

11th Annual Report



INDO ASIAN FINANCE LTD



INDO ASIAN FINANCE LTD

BOARD OF DIRECTORS

Prof. A.V.K. IYENGAR
M.Sc., A.M.I.I.E., F.I.M.A.
P.B. RAMANUJAM, M.A., B.L.
R.J. JAYANTHILAL
M. KISHANCHAND
R.J. ANANDMUL
M. PRAKASHCHAND JAIN, M.M.S.
Joint Managing Director
PADAM J CHALLANI
Managing Director

BANKERS

Indian Bank
Canara Bank
Punjab & Sind Bank
Allahabad Bank
State Bank of India
Indian Overseas Bank
Punjab National Bank

AUDITORS

VISWA BALA ASSOCIATES
Chartered Accountants
Chennai - 600 003.

REGISTERED OFFICE

New No.15, New Giri Road
T.Nagar, Chennai - 600 017.
Tel: 8230002 Fax: 8240459



INDO ASIAN FINANCE LTD

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of INDO ASIAN FINANCE LIMITED will be held on Saturday, the 1st September, 2001 at Sri Rajasthan Jain Samaj, Jain Bhavan, 66 Thiyagaraya Road, T.Nagar, Chennai - 600 017 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2001 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare the dividend for the year ended 31st March, 2001.
3. To appoint a Director in the place of Shri A.V.K.Iyengar who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Shri R.J.Jayantilal who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Shri Padam J Challani who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors.

Registered Office

New No.15, New Gird Road
T.Nagar, Chennai - 600 017.
25th June, 2001

By Order of the Board
For INDO ASIAN FINANCE LIMITED

PADAM J CHALLANI
Managing Director

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the Company.
2. The register of members and the share transfer books of the Company will remain closed from 24th August, 2001 to 1st September, 2001 (both days inclusive).



INDO ASIAN FINANCE LTD

DIRECTORS' REPORT

Your Directors have great pleasure in submitting the Eleventh Annual Report along with Audited Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

	31.3.2001 (Rs. in lacs)	31.3.2000 (Rs. in lacs)
Profit before Depreciation / L.E.R.	201.78	267.72
Add: Excess provision in the earlier years written back	—	2.75
Previous year balance	0.27	0.28
	<u>202.05</u>	<u>270.75</u>
Less: Depreciation / L.E.R.	123.65	175.53
Profit before Tax	78.40	95.22
Less: Provision for Taxation	12.00	10.00
Provision for Non Performing Assets	5.72	—
	<u>60.68</u>	<u>85.22</u>
APPROPRIATION		
Transfer to General Reserve	27.00	35.00
Proposed Dividend	30.00	45.00
Provision for Dividend Tax	3.06	4.95
Balance carried to Balance Sheet	0.62	0.27
	<u>60.68</u>	<u>85.22</u>

OPERATIONS

Stock on hire as on 31st March, 2001 was Rs.1783.70 lacs as against Rs.1152.32 lacs and lease assets were Rs.355.46 lacs as against Rs.665.43 lacs last year. The Company's income from lease business was Rs.183.64 lacs as against Rs.219.87 lacs last year. Finance charges have increased from Rs.270.82 lacs to Rs.287.81 lacs.

RESOURCES

1. Deposits

The public deposits as on 31/03/2001 was Rs.301.97 lacs as against Rs.271.66 lacs as on 31/03/2000.

The total unclaimed public deposits remaining with your Company as on 31/03/2001 was Rs.1,05,082/-. There is no deposit that was claimed and remained unpaid by the Company after the date of maturity of such deposit became due for payment.

Your Directors also wish to inform you that your Company has been following prudential norms for income recognition, asset classification as per RBI guidelines and also the accounting of lease transactions in line with the recommendations of the Institute of Chartered Accountants of India.

During the year, your Company has maintained its rating as a BBB+ rated company by CARE for its deposit programme. Periodic reminders are sent to the depositors for repayment/renewal of deposits.



INDO ASIAN FINANCE LTD

2. Bank/Institutional Finance

During the year, Canara Bank increased their credit facilities granted to your Company by Rs.1 crore while Punjab & Sind Bank increased their credit facilities by Rs.75 lacs. Our application for further increase in credit facilities with existing banks and fresh limits from other banks are in an advanced stage of process.

Your Directors were able to finalise with M/s.Associates India Financial Services Pvt Ltd for securitising the Company's book debts for a total value of Rs.1.25 crores.

DIVIDEND

Your Directors recommend a dividend of 10% free of tax for the year ended 31/03/2001.

BUSINESS AND FUTURE PROSPECTS

The sluggish trend in the commercial vehicle business continued even during the year under review, with the private sector sales registering a further decrease in the sales. Unequal competition from multinational financial companies, banks and financial institutions affected the business of NBFCs in a large measure. However, your Company has been able to increase the volume of business during the year under review in spite of stiff competition and falling interest rates. With the Government policy focussing on infrastructure development, development of transport and communication facilities and with the several tax concessions offered to the industrial sector, it is expected that the demand for vehicles, particularly commercial vehicles, will pick up in the coming years. However, NBFCs continue to face a very stiff challenge from multinationals and in order to effectively compete with them, it is necessary that the lending rates of NBFCs should be at par with that of multinationals. In this connection, your Company is making positive efforts to increase the quantum of lending even at a lower rate to ensure a larger business turnover and consequent increase in profits. With a good track record behind it, your Company is now able to win the confidence of banking and financial institutions and it is hoped the turnover in the current year will be larger than that of the previous years resulting in higher profits.

DIRECTORS

M/s.A.V.K.Iyengar, R.J.Jayantilal and Padam J Challani retire by rotation and are eligible for reappointment.

PARTICULARS OF EMPLOYEES

Particulars of employees in terms of the requirement under Section 217 (2A) of the Companies Act, 1956 - NIL

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Your Company has no activities relating to conservation of energy or technology absorption.

AUDITORS

M/s. VISWABALA ASSOCIATES, Chartered Accountants, Chennai, retire and offer themselves for re-appointment.