

## 17th Annual Report



**INDO ASIAN FINANCE LTD**

**INDO ASIAN FINANCE LIMITED**



**BOARD OF DIRECTORS**

**PADAM J CHALLANI**

Chairman

**M.PRAKASH CHAND JAIN, M.M.S.**

Managing Director

**R.J.ANANDMUL**

**R.J.JAYANTILAL**

**M.KISHANCHAND**

**MAHENDAR A CHALLANI**

**R.KRISHNAN**

**N.SUBRAMANIAN**

**V.POOVAZHAGAN**

**CHIEF EXECUTIVE**

**S.B CHANDRASEKKAR**

**BANKERS**

Canara Bank  
Punjab National Bank  
Indian Overseas Bank  
UCO Bank  
Bank of Baroda  
United Bank of India  
Indian Bank  
Punjab & Sind Bank  
Allahabad Bank  
Lord Krishna Bank Ltd.  
Oriental Bank of Commerce  
State Bank of India

**AUDITORS**

**A.KRISHNAMOORTHY & Co.**  
Chartered Accountants  
T. Nagar, Chennai -600 017.  
Ph: 24347260 / 24340074

**REGISTERED OFFICE**

NO.15 New Giri Road,  
T.Nagar, Chennai-600 017.  
Tel: 28342111/Fax:28341280

**REGISTER &  
SHARE TRANSFER AGENT**

**M/S. Cameo Corporate Services Limited**  
"Subramanian Building"  
No.1 Club House Road,  
Chennai-600 002.  
Tel: 28460390/ Fax: 28460129



## INDO ASIAN FINANCE LIMITED

### NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the Seventeenth Annual General Meeting of the members of Indo Asian Finance Limited will be held on Monday, the 24th September, 2007 at Sri Rajasthan Jain Samaj, Jain Bhavan, 66 Thiagaraya Road, T Nagar, Chennai 600 017 at 10.00 A.M. to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2007 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 dividend for the year ended 31<sup>st</sup> March, 2007.
3. To appoint a Director in place of Mr Padam J Challani, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr Prakashchand Jain, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr R J Jayantilal, who retires by rotation, and being eligible, offers himself for reappointment.
6. To reappoint the auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

Registered Office  
No. 15, New Gira Road  
T, Nagar, Chennai 600017.  
27<sup>th</sup> June, 2007

By order of the Board of Directors  
For INDO ASIAN FINANCE LTD.

Padam J Challani  
Chairman

#### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself / herself and that such proxy need not be a member of the company. Proxies, in order to be effective must be received by the company, not less than 48 hours before the commencement of the meeting.
2. The relevant details in respect of items 3,4 and 5 of the Notice pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is annexed herewith.
3. All documents referred to in Notice are open for inspection at the Registered Office of the company during office hours on all working days except holidays, between 10.00 a.m. and 5.00 p.m up to the date of Annual General Meeting.



## INDO ASIAN FINANCE LIMITED

4. Members desirous of getting any information in respect of the Accounts of the company are requested to send their queries in writing to the company at the Registered Office so as to reach at least 7 days before the date of the Meeting so that the required information can be made available at the meeting.
5. The instrument appointing a proxy should be deposited at the Registered Office of the company not less than 48 hours before the Meeting.
6. The Register of Members and the Share Transfer Books of the company will remain closed from 17<sup>th</sup> September, 2007 to 24<sup>th</sup> September, 2007 (both days inclusive).
7. Dividend, if approved, will be paid to those members whose names appear in the Register of Members as on 24<sup>th</sup> September, 2007.
8. Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL), the company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the company and the company cannot entertain any request for deletion/change of the bank details already printed on dividend warrants as per information received from the concerned depositories. In this regard, members should contact their Depository Participant (DP) and furnish particulars of any changes desired by them.
9. In terms of SEBI circular dated 27<sup>th</sup> December, 2002, M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1 Club House Road, Chennai 600 002, have been appointed Registrar and Share Transfer Agents for both physical and demat shares. The shareholders are requested to send all correspondences to the address of the Registrar.
10. At this Annual General Meeting M/s. Padam J Challani, M Prakashchand Jain and R J Jayantilal retire by rotation and being eligible offer themselves for reappointment.

Registered Office  
No. 15, New Giri Road  
T, Nagar, Chennai 600017.  
27<sup>th</sup> June, 2007

By order of the Board of Directors  
For INDO ASIAN FINANCE LTD.

