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 Sections198, 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.

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

(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.

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 ensuring 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.

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 Giri 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.

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.

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 ensuring 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.PRAKASHCHAND 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.

The Company has not earned any foreign exchange during the year under review and foreign exchange outgo was Rs.1,03,006/- (previous year Rs.62,413).

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

The retiring auditors, M/s.A.Krishnamoorthy & Co, Chartered Accountants have expressed willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956.

The Audit committee and the Board of Directors recommend the re-appointment of M/s.A.Krishnamoorthy & Co, Chartered Accountant as Auditors for a further period of one year and to fix their remuneration.

The Auditors Report to the Members does not contain any qualification or adverse remarks.

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 directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a 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;

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 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 Management discussion and Analysis is also annexed separately.

ACKNOWLEDGEMENTS

Your directors gratefully acknowledge the support and co-operation extended by all the shareholders, depositors, customers, vehicle manufacturers, dealers, Government Agencies, Bankers and all other associated to your Company during the year and look forward to their continued support.

Above all, your directors place on record their appreciation of the dedication and commitment displayed by the employees of the Company, thus enabling it to report reasonable performance during the tough period.

For and on behalf 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

CORPORATE GOVERNANCE REPORT

STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has been practicing the code of Corporate Governance since inception. The company has been growing with the trust placed by the customers, institutions and shareholders. 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 adopted a fair practices code, which lays down detailed guidelines for dealing with customers.

BOARD OF DIRECTORS

The Board of Directors of the Company consists of Executive and Non Executive Directors. The Board members possess requisite skills, experience and expertise required that are required to take decisions, which are in the best interest of the Company.

Mr.Padham J Challani is the Chairman and Managing Director of the Company. He works under the direction, control and supervision of the Board of Directors and it meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with Board

The Composition of Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and number of other Directorship/ Committee memberships held by them are as follows:-

Name of Director	Designation and Category	No. of Board Meetings in the Year during respective tenure of of Directors		Atten-Dance of Last AGM	Number of Director ships held in the Indian Companies (excluding Indo Asia Finance Limited)	Number of Board Committee memberships Held in other companies
		Held	Atte-nded			
Padham J Challani	Chairman and Managing Director - Executive	07	07	Yes	02	Nil
Prakashchand Jain	Director-Non Executive	07	04	Yes	02	Nil
N.Subramanian	Director-Non Executive & Independent	07	07	Yes	Nil	Nil
M.Viswanathan**	Director-Non Executive & Independent	-	-	-	Nil	Nil

** Appointed with effect from July27,2011

Further the Board of Directors would like to inform the members that none of the directors are disqualified to act as directors of this company or any other public company under Section 274(1)(g) and other applicable provisions of the Companies Act, 1956.

The requisite information as prescribed under Clause 49 of the Listing Agreement is placed before the Board from time to time and is generally provided as part of the Agenda papers of the Board Meeting and /or is placed at the table during the course of the meeting.

The Board of Directors met Eight (08) times. The meetings were held on 29.04.2010, 10.07.2010 30.07.2010, 29.09.2010, 29.10.2010, 18.12.2010, 21.01.2011 and 21.03.11 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.

The Annual General Meeting for the financial year ended on 31-03-2010 was held on 29-09-2010 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

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 COMMITTEES

The board is assisted by various committees like, Audit Committee, Compensation Committee, and Shareholders / Investors' Grievance Committee.

AUDIT COMMITTEE

Your Company has a qualified and independent Audit Committee. The composition procedures, powers and role/functions of the audit committee constituted by the company comply with the requirements of Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee included the following:

- Overseeing the company's financial reporting process and the disclosure of its financial information.
- Recommending appointment and removal of the external auditor, fixing of audit fees and approving payments for any other service.
- Reviewing with management the quarterly, half yearly and annual financial statement with primary focus on accounting policies and practices, compliance with accounting standards, any related party transaction and stock exchange and legal requirements concerning financial statements, matter relating to be included in the Director's Responsibility Statement, Changes, if any, in accounting policies and practices and reasons for the same, Major accounting entries involving estimates based on the exercise of judgment by Management, Significant adjustments made in the financial statements arising out of audit findings and Qualifications in the draft audit report.
- Reviewing adequacy of internal control systems in order to have the effective use and safeguard of resources and compliance with statutes polices and procedures and ensure compliance of internal control systems and reviewing the company's financial and risk management policies.
- Reviewing reports furnished by the Statutory Auditors and ensuring suitable follow up thereon.
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal controls systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

COMPOSITION AND ATTENDANCE

The Audit Committee of the Board consisting of Directors as members as detailed below and all members have adequate financial and accounting knowledge.

