

The above Audited Financial Results for the Fourth quarter and year ended March 31, 2022 as reviews and recommended by the Audit Committee of the Board, has been approved by the Board of Directors at its meeting held on May 30, 2022.

The Company has taken into account the possible impact of Covid-19 in preparation of the Financial Results, including but not limited to its assessments of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues. The Company has considered internal and certain external sources of information including reliable credit reports, economic forecasts and industry reports up to the date of approval of the financial results and expects to recover the carrying amount of its assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from the estimate as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

The is no separate segments as per Ind As 108 on 'Opening Segments' in respect of the Company.

For and on behalf of Board of
INDUS FINANCE LIMITED


Bala V Kutti
Chairman



Date: 30th May 2022

Place: Chennai



Independent Auditor's Report on Standalone financial results for the quarter and year ended March 31,2022 of M/s. Indus Finance Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 as amended

TO THE BOARD OF DIRECTORS OF INDUS FINANCE LIMITED

Report on the Audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying standalone quarterly financial results of Indus Finance Limited ("the Company"), for the quarter and year ended March 31,2022 ("statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015,as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

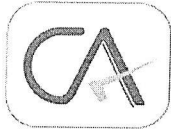
- (a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report; and
- (b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and year ended March 31,2022 except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report.

Basis for Qualified Opinion

1. We refer to Note 9 & 13 to the accompanying Statement, the Company has accounted for deferred depreciation which has been classified under other non-financial assets to the tune of ₹ 624.84 lakhs and the corresponding adjustment is made directly to the retained earnings. The company has informed that this amount pertains to loss on sale of assets arising out of re-calculation of depreciation based on availing the benefit of Vivad se Vishwas Scheme (VSVS) under Income tax act for previous years and also the relevant assets had been already sold in the previous years. This adjustment made in the financial statements is not in accordance with the provisions of Ind AS 16 and Ind AS 1. Accordingly, the other non-financial assets have been over stated by ₹ 624.84 lakhs and correspondingly the retained earnings also been overstated by ₹ 624.84 lakhs in the Statement.

Our review report dated 10 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021 was also qualified in respect of this matter.

2. We refer to Note 5 to the accompanying Statement, the Company has investment in its associate company to the tune of ₹ 503 lakhs at book value. In the light of the order passed for admission of the petition for winding up of the associate company and also filing of the appeal with the Division Bench of the Honourable High Court of Madras for interim stay of all further proceedings with respect to the order passed and the matter being sub-judice, the outcome is unascertainable at this stage. In view of the uncertainty associated with the outcome of the case, we are unable to comment on the recoverability of the investment made by the Company and impact on its impairment, if any.



Our audit report dated 29 June 2021 on the standalone financial results of the Company for the year ended 31 March 2021 and review report dated 10 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021, were also qualified in respect of this matter.

3. The Company has accounted for interest income on income tax refund dues as receivable to the tune of ₹ 14.71 lakhs during the year under 'Other Income' which is not in accordance with the recognition and measurement principles laid down in Ind AS. Accordingly, had the interest income not been recognized in the statement, the profit before exceptional items and tax would have been lower by ₹ 14.71 lakhs.

Our review report dated 10 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021 was also qualified in respect of this matter.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the standalone financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

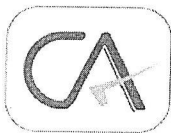
- 1) We refer to Note 9 to the accompanying Statement, the Company earlier extended loan/advances to Key Managerial Personnel and the corresponding amount recoverable as at reporting date amounts to ₹ 38.53 lakhs which is not in accordance of the remuneration policy of the company. We are unable to obtain the sufficient appropriate audit evidence with respect to recoverability of the same and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid balance in the accompanying statement.
- 2) We refer to Note 17 & 19 to the accompanying Statement, the Company booked expenses to the tune of ₹ 10.81 lakhs under the head travelling expenses, staff welfare, telephone, business promotion, rates & taxes and miscellaneous expenses for which requisite supporting evidences have not been provided to us for the purpose of verification. In the event of non-availability of supporting evidences we are unable to comment on whether these expenditures are related to personal expenditure which have been accounted in the statement of profit and loss account during the year.
- 3) We refer to Note 2 to the accompanying Statement, the Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

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

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the Standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of the statement that gives a true and fair view of the net profit and other Comprehensive income and other financial information in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations.

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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Sanjiv Shah & Associates
Chartered Accountants

Other Matters

The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our opinion on the Statement is not modified in respect of this matter.

