



INDO ASIA FINANCE LIMITED
(Formerly known as Indo Asian Finance Limited)

2010-11

Board of Directors:

PADHAM J CHALLANI
Chairman and Managing Director

M.PRAKASHCHAND JAIN
Director

N.SUBRAMANIAN
Director

M.VISWANATHAN
Director

Bankers:

ALLAHABAD BANK, T.Nagar Branch
BANK OF BARODA, Anna Salai Branch
CANARA BANK, Thambu Chetty St. Branch
INDIA BANK, Anna Salai Branch
INDIAN OVERSEAS BANK, Mount Road Branch
ORIENTAL BANK OF COMMERCE, Pondy Bazaar Branch
PUNJAB NATIONAL BANK, Nungambakkam High Road Branch
PUNJAB & SIND BANK, Thambu Chetty St. Branch
STATE BANK OF INDIA, Overseas Branch, Rajaji Salai
UCO BANK, T.Nagar Branch
UNITED BANK OF INDIA, T.Nagar Branch

Auditors:

M/s. A.KRISHNAMOORTHY & CO
Chartered Accountants,
43, Ramaswamy St., T.Nagar, Chennai-600 017.
Phone: 91-44-24347260, Fax: 91-44-43560078

Registered Office:

No.15, New Giri Road, T.Nagar, Chennai-600 017.
Phone: 91-44-28342111, Fax: 91-44-28341280
E-mail: investors@indoasiafinance.com
Website: www.indoasiafinance.com

Shares Listed With:

Bombay Stock Exchange Limited. Mumbai.
Madras Stock Exchange Limited. Chennai

Company Share Registry:

M/s. Cameo Corporate Services Limited,
Subramanian Buildings,
No.1, Club House Road, Chennai- 600 002,
Phone: 91-44-28460390-94, Fax: 91-44-28460129.
E-mail: investor@cameoindia.com



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Twenty-first** Annual General Meeting of the Members of **Indo Asia Finance Limited** will be held on Wednesday the 28th September, 2011 at 10.30 a.m at the registered office of the Company, No.15, New Giri Road, T.Nagar, Chennai-600017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2011, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2011
3. To appoint a Director in place of Mr. Prakashchand Jain, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors and fix their remuneration. M/s.A.Krishnamoorthy & Co., Chartered Accountants, the retiring Auditors of the Company are eligible for reappointment and offer themselves for reappointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr.M.Viswanathan who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 at the meeting of the Board of Directors held on 27.07.2011 and who vacates his office at the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), consent of the Company be and hereby accorded to the appointment of Mr.Padam J Challani as Chairman and Managing Director of the Company for a period of five years with effect from December 01, 2010, upon the terms and conditions shall be as follows:

Remuneration: - As may decided by the Board at later date.

RESLOVED FURTHER THAT Mr.Padam J Challani, shall be responsible for the substantial management and administration of the Company comprising primary of contributing in high level business development, business guidance, business visibility, administration, finance, policy and decision making in accordance with the directions of the Board. That Mr.Padam J Challani shall also accept and discharge those duties which may be assigned to him by the Board from time to time and which can be reasonably expected of him in consideration of his position as the Chairman and Managing Director. The discharge of duties by Mr.Padam J Challani shall be subject to the superintendence, control and direction of the Board.



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RESLOVED FURTHER THAT as the Chairman and Managing Director Mr. Padam J Challani, shall be liable to retire by rotation under section 255 of the Companies Act, 1956, however, if re-appointed as a director immediately on retirement by rotation, he shall continue to hold office of Managing Director and such re-appointment as Director shall not be deemed to constitute a break in his appointment as the Managing Director.