The Audit Committee met four times during the year on 29-04-2010, 30-07-2010, 29-10-2010 and 21-01-2011 during the year and the details of the number of meetings held and attendance record of the members are as follows:

Name of Directors	No. of Meetings	
	Held	Attended
N.Subramanian, Chairman	04	04
Prakashchand Jain, Member	04	04
Padham J Challani, Member (*)	04	04
M.Viswanathan, Member (*)	-	-

(*)M.Viswanathan was appointed in place of Padham J Challani

The un-audited/ audited financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of each audit Committee meetings are placed before the Board for information.

The Committee reviews the reports of the internal auditors and statutory auditors along with the comments and action taken reports of the management. The committee also invites senior executives as it considers appropriate to be present at the meetings of the committee.

REMUNERATION COMMITTEE

Your Company has reconstituted a Remuneration / Compensation Committee under the Chairmanship of Mr.N.Subramanian. The committee consisting of Mr.N.Subramanian, Mr.M.Viswanathan, and Mr.Padham J Challani, decides the structure of the Executive Director's Remuneration. No meeting was held during the year under review.

EXECUTIVE DIRECTOR

The Company has a Managing Director; however no remuneration was paid to him during the period 01-04-2010 to 31-03-2011 as he has waived his right for the same for the best interest of the Company.

Mr.Padham J Challani was re-appointed as Chairman & Managing Director at the Annual General Meeting held on September 28, 2010 for a period of Five years with effect from December 01, 2010 with principal terms and conditions mentioned and other perquisite as per policy of the Company

NON-EXECUTIVE DIRECTOR

Non-Executive Directors of the Company are remunerated by way of sitting fees for the meetings of the Board/Committees of the Board attended by them. There was no other payment to the Non-Executive Directors.

None of the non-executive directors has pecuniary relationship with company, its promoters, management or its subsidiaries.

SHAREHOLDERS/ INVESTOR'S GRIEVANCE COMMITTEE

The shareholders/ Investors Grievance Committee of the Board oversees redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

COMPOSITION AND ATTENDANCE

The Shareholders/Investors' Grievance Committee consist of Mr.N.Subramanian, Mr. M.Viswanathan, Mr.Prakshchand Jain and Mr.Padham J Challani, where Mr.N.Subramanian, is the Chairman of the Committee and they met at regular intervals. Company Secretary is the Compliance officer of the Committee. [M.Viswanathan was appointed in place of Mr.Prakshchand Jain]

The Company used to give a detailed report on steps taken by it to the Committee to specifically look into redressing shareholders and investor's complaint, break up of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants. Additionally details of communication received from agencies like Stock Exchanges/SEBI/ Ministries of Companies Affairs were placed with an explanation as to how such communication were responded to and within how many days/ weeks.

The Company has delegated its Registrar and Share Transfer Agent, all shares related works. No complaint of any material nature was received during the year under review.

COMPLIANCE OFFICER

Company Secretary, is the Compliance Officer for complying with the requirements of Securities laws and Listing Agreements with the Stock Exchanges in India

INVESTOR GRIEVANCE REDRASSAL

The number of complaints received and resolved to the satisfaction of investors during the year under review and their back-up are as under:-

Type of Complaints	Number of Complaints
Non Receipt of Annual Reports	--
Non Receipt of Dividend Warrants	--
Non Receipt of Interest/ redemption warrants	--
Warrants	--
Non Receipt of Certificates	--
Total	

DETAILS OF ANNUAL/EXTRA ORDINARY GENERAL MEETING

Particulars about the last three Annual General Meetings/Extra ordinary General Meetings of the company are:

S.No.	Particulars	Dated	Venue	Time
1	Extra-ordinary General Meeting with regard to Issue of Bonus Shares, Increase of Authorised Share Capital and amendment to the Memorandum and Articles of Association.	09-03-2010	No.15, New Giri Road, T.Nagar, Chennai-600017	10.00 a.m.
2	Extra-ordinary General Meeting with regard to Change of Name and issue of further securities of the company by way of rights issue.	11-03-2011	No.15, New Giri Road, T.Nagar, Chennai-600017	11.30 a.m.
3	20th AGM in respect of the year 2009-10	29.09.2010	No.15, New Giri Road, T.Nagar, Chennai-600017	10.30 a.m.
4	19th AGM in respect of the year 2008-09	29.09.2009	No.15, New Giri Road, T.Nagar, Chennai-600017	10.30 a.m.
5	18th AGM in respect of the year 2007-08	29.09.2008	No.15, New Giri Road, T.Nagar, Chennai-600017	10.00 a.m.

All the resolutions including the special resolutions as set out in the respective notices were passed by the shareholders.

During the year , the Company conducted voting through postal ballot pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules , 2001 for the passing the following resolutions.

Sr.No	Item	Votes Cast	
		For	Against
1	Change of Name	38	01
2	Issue of Further Securities of the Company by way of Rights Issue.	33	04

Mr.V.S.Sowrirajan, Practicing Company Secretary was appointed by the Board as the Scrutiniser for the postal ballot and conducted the postal ballot exercise in a fair and transparent manner.

No resolution is proposed to be passed at the forthcoming Annual Generel meeting through postal ballot.

The procedure adopted for postal ballot was pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules , 2001 :-

a) Notice dated 21st January, 2011 was sent to all members along with postal ballot form and the explanatory statement pursuant to section 173(2) of the Companies Act, 1956, seeking their assent/ dissent to the proposed resolution.
b) Upon receipt of the duly filled in the Postal ballot forms and completion of the scrutiny thereof, the Scrutinizer, Mr.V.S.Sowrirajan, Company Secretary in practice appointed by the Board , submitted his report to the Chairman.
c) The Chairman thereafter announced the results of the postal ballot on 11th March, 2011.
d) Relevant notices were also published in the newspaper.

DISCLOSURE MADE BY THE SENIOR MANAGERIAL PERSONNEL TO THE BOARD

During the year no material transaction has been entered into by the Company with the Senior Managerial personnel where they had or were deemed to have had personal interest that may have potential conflict with the interest of the Company

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

The details of the transaction with related parties or others, if any, as prescribed in the listing agreement are being placed before the Audit committee from time to time. Material significant related party transactions during the year 2010-2011 have been given in Schedule 17 of the Schedules to the Annual Accounts for the year 2010-2011. There were no other transactions of material nature has been entered into by the Company with related parties (i.e.) Directors or Management, their subsidiaries or relatives that had potential conflict with the interest of the Company at large in the financial year ended March 31, 2011.

The related party transactions with the subsidiary/ group companies have been disclosed in the Annual Accounts.

DISCLOSURE OF ACCOUNTING TREATMENT

No treatment different from that prescribed in an Accounting Standard have been followed by the Company

RISK MANAGEMENT

In order to ensure that management controls risk through means of properly defined frame work a report on Risk Management and minimization procedures as received from the Individual functional heads of the Company is placed before the Board of Directors of the Company.

CODE OF CONDUCT FOR THE DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Company has laid down a Code of Conduct (Code) for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2011. A declaration to this effect signed by Mr. Padham J Challani of the Company forms part of this report.

The Board of Director of the company have adopted the revised (Prohibition of Insider Trading code) modified in terms of amendment notified by the Securities and Exchange Board of India (SEBI) under SEBI (Prohibition of Insider Trading) Regulations, 1992.

PROCEEDS FROM PUBLIC/ RIGHTS/ PREFERENTIAL ISSUES, ETC.,

The Company does not have any unutilized money raised through Public/ Rights/ Preferential Issues, etc.

COMPLIANCES BY THE COMPANY

The Board of Directors is periodically reviewing the Compliance Reports of the Laws applicable to the Company and the Company initiates requisite actions for strengthening of its statutory compliance procedures as may be suggested by the Board from time to time.

DETAILS OF NON-COMPLIANCES WITH REGARD TO CAPITAL MARKET.

There were no instances of non-compliance by the Company on any matter related to capital markets during the last three years. Hence there was no penalty, strictures imposed by SEBI/Stock Exchange or any other statutory/local authorities against the Company.

