



**INDO ASIA FINANCE LIMITED**

**2012-2013**



**23rd Annual Report**

**INDO ASIA FINANCE LIMITED****2012-2013**

<b>Board of Directors</b>	:	<b>PADHAM J CHALLANI,</b> Chairman & Managing Director  <b>M.PRAKASHCHAND JAIN, M.M.S</b> Director  <b>N.SUBRAMANIAN, B.Com., F.C.A</b> Director  <b>M.VISWANATHAN,</b> Director  <b>PRASAN CHAND CHOPRA</b> Director
<b>Registered Office</b>	:	No.15, New Giri Road, T. Nagar, Chennai - 600 017, Tamilnadu, India. Phone: 91-44-28342111, Fax: 91-44-28341280. Email: investors@indoasianfinance.com Website: www.indoasianfinance.com
<b>Auditors</b>	:	<b>M/s. A. KRISHNAMOORTHY &amp; Co.,</b> Chartered Accountants, NO.43, Ramaswamy Street, T.Nagar, Chennai - 600 017. Phone: 91-44-24347260, Fax: 91-44-43560078.
<b>Bankers/Financial Institutions</b>	:	<b>CANARA BANK,</b> Thambu Chetty Street Branch <b>STATE BANK OF INDIA,</b> Overseas Branch, Rajaji Salai <b>PUNJAB NATIONAL BANK,</b> Nungambakkam High Road Branch <b>INDIAN OVERSEAS BANK,</b> Mount Road Branch <b>UCO BANK,</b> T.Nagar Branch <b>BANK OF BARODA,</b> Anna Salai Branch <b>UNITED BANK OF INDIA,</b> T. Nagar Branch <b>INDIAN BANK,</b> Anna Salai Branch <b>ORIENTAL BANK OF COMMERCE,</b> Pondy Bazar Branch <b>ALLAHABAD BANK,</b> T. Nagar Branch <b>PUNJAB &amp; SIND BANK,</b> Thambu Chetty St. Branch
<b>Share Listed with:</b>	:	The Bombay Stock Exchange Limited, Mumbai The Madras Stock Exchange Limited, Chennai
<b>Company Share Registry</b>	:	<b>M/s.Cameo Corporate Services Limited</b> "Subramanian Buildings", 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-Third Annual General Meeting of the Members of **INDO ASIA FINANCE LIMITED** will be held on Monday the 30<sup>th</sup> September, 2013 at 11.30 a.m at the registered office of the Company at 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, 2013, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 2.** To appoint a Director in place of Mr.M.Prakash Chand Jain, who retires by rotation, and being eligible, offers himself for reappointment.
- 3.** To appoint a Director in place of Mr.M.Viswanathan, 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.

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

**Padham J Challani  
Chairman and Managing Director**

**29<sup>th</sup> July, 2013**

Registered Office  
No.15, New Giri Road,  
T.Nagar, Chennai - 600 017.

**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. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 27<sup>th</sup> day of September, 2013 to Monday, 30<sup>th</sup> day of September, 2013 (Both days Inclusive) for the purpose of ascertaining the list of members as on the date of ensuing Twenty Third Annual General Meeting.
3. 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.
4. 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.
5. 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.
6. 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.indoasianfinance.com](http://www.indoasianfinance.com).
7. Annual Report is available at the website of the Company at [www.indoasianfinance.com](http://www.indoasianfinance.com).
8. Members who have not yet encashed their dividend warrants for previous years are advised to forward such warrants to the Company for revalidation. Pursuant to the provision of Section 205A read with Section 205C of the Companies Act, 1956, dividend, which remains unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government.
9. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holding 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 Share Transfer Agent.



10. 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 Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in Electronic form for any change of Bank particulars of Bank mandates. Such changes are to be advised only to the Depository Participant of the members.
11. 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.
12. 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 E-mail 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 their E-mail ID's with M/s.Cameo Corporate Services Limited, “Subramanian Buildings”, 1, Club House Road, Chennai - 600 002.
13. Members who are holding shares in more than one folio under physical form may approach the Company's Share Transfer Agent for consolidation with respective details.
14. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/re-appointment of Directors.

**DIRECTORS**

1	Name	Prakash Chand 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 Pilani)
	Expertise in Functional Area	Comes from a family of financiers and has about 32 years experience in Hire Purchase, Loan and Real Estate fields
	No of Shares held	8,16,600 (Eight Lakhs Sixteen Thousand Six Hundred only)
	List of Directorship held In other Companies	1. United Overseas Developers Limited 2. Leaders Gate Housing Private Limited 3. United Overseas Impex Private Limited
	Chairman/Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2013	Nil
	PAN	AOWPS6898E

**INDO ASIA FINANCE LIMITED****2012-2013**

2	Name	M.Viswanathan
	Date of Birth & Age	13.12.1933, 80 Years
	Nationality	Indian
	Date of Appointment on the Board	27.07.2011
	Qualifications	Diploma in Automobile Engineering
	Expertise in Functional Area	32 Years experience in Coal India Limited in various capacities also worked as Additional Chief Engineer with Western Coal Fields Limited, Nagpur
	No of Shares held	816600
	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 31.03.2013	Nil
	PAN	AFVPN4404R

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

**Padham J Challani**  
Chairman and Managing Director

**29<sup>th</sup> July, 2013**  
Registered Office  
No.15, New Giri Road,  
T.Nagar, Chennai - 600 017.


**DIRECTORS' REPORT**

**To The Members,**

Your Directors are pleased to present the Twenty-Third Annual Report of your Company with the audited financial statements for the year ended 31<sup>st</sup> March, 2013.