RESLOVED FURTHER THAT during the tenure as the Chairman and Managing Director Mr. Padam J Challani shall be entitled to be paid / reimbursed by the Company all costs, charges, and expenses as may be incurred by him for the purpose of or on behalf of the Company

**By Order of the Board
For Indo Asia Finance Limited**

**Padham J Challani
Chairman**

July 27, 2011
Registered Office
No.15, New Giri Road,
T.Nagar, Chennai -600017

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXY TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday the September 27, 2011 to Wednesday the September 28, 2011 (both days inclusive) for the purpose of dividend entitlement which will be paid after approval of the shareholders in the ensuing Twenty-first Annual General Meeting.
4. The dividend on shares as recommended by the Board of Directors, if declared at the meeting, will be payable to those members whose name appear:-
 - (i) as member in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before 27th day of September 2011 and



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- (ii) as Beneficial Owners as at the end of the business on or before 27th day of September 2011 as per the list to be furnished by National Securities Depository Limited and / or Central Depository Service (India) Limited in respect of the shares held in electronics form
5. Members are hereby requested to send all correspondence concerning transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address to the Company's Registrar and Share Transfer Agent.
 6. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the Company keep the information ready.
 7. Members/ proxies should bring the attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
 8. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar for the prescribed form. Nomination form may be downloaded from Company's Website www.indoasiafinance.com
 9. Annual Report is available at the website of the Company at www.indoasiafinance.com
 10. During the current financial year 2011 the Company will be required to transfer to the Investor Education & Protection Fund, the unpaid/unclaimed dividend for the year ended March 31, 2004. Those Members who have not encashed their warrants are requested to immediately return the outdated warrants to the Company or to write to the Company in the matter to enable the company to issue demand drafts in lieu thereof
 11. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holdings shares in electronic form are, therefore, requested to submit the PAN to their Depositories Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN Details to the Company / Registrar and Transfer Agents.
 12. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository participant of the members
 13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN Details to the Company / Registrar and Transfer Agents
 14. Members who are holding shares more than one folio under physical form may approach the Company's Share Transfer Agents for consolidation with respective details.



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15. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/ re-appointment of directors.

1	Name	Padham J Challani
	Date of Birth & Age	10.01.1955. 56 Years
	Nationality	Indian
	Date of Appointment on the Board	17.04.1990 29.01.2010
	Qualifications	B Sc.
	Expertise in functional area	Founder promoter of the Company and has rich Experience in the field of Hire Purchase and Financial reengineering for more than three decades
	No of Shares held	1,10,100 (One Lakh Ten Thousand One Hundred)
	List of Directorship held In other Companies	M/s SARAVANA GLOBAL ENERGY LIMITED M/s SARAVANA FOUNDATIONS LIMITED
	Chairman/Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2011	NIL
	PAN	AEKPC1816N
2	Name	Prakashchand Jain M
	Date of Birth & Age	03.11.1955. 56 Years
	Nationality	Indian
	Date of Appointment on the Board	13.11.1992
	Qualifications	M.M.S Bits (Pillani)
	Expertise in functional area	Comes from a family of financiers and has about 30years experience in Hire Purchase, Loan and Real Estate fields
	No of Shares held	8,16,600 (Eight Lakh Sixteen Thousand six Hundred)
	List of Directorship held In other Companies	M/s.United Overseas Developers Ltd.
	Chairman/Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2011	NIL
	PAN	AOWPS6898E
3	Name	M.Viswanathan
	Date of Birth & Age	13.12.1933. 78 Years
	Nationality	Indian
	Date of Appointment on the Board	27-07-2011
	Qualifications	Diploma in Auto Mobile Engineering
	Expertise in functional area	30 Years experience in Coal India Limited in various capacities. He was Additional Chief Engineer with Western Coal Fields Limited, Nagpur, at the time of his retirement.
	No of Shares held	NIL
	List of Directorship held In other Companies	NIL
	Chairman/Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2011	NIL
	PAN	AFVPV4404R

(Excluding Private Limited Companies)



Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by email to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form (refer last page of the Annual Report) and register the same with M/s.Cameo Corporate Services Limited, "Subramanian Buildings", 1, Club House Road, Chennai 600 002. Postage for sending the feed back form will be borne by the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(1)

Item No. 5

The Board of Directors at their meeting held on 27.07.2011 had appointed Mr.M.Viswanathan as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, read with Article No.9 of the Articles of Association of the Company to hold office as such till the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr.M.Viswanathan for the office of Director of the Company. The Board considers that it is in the interest of the Company to continue to have the benefit of rich experience and expertise of Mr.M.Viswanathan and accordingly the Board of Directors recommend the resolution as set out in item No.5 of the notice convening annual general meeting for approval of the shareholders

Except Mr.M.Viswanathan, being the appointee no other Directors is interested in the aforesaid resolution.