MEANS OF COMMUNICATION TO SHAREHOLDERS

- Quarterly results are published in Trinity Mirror (in English Language) and Makkal Kural (in Tamil Language).These results, *inter alia* are promptly submitted to the Stock Exchanges to enable them display the same on their website.
- The domain name of the Company's website is www.indoasiafinance.com where general information about the company is available.

The Management Discussion and Analysis report forms part of the Annual Report

GENERAL SHAREHOLDER'S INFORMATION

Financial Calendar (Tentative)

Financial year	**April 1, 2011 to March 31, 2012** (Subject to Change)
First Quarter Result	July 27, 2011
Second Quarter Result and Half-yearly Result	October 27, 2011
Third Quarter Result	January 30,2012
Fourth Quarter Result	May 11 , 2012
Annual Result (Audited)/ Annual General Meeting	Within 6 months of the close of the financial year in accordance with Section 166 of the Companies Act, 1956.
Dates of book closure	27th September,2011 to 28th September,2011 (Both Days Inclusive)
Venue and other details of the Annual General Meeting	Day :- Wednesday Date :- 28th September,2011 Time :- 10.30 a.m No.15, New Giri Road T Nagar, Chennai 600 017
Dividend Payment Date	Within 30 days from the date of Annual General Meeting
Listing on Stock Exchange and Stock Code. The Equity Shares of Rs.10/- each are Listed at	Bombay Stock Exchange Limited, Mumbai. Madras Stock Exchange Ltd. Chennai. (Annual Listing fees for the year 2010-11 has been duly paid to both the exchanges) Scrip Code 530747.

Market Price Data

Month	BOMBAY STOCK EXCHANGE LIMITED	
	High (Rs.)	Low (Rs.)
Apr-10	14.49	11.45
May-10	13.65	10.11
Jun-10	11.81	8.73
Jul-10	12.75	9.95
Aug-10	15.95	10.50
Sep-10	14.98	11.40
Oct-10	17.14	11.35
Nov-10	13.50	10.60
Dec-10	12.42	9.55
Jan-11	12.15	10.30
Feb-11	11.40	9.98
Mar-11	11.50	8.71

Dematerialization of Shares and Liquidity

The Equity shares of the Company are made available for dematerialization under depository system operated by the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The Shares of your Company are under compulsory demat settlement mode and can be traded only in the demat form. Shares dematerialized up to March 31, 2011 are as under:

Sl. No.	Particulars of Capital Structure	No. of shares	% of Total issued capital
1.	Listed Capital(Exchange wise) as per Company's Record	90,00,000	100%
2,	Held in dematerialized Form in CDSL	4,02,322	4.47
3.	Held in dematerialized Form in NSDL	53,08,265	58.98
4	Physical	32,89,413	36.55

REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

Pursuant to newly introduced regulations 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996, the Company has appointed Cameo Corporate Services Limited, a SEBI registered Agency as the Common Registrar and Share Transfer Agent of the Company for both physical and dematerialized segments. Their complete address is as under

Cameo Corporate Services Limited
Subramanian Buildings
No.1, Club House Road,
Chennai 600 002,
Phone No.91-44-28460390 to 94, Fax No. 91-44-28460129,
Email: cameo@cameoindia.com

SHARE TRANSFER SYSTEM

The shares of the Company are traded on the Stock Exchanges through the Depository System. The Demat ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is **INE807A01010.**

All requests received by the Company/ RTA for dematerialisation/ re-materialisation, transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address are disposed off expeditiously.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011

Range of shares	No of shareholders	% of share Holders	No of Share Held	% of share Holding
Up to 5000	590	44.56	1,03,546	1.15
5001- 10000	347	26.21	2,60,972	2.90
10001- 20000	198	14.95	2,85,810	3.17
20001- 30000	72	5.44	1,82,759	2.03
30001- 40000	15	1.13	53,684	0.60
40001- 50000	19	1.44	89,685	1.00
50001-100000	36	2.72	2,60,474	2.89
100000 and above	47	3.55	77,63,070	86.26
Total	1,324	100.00	90,00,000	100.00

As required under Circular No.D&CC/FITTC/CER-16/2004 dated 31st December, 2004 issued by the Securities and Exchange Board of India, the Company has appointed a Practicing Company Secretary to do the Secretarial Audit and the report was placed before the Board and sent forthwith to Stock Exchanges for their information and record.

CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2011

Category	No of Share Held	% of Share Holding
Promoters	62,29,754	69.22
Individuals	26,60,613	29.56
Bodies Corporate	1,06,936	1.19
Non-Resident Indians	2,697	0.03
Total	90,00,000	100.00

CEO'S CERTIFICATION

In accordance with the requirements of Clause 49 of the Listing Agreements, Mr. Padham J Challani, Chairman and Mr.N.Subramanian, Director of the Company have certified to the Board that to the best of their Knowledge and belief, the financial statements and cash flow statements present a true and fair view of the Company's affairs.

COMPANY REGISTRATION DETAILS

The Company is registered in the State of Tamil Nadu. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65191TN1990PLC019060

LEGAL PROCEEDINGS:

There is no legal proceeding pending against the Company

THE COMPANY HAS NOT ISSUED ANY GDRS/ADRS/ WARRANTS/CONVERTIBLE INSTRUMENTS.

Address for Communication

INDO ASIA FINANCE LIMITED
No.15, New Giri Road,
T.Nagar, Chennai-600017
Phone: 044-28342111
Fax : 044-28341280
E-mail : investors@indoasiafinance.com
Website: www.indoasiafinance.com

In terms of clause 47(f) of the Listing Agreement of Stock Exchanges, investors may please use investors@indoasiafinance.com E-mail ID for redressal of investor request/complaint.

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by clause 49 of the Listing Agreement the Managing Director's declaration on code of conduct is as under.

I, Padham J Challani, Chairman and Managing Director of the Company declare that all the Board members and senior Management of the Company have affirmed compliance with the code of conduct

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS

The Certificate dated 29th day of June 2011, obtained from Statutory Auditors of the Company M/s.A.Krishnamoorthy & Co., Chartered Accountants, confirming compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is annexed hereto

For and on behalf 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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
(Under Clause 49 of the Listing Agreement)

To the Members of **Indo Asia Finance Limited**

We have examined the registers, records, books and papers of **M/s.Indo Asia Finance Limited** (the Company), as required to be maintained under the Listing Agreements entered with the Stock Exchanges and the Rules and Regulation issued by SEBI and NSDL for the financial year ended on 31st March,2011.

The compliance of conditions of the listing agreement is the responsibility of the management. Our examination has been limited to the procedure and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officials and agents, we certify that in respect of the aforesaid financial year:

We certified that the company has complied with the condition of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We stated that no investor grievance is pending for a period exceeding one month against the company as per the record maintained by the share holder / investor grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A.KRISHNAMOORTHY &CO
FRN. Registration No.001489S
Chartered Accountants,

Chennai
June 29, 20011

A.KRISHNAMOORTHY
Proprietor- M.No.27190

MANAGEMENT DISCUSSION AND ANYLYSIS REPORT

INDUSTRY OVERVIEW

Following the shock of the liquidity crunch in October 2008, the country experienced decline in the credit off-take and GDP. The various measures taken thereafter by the policy makers resulted in significant improvement in liquidity. The country witnessed ample liquidity in the money market and interest rate declined. The various fiscal stimulus packages introduced by the government also helped major sectors and improved demand.

The credit off-take, however, did not experience similar buoyancy and 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.

MARKET SCENARIO

The non banking finance companies, including banks which extend retail credits had experienced a slow down during the second half of the previous financial year witnessed a gradual and steady rise in demand. The PSU Banks offering Vehicle loans at a lower rate compelled few of the leading NBFCs to review their pricing policies and also offer low interest rates on vehicle loans. It is possible that recoveries also would have deteriorated considering the fact that the banking industry has experienced higher level of non-performing assets during the year under review.

However, the sentiments have improved and optimism prevails in all sectors of the economy which will have favorable effect on the NBFCs and demand for vehicle loan. This augurs well for growth of our company.

HUMAN RESOURCES

The enthusiasm of staff members continued to be high in sustaining growth of disbursements and in maintaining healthy recoveries. With the high level of commitment and loyalty by staff members, the company is confident to face the challenges of the market forces with success.