Padam J Challani  
Chairman



## INDO ASIAN FINANCE LIMITED

## Information on Directors seeking re-appointment at this Annual General Meeting

NAME	Padam J Challani	R.J. Jayantilal	Prakash Chand Jain
Date of Birth &	10.01.1955	14.11.1961	03.11.1955
Age	52 Years	45 Years	51 Years
Appointed on	17.04.1990	18.10.1990	13.11.1992
Qualification	B.Sc.	M.A	Management Graduate from BITS.
Expertise	Mr. Padam J Challani is a graduate and comes from a family of financiers who are in the field of Hire Purchase and Leasing for the past 40 years. He is possessing practical Experience of more that 30 years in the field of Hire Purchase and Leasing.	Mr. R.J.Jayantilal is a businessman connected with Real Estate Development and jewellery. He is also possessing practical experience in financing of Trucks and Cars and Hire Purchase and Leasing. He has more than 20 years of experience in his field of activity.	Mr. Prakash Chand Jain comes from a family of financiers and he has 28 years of experience in Hire purchase, loan and real estate fields.
Directorships held In other Public Companies	Saravana Gobal Energy Limited Saravana Foundation Limited Saravana Developers Limited	Saravana Foundations Limited Challani Estates Limited Saravana Developers Limited	
Memberships/ Chairmanships of Committees across Public Companies	Audit Committee	Audit Committee Remuneration Committee, Investors' Grievances Committee of Indo Asian Finance Limited	Audit Committee



## INDO ASIAN FINANCE LIMITED

### DIRECTORS' REPORT

Your Directors are pleased to present the Seventeenth Annual Report of your company along with the audited financial statements for the year ended 31<sup>st</sup> March, 2007.

**The highlights of the financial results for the year 2006-2007 are as below:**

	For the years ended	
	31.03.2007 (Rs.in lacs)	31.03.2006 (Rs. in lacs)
Income from operations	729.04	593.45
Other income	28.61	10.76
Total expenditure	569.58	462.18
Gross Profit	188.06	142.05
Depreciation	9.73	9.28
Other non cash expenses	20.25	11.09
Profit before tax	158.09	121.66
Provision for taxation :		
Current tax	33.21	22.69
Fringe Benefit tax	4.52	3.60
Profit after tax	120.35	95.37
Add : Surplus brought forward	5.32	4.15
Surplus available	125.67	99.52

#### Appropriations :

-Transfer to General Reserve	50.00	40.00
-Transfer to Special Reserve	25.00	20.00
-Dividend	30.00	30.00
-Tax on distributed profits	4.21	4.21
Balance carried to Balance Sheet	16.47	5.32

### BUSINESS AND FUTURE PROSPECTS

During the year, the income of the company had gone up to Rs.757.65 lacs as compared to Rs.604.21 lacs achieved in the last year, registering an increase of 25.40%. Profit after tax had increased to Rs.120.35 lacs.

Net stock on hire had gone up to Rs.2640.62 lacs as at 31<sup>st</sup> March, 2007 as compared to Rs.2544.34 lacs as at 31<sup>st</sup> March, 2006..

During the year the company had entered into a franchisee arrangement with Shriram Transport Finance Company Limited on 50:50 risk and reward sharing basis. The association with Shriram proved to be good for the company.



## INDO ASIAN FINANCE LIMITED

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Indian economy is on ever increasing growth path. GDP growth of 8-9 %, increasing foreign exchange reserves, record FDI inflow and surge in exports reiterate the growth story.

It is expected that the growth momentum would continue in the current year also. The thrust being given by the Central and State Governments in infrastructure creation and maintenance will also continue to have positive effects on the transport sector over a long period, which in turn would increase the requirement of finance. Therefore, the fortune of your company is expected to further improve in the coming years.

### DIVIDEND

Your directors recommend a dividend payment of 10% (Re. 1.00 per equity share of Rs. 10) for the year ended 31<sup>st</sup> March, 2007 subject to the approval of the shareholders in the ensuing Annual General Meeting.

### FINANCE

Your company continues to enjoy BBB+ rating from CARE for fixed deposits. The total amount of fixed deposits with the company as on 31<sup>st</sup> March, 2007 was Rs.225.02 lacs. There were 71 unclaimed deposits with an outstanding of Rs 17.71 lacs. Depositors were informed regarding the maturity of deposits and subsequent reminders were also sent. On follow up, four deposits for Rs.1.02 lacs had been renewed so far and reminders had been sent to the remaining depositors for renewal/payment.

The company has been consistently making efforts to reduce the cost of funds to augment profitability.

### DISBURSEMENTS

During the year the company had made total disbursements of Rs.87 crores (in our book Rs.22 crores and for Shriram Rs.65 crores).