Item No.6

The Board of Directors at their meeting held on 29th October, 2010 have appointed Mr.Padam J Challani as Chairman and Managing Director of the Company for a period of five years with effect from December 01, 2010, which have been enumerated in the resolution at item no.6 of this notice. The said remuneration is in consonance with the provisions of the Companies Act, 1956 and is recommended by Remuneration Committee. His appointment is subject to the approval of the members at the ensuing General meeting.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of terms and terms of his appointment and memorandum of concern or interest under Section 302 of the Companies Act, 1956.



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The appointment is in conformity with the schedule XIII of the Companies Act, 1956 and the terms of appointment and remuneration of Mr. Padam J Challani specified in the resolution are now placed before the members for their approval. The Board recommends passing of the Ordinary Resolution at Item No.6 of the Notice.

Except Mr. Padam J Challani none of the Directors of the Company is concerned or interested in the resolution.

**By Order of the Board
For Indo Asia Finance Limited**

**Padham J Challani
Chairman**

July 27, 2011
Registered Office
No.15, New Gird Road,
T.Nagar, Chennai-600017



DIRECTORS' REPORT

To The Members,

Your Directors are pleased to present the Twenty-first Annual Report of your company with the audited financial statements for the year ended 31st March, 2011.

Financial Results:

	(Rs. in Lakhs)	
	For the year ended	
	31.03.2011	31.03.2010
INCOME:		
Income from operations	753.15	998.98
Other income	1.42	2.61
Total (A)	754.57	1001.59
EXPENDITURE:		
Financial Expenses	477.38	464.48
Establishment expenses	70.51	66.22
Administrative & Other Expenses	150.40	300.71
Provisions & Write off	0.47	25.08
Depreciation	14.19	12.93
Total (B)	712.95	869.42
PROFIT BEFORE TAX	41.62	132.17
Less Taxation	12.86	44.92
PROFIT AFTER TAX	28.76	87.25
Balance as per last Balance Sheet brought forward	32.01	16.25
Profit Available for Appropriation	60.77	103.50
The Appropriations are:		
- Dividend	27.00	27.00
- Dividend Tax	4.48	4.48
- Transfer to General Reserve	10.00	20.00
- Transfer to Special Reserve	10.00	20.00
- Balance carried forward	9.29	32.02

BUSINESS AND FUTURE PROSPECTS

The Gross Income during the year was Rs.7.55 crores as against 10.02 crores in the previous year. Profit after tax for the current year is Rs.28.76 lakhs against Rs.87.25 lakhs in the previous year down by 67.03%. Net Stock on Hire grew marginally by Rs.1.53 Crores to 39.10 crores from 37.65 crores. The decline in Income and Profit is mainly due to paucity of funds. The Consortium of Bankers had appraised our working capital limit as 40.50 Crores but the sanctioning of the additional limit was not materialized for technical reasons. Because of this the Company was forced to recover the overdue amounts by allowing discounts and seizing and disposing of the vehicle financed.

The franchisee arrangement with Shriram Transport Finance Company Limited, on 50:50 risk and reward sharing basis is in force and entered its sixth year of operation

The credit growth in the economy remained at relatively low level for most of the year. Going forward, the challenges of an increase in cost of funds as a result of possible policy measures of RBI to contain inflation are very high.

During the year, the company had made disbursements to the tune of Rs.2114.09 lacs under hypothecation/loan.



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CHANGE OF NAME AND RIGHTS ISSUE

The Company has obtained approval of Shareholders under postal ballot on March 11, 2011 and also of Registrar of Companies, Chennai with regard to change of the name of the Company from **INDO ASIAN FINANCE LIMITED** to **INDO ASIA FINANCE LIMITED** based on the report of a famous Numerologist & Gemologist for the best interest of the Company and issue of Two Rights Shares for every Three Equity Shares of Rs.10/- each held on the record date. The terms & conditions of the issue including the pricing of the issue, record date etc. are yet to be decided by the Board.

DIVIDEND

Your directors have recommend a final dividend of 3% (Re.0.30 per equity share of Rs.10/-) on the paid up share capital of the Company for the year ended 31st March, 2011, subject to the approval of the shareholders in the ensuing Annual General Meeting. The dividend will absorb Rs.31.48 Lakhs including Dividend Distribution Tax of Rs.4.48 Lakhs.