For **Sanjiv Shah & Associates**
Chartered Accountants
Firm's Registration Number: 003572S

Digitally signed by G
Ramakrishnan
Date: 2022.05.30
21:31:49 +05'30'

G Ramakrishnan

CA G Ramakrishnan

Partner

Membership Number: 209035
UDIN: 22209035AJYAVN6306

Place: Chennai
Date: 30 May, 2022

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Standalone)

Rs. Lakhs

| I. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] | | | |
|---|---|--|--|
| Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
| 1. | Turnover / Total income | 92.67 | 77.96 |
| 2. | Total Expenditure | 243.73 | 243.73 |
| 3. | Net Profit/(Loss) | (151.05) | (165.77) |
| 4. | Earnings Per Share | (3.65) | (3.81) |
| 5. | Total Assets | 3235.12 | 3220.41 |
| 6. | Total Liabilities | 1042.46 | 1042.46 |
| 7. | Net Worth | 2192.66 | 2177.95 |
| 8. | Any other financial item(s) (as felt appropriate by the management) | - | - |

II. Audit Qualifications

- 1. Details of Audit Qualification:** We refer to Note 9 & 13 to the accompanying Statement, the Company has accounted for deferred depreciation which has been classified under other non-financial assets to the tune of Rs. 624.84 lakhs and the corresponding adjustment is made directly to the retained earnings. The company has informed that this amount pertains to loss on sale of assets arising out of re-calculation of depreciation based on availing the benefit of Vivad se Vishwas Scheme (VSVS) under Income tax act for previous years (i.e., FY 2011-12 and 2012-13) and also the relevant assets had been already sold in the previous years. This adjustment made in the financial statements is not in accordance with the provisions of Ind AS 16 and Ind AS 1. Accordingly, the other non-financial assets have been over stated by Rs. 624.84 lakhs and correspondingly the retained earnings also been overstated by Rs. 624.84 lakhs.

Our review report dated 10 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021 was also qualified in respect of this matter.

- a. Type of Audit Qualification: Qualified Opinion
- b. Frequency of qualification: First time
- c. For Audit Qualification(s) where the impact is not quantified by the auditor:

Management Reply:

The Company had opted for settlement of Income Tax Litigations under Vivad Se Vishwas Scheme for 3 Assessment years which were under appeal. Consequent to acceptance of the stand taken by the Income tax department, the company, becomes entitled for a claim of Rs. 624.84 Lakhs. The company has filed a revision petition before The Commissioner of Income Tax for recognising the subject relief. As the company has been advised that the chances of getting the relief are bright, the company has recognised the same in the financials.

- 2. Details of Audit Qualification:** We refer to Note 5 to the accompanying Statement, the Company has investment in its associate company to the tune of Rs. 503 lakhs at book value. In the light of the order passed for admission of the petition for winding up of the associate company and also filing of the appeal with the Division Bench of the Honourable High Court of Madras for interim stay of all further proceedings with respect to the order passed and the matter being sub-judice, the outcome is unascertainable at this stage. In view of the uncertainty associated with the outcome of the case, we are unable to comment on the recoverability of the investment made by the Company and impact on its impairment, if any.

Our audit report dated 29 June 2021 on the standalone financial results of the Company for the year ended 31 March 2021 and review report dated 10 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021, were also qualified in respect of this matter.

- a. Type of Audit Qualification: Qualified Opinion
- b. Frequency of qualification: Repeat
- c. For Audit Qualification(s) where the impact is not quantified by the auditor:

Management Reply:

These are equity investments done in normal course of business and the underlying shares are actively traded at much higher price than the book value. The investee company has many legal & commercial options for resolving the dispute and has assets more than its liabilities. Hence, the management is confident of realising its investments by selling the shares, without any difficulty

3. **Details of Audit Qualification:** The Company has accounted for interest income on income tax refund dues as receivable to the tune of Rs. 14.71 lakhs during the year under 'Other Income' which is not in accordance with the recognition and measurement principles laid down in Ind AS. Accordingly, had the interest income not been recognized in the financial statements, the profit before exceptional items and tax would have been lower by Rs.14.71 lakhs.

Our review report dated 10 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021 was also qualified in respect of this matter.

- a. Type of Audit Qualification: Qualified Opinion
- b. Frequency of qualification: First time
- c. For Audit Qualification(s) where the impact is quantified by the auditor:

Management Reply:

Consequent to payment of litigated demands of Income tax under Vivad Se Vishwas Scheme, the Company got entitlement to claim refunds of Income tax for certain years. Accordingly, the company has considered refunds due as well as interest on refunds due in the financials.

III. Signatories:



Chairman
Bala V. Kutti



CEO
N. Bhaskara Chakker



CFO
V. Kannappan



Audit Committee Chairman
Niranjana R Jagtap

For Sanjiv Shah & Associates
Chartered Accountants
Firm Registration No. 003572S

G Ramakrishnan Digitally signed by G Ramakrishnan
Date: 2023.03.08 12:24:18 +05'30'

CA G Ramakrishnan
Partner
Membership No. 209035