### DIRECTORS

M/s Padam J Challani, Prakashchand Jain and R J Jayantilal retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

### STATUTORY STATEMENTS

The statement of information on technology absorption pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable to the activities of the company.

During the year the company's foreign exchange outgo was Rs.1,26,930 and foreign exchange earning was nil.



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Particulars of employees in terms of requirement of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not enclosed as there are no employees who have been paid salary in excess of prescribed limits

Information pursuant to Department of Company Affairs Notification dated May 15, 1995, relating to the Balance Sheet Abstract and Company's General Business Profile is given in the Annual Report for information of the shareholders.

### AUDITORS

M/s. A Krishnamurthy & Co, Chartered Accountants, Statutory Auditors of the company retire at the ensuing annual general meeting and are eligible for reappointment.

### DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

- a) that the applicable accounting standards have been followed along with proper explanation wherever required in the preparation of annual accounts.
- b) that the company has adopted prudent accounting policies.
- c) that proper care has been taken for maintenance of accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- d) that the annual accounts of the company have been prepared on a going concern basis.

### CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Directors report and the certificates from the company's auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the listing agreement with the Stock Exchanges is included in the Annual Report

### ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere appreciation of the assistance and support extended by customers, Government agencies, banks and others associated with the activities of the company.

For and on behalf of the Board

Chennai  
27<sup>th</sup> June 2007

Padam J Challani  
Chairman





## INDO ASIAN FINANCE LIMITED

### 1. Statement of Company 's Philosophy on Corporate Governance

The Company believes in setting the highest standards in ethical corporate governance practices. The Company has assigned the highest importance to the elements of good corporate governance like transparency, accountability and responsibility in every sphere of management practice be it customers, shareholders, bankers, regulators or staff members. With emphasis on transparency and accountability the company has developed a system that allow sufficient freedom to the board and the management to take decisions towards the growth of the company while remaining within the framework of effective accountability.

### 2. Board of Directors

The Board of Directors of the Company consist of Executive and Non-executive Directors.

S. NO	Name of Directors	Designation	Category	No of Directorships held in Other Indian Companies	No. of Board /Committee Memberships held in Other Companies
1.	Padam J Challani	Chairman	Promoter Executive	Nine	None
2.	M.Prakash chand Jain	Managing Director	Promoter Executive Non Executive	—	None
3.	Anandmul R.J	Director	Non Executive	One	None
4.	R.J. Jayantilal	Director	Executive	Three	None
5.	M.Kishanchand	Director	Non Executive	—	None
6.	Mahendar A Challani	Director	Non Executive	One	None
7.	R.Krishnan	Director	Non Executive Independent	—	None
8.	N.Subramanian	Director	Non Executive Independent	—	None
9.	V.Poovazhagan	Director	Non Executive Independent	Three	None



## INDO ASIAN FINANCE LIMITED

The Non executive directors have no material pecuniary relationship of transaction vis a vis the company in their personal capacity during the year. Sitting fees are paid to Directors for attending meeting of the Board.

### Tenure

As per the statute, two third of the directors should be retiring directors. One third of the directors are required to retire every year and if eligible, these directors qualify for re appointment.

### Responsibilities

The board represents the interest of the company's shareholders, in optimizing the value by providing the management with guidance and strategic direction on the shareholders' behalf. The Board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of resources, regulatory compliance, safeguarding interest of shareholders and reporting to shareholders.

### Role of independent directors

The Independent directors play an important role in deliberations at the board meetings and bring to the company their wide experience in the fields of finance, accountancy, law and public policy, The Audit Committee consists of largely independent directors.

### Board Meetings

The meetings of the board of directors are held at the registered office of the company, The Board meets at least once a quarter to review the quarterly performance and the financial results.

The Company Secretary in consultation with the Chairman prepares the agenda for the meetings. The board members have access to all information of the company and are free to recommend inclusion of any matter in the agenda for discussion.

During the year, the board met 5 times. The meetings were held on 28.06.2006, 31.07.2006, 25.09.2006, 31.10.2006 and 29.01.2006. The attendance of each director at the board meetings and at the last annual general meeting is as under:

Name of Directors	No of Board Meetings		Last AGM Attendance
	Held	Attended	
Padam J Challani	5	4	Yes
M. Prakash chand Jain	5	4	Yes
R. J. Anandmul	5	1	Yes
R. J. Jayantilal	5	4	Yes
M. Kishanchand	5	1	-
Mahendar A Challani	5	2	Yes
R Krishnan	5	5	Yes
N Subramanian	5	5	Yes
V. Poovazhagan	5	5	Yes