INTERNAL CONTROLS AND THEIR ADEQUACY:

The internal control systems are commensurate to the size of the operation of the Company. Whenever it is required, the systems and procedures are upgraded to suit the changing business needs.

RESOURCE MOBILISATION

DEPOSIT

The Company has not accepted any fixed deposits during the year. The total deposits outstanding as on March 31, 2011 was Rs.1,97,053/- as compared to 3,45,343/- as on March 31, 2010. There were unclaimed matured deposits of Rs. 42,800/- representing one (01) depositor as at March 31, 2011 which has been paid subsequently in May, 2011. The company was holding Rs.2.00 lacs as SLR Security with A.P State Development Loan maturing in the year 2016.

Bank Finance

Your Company's bankers continue to extend their support, providing loans at competitive rates. The maximum amount outstanding at any time was Rs.29.60 Crores., and the amount outstanding at the end of the year was Rs.29.57 Crores. The working capital credit limits of your Company were renewed at Rs.29.60 Crores.

RISK MANAGEMENT

Over the years, your Company has achieved an appropriate balance between risk and returns by setting up an efficient risk mitigation system to meet various forms of financial and other risks. The primary risks that the company is exposed to are, credit risk, market risk and operational risk. Deriving from the long years of experience in retail auto financing, your Company's credit policy framework is designed to provide the right balance between business growth and portfolio quality. The Company's philosophy of not outsourcing the credit appraisal process has ensured that credit filters are uniformly applied by experienced and well-trained employees. The consistently low levels of delinquency and credit losses in the portfolio bear ample testimony to this.

Your Company has constituted a Risk Management Committee, in accordance with the Guidelines on Corporate Governance issued by the Reserve Bank of India, to monitor the risk management framework on an ongoing basis with a view to ensuring that risk parameters are within defined limits.



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CREDIT RATING

Your company has been assigned BBB - rating by CARE for Bank facilities as well as Fixed Deposit programme. Instruments with this rating are considered to offer moderate safety for timely servicing of debt obligations and carry moderate credit risk.

DIRECTORATE

The Company is managed by Mr. Padham J Challani, Chairman and Managing Director under strict supervision of the Board of Directors. In compliance with the provisions of the Companies Act, 1956 and in accordance with the Articles of Association, Mr. Prakash Chand Jain, retires at this Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors at their meeting held on 27.07.2011 had appointed Mr. M. Viswanathan as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, read with Article No.9 of the Articles of Association of the Company to hold office as such till the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. M. Viswanathan for the office of Director of the Company. Your Directors recommend the resolution as set out in item No.5 of the notice convening annual general meeting for approval of the shareholders

The Board of Directors at their meeting held on 29th October, 2010 have appointed Mr. Padam J Challani as Chairman and Managing Director of the Company for a period of five years with effect from December 01, 2010, which have been enumerated in the resolution at item no.6 of this notice.

Further to the resignation of the Company Secretary the post of Company Secretary has remained vacant and for which your Directors are taking every possible steps to appoint a full time Company Secretary as required under Section 383A of the Companies Act, 1956.

Brief resume of the Directors, seeking re-appointment including the re-appointments of Managing Director, nature of their expertise as stipulated under clause 49 of the listing agreement with the Stock Exchanges, is appended to the notice convening the Annual General Meeting.

DISCLOSURES OF PARTICULARS OF CONSTITUTING "GROUP" PURSUANT TO REGULATION 3(1)(E) OF THE SEBI(SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997.

Pursuant to information from the promoters, the name of the promoters and entities comprising group as defined under Monopolies and Restrictive Trade Practice (MRTP) Act, 1969, are as under for the purpose of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997. (As at 31st March, 2011).

MR. AASHISH CHOPRA	MR. ABISHEK CHOPRA	MR. ADITYA CHOPRA	MR. AJEETH P. CHALLANI
MS. AMRA BAI J	MS. J. P. SWAPNA	MR. JAWARILAL JAIN R	MS. LALITHA J. A
MR. M. PRAKASH CHAND JAIN	MS. MAMTHA A. MUTHA	MS. P. KANTHA CHOPRA	MS. P. SHOBA
MR. JAWARILAL PADAM CHAND CHALLANI			

STATUTORY STATEMENTS

The statement of information on conservation of energy, 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.