**Financial Results:**

(₹ in Lakhs)

	<b>For the year ended</b>	
	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>INCOME:</b>		
Income From Operations	740.80	836.30
Other Income	0.70	0.27
<b>Total</b>	<b>741.50</b>	<b>836.57</b>
<b>EXPENDITURE:</b>		
Finance Costs	532.76	545.82
Employee Benefits Expenses	87.20	64.96
Depreciation & Amortization Expenses	13.59	111.84
Other Expenses	161.19	26.45
Provisions & Write off	(3.02)	18.15
<b>Total</b>	<b>791.72</b>	<b>767.22</b>
<b>PROFIT BEFORE TAX</b>	<b>24.79</b>	<b>69.35</b>
Less Taxation - Current	7.81	18.22
Earlier Years	-	10.39
<b>PROFIT AFTER TAX</b>	<b>16.98</b>	<b>40.74</b>
Balance as per last Balance Sheet brought forward	56.51	40.77
<b>Profit Available for Appropriation</b>	<b>73.49</b>	<b>81.51</b>
The Appropriations are :		
- Transfer to General Reserve	-	12.50
- Transfer to Special Reserve	10.00	12.50
- Balance carried forward	63.49	56.51

**BUSINESS OUTLOOK AND FUTURE PROSPECTS**

The Gross Income during the year was Rs.7.42 crores as against 8.37 crores in the previous year. Profit after tax for the current year is Rs.16.98 lakhs as against Rs.40.74 lakhs in the previous year. Net Stock on Hire grew marginally by Rs.1.16 Crores to 42.78 crores from 41.62 crores. The sanctioning of the additional limit, by the Consortium of Bankers, to the extent of Appraised Limit of Rs.40.50 Crores was not materialized, for technical reasons, during the current financial year also. Because of this the Company was forced to go slow on disbursements and enter into Franchise operations to meet the demand.

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

The Franchise Agreement with L&T Finance Limited on Fee based services is in force.

The main thrust continues on individual Pre-owned Commercial Vehicle Finance directly through the Company's own operation.

In Previous year Company entered into a joint venture Agreement with a reputed builder to develop the land into a commercial complex. This commercial complex is in Progress.

**DIVIDEND**

In order to conserve the liquid resources for the development of future business of the Company and to enhance shareholders value, Your Directors have not recommended any Dividend for the year ended 31<sup>st</sup> March 2013. However to enhance the Reserves, the Board of Directors voluntarily transferred a sum of Rs.10.00 Lacs to the Special Reserve.

**RESOURCE MOBILISATION****Public Deposit**

The Company has not accepted fixed deposits from public during the year.

**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.30.21 Crores and the amount outstanding at the end of the year was Rs.28.94 Crores. The working capital credit limits of your Company were renewed at Rs.29.60 Crores.

**CREDIT RATING**

Your Company has been assigned BB+ (Double B Plus) rating by CARE for Bank facilities as well as Fixed Deposit programme, instruments with this rating are considered to offer moderate risk of default regarding timely servicing obligations.

**CAPITAL ADEQUACY RATIO**

Your Company's total Capital Adequacy Ratio (CAR), as of March 31, 2013 stood at 31.82% of the aggregate risk weighted assets which is well above the regulatory minimum of 15%.

**STATUTORY STATEMENTS****Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo and Particulars of Employees :**

Indo Asia Finance Limited does not carry on any manufacturing activities and accordingly the provision to furnish information as per Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, particulars relating to Conservation of Energy, Research and Development and Technology Absorption is not applicable.

There are no Foreign Exchange earnings and out go during the year under review.

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.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your Directors to the best of their knowledge and belief

**Confirm that :**

- (i) In the preparation of the Annual Accounts, for the year 2012-13, the applicable Accounting Standards have been followed and there no material departure;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the **profit** of the Company for the year;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities and
- (iv) they have prepared the annual accounts on a going concern basis.

**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.

**STATEMENT PURSUANT TO LISTING AGREEMENT**

The Company's Securities are listed with The Bombay Stock Exchange Limited, Mumbai and The Madras Stock Exchange Limited, Chennai and the Company has paid the respective Annual listing fees up-to-date and there are no arrears.

**CORPORATE GOVERNANCE**

A detailed report on **Corporate Governance** as updated with the particulars of this Financial year, as per the directions from SEBI is annexed to this report (Annexure A) together with **Report of the Auditors**, on the compliance with the said Code and a Report of the Management Discussion and Analysis is also annexed separately.

**DIRECTORATE**

In compliance with the provisions of the Companies Act, 1956 and in accordance with the Article 9 of the Company's Articles of Association, Mr. Prakash Chand Jain and Mr. M.Viswanathan, retires at this Annual General Meeting and being eligible, offers themselves for re-appointment.

In spite of best effort, the Company could not able to appoint full time Company Secretary as required under section 383 A of the Companies Act, 1956.

Brief resume of the Directors, seeking re-appointment, nature of their expertise as stipulated under clause 49 of the listing agreement with the Bombay Stock Exchange Limited, 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 an 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, 2013).

Padham J Challani	AJeeth Kumar J.P	J.P.Swapna	Mamtha A Mutha
P.Shobha	Sumthi Challani	J.Hemalatha	Lalitha J.A
J.Amara Bai			