RISK MANAGEMENT

The company manages various risks associated with the financing business, which include credit risk, liquidity risk and interest rate risk. The company manages credit risk through internal credit norms and effective recovery mechanism. Liquidity risk and interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profile.

DISBURSEMENT

The company had disbursed Rs.21.14 crores during the year as against Rs.27.47 crores in the previous year, registering a decline of 23.04%.

RECOVERIES AND PROVISIONS

As per the prudential norms of Reserve Bank of India, the company classified the assets and made provisions as per the prescribed rate depending on the ageing of such NPAs and not recognized income in respect of such accounts. A provision of 26.75% was made against Substandard Assets. Though during the year 2008-09 the Company has written off an amount of Rs.70.05 lacs as bad debts, the Company continued the recovery efforts in respect of written off loans and recovered a sum of Rs.12.50 Lacs during the current year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal audit function is looked after by an independent firm which conducts reviews and evaluation and presents its reports to the Audit committee and the management at regular intervals. The internal auditor's observations on internal control system are considered by the Audit Committee and appropriate actions are taken wherever deemed necessary.

POLICIES & CODE OF CONDUCT

The Board of Directors at their meeting held on 18th December,2010 approved Fair Practice Code, Loan Policy, investment Policy and Guidelines on Know Your Customer to be observed by the Company as advised by the Reserve Bank of India.

FINANCIAL PERFORMANCE

Key elements of the profit and loss account for the year ended March 31, 2011 are :

- Profit before tax declined 68.51% and profit after tax declined by 67.04%
- Current year income tax provision amounted to Rs. 12.86 lacs as compared to Rs .44.92 lacs in the previous year. The effective income tax rate for the year is 30.90%.
- Pre-tax return~on average assets was 0.88% in the current year as against 3.02% in the previous year Post tax return on average assets was 0.61% in the current year as against 2.00% in the previous year
- Ratio of financial expenses to average assets was10.15 % in the current year as against 10.63% in the previous year.
- The Earnings per Share was Rs. 0.32 for the current year as against Rs. 0.97 for the previous year.
- Ratio of non interest expenses to total expenses reduced by 13.54% in the current year as compared to last year.

Opportunities and threats

The NBFCs has been witnessing different and newer challenges year after year with most of the factors that are external to the industry. These challenges are proving to be of interest in driving and shaping the industry. The continued focus on infrastructure creation by the Government will push demand for automobiles and consequently the demand for finance for purchase of automobiles. This will present opportunities to the company to penetrate the still untapped markets.

Certain statements made in this report relating to Company's outlook expectation, estimate etc., may be considered forward looking statements within the meaning of applicable law and regulations. Actual figures may differ from such expectation whether expressed or implied. Several factors could make significant impact on the Company's operation, over which the Company does not have any control.

For and on behalf of the Board
For Indo Asia Finance Limited

July 27, 2011
Chennai

Padham J Challani
Chairman

Auditors' Report

To
The Members of M/s. Indo Asia Finance Limited

1. We have audited the attached Balance Sheet of Indo Asia Finance Limited, Chennai, as at March 31, 2011 and also the Profit & Loss account and the Cash Flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements .An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) by Amendment Order,2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books;

   (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account.

   (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

(v) On the basis of the written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes thereon on schedule 17, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

a) in the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2011.

b) in the case of Profit and Loss Account, of the profit for the year ended on that date and

c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For A. KRISHNAMOORTHY & CO.
Firm Registration No.001489S
CHARTERED ACCOUNTANTS

Place:Chennai
Date: June 29, 2011

A.KRISHNAMOORTHY
PROPRIETOR
Membership No.027190

Annexure to the Auditors' Report
(Referred to in paragraph 3 of our report of even date)
Re: *Indo Asia Finance Limited ('the Company')*

(i) In respect of its Fixed Assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the management during the year in phased periodical manner which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposals during the year.

(ii) In respect of its Inventories:
As the company is a Non-Banking Finance Company, the clauses regarding Inventories are not applicable.

(iii) In respect of unsecured loans granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act.,1956.

(a) The Company has granted loans to parties aggregating to Rs.**10.11** lakhs.

(b) In our opinion, and according to the information and explanation given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company. There is no over due amount in respect of loans taken by the Company.

(c) In respect of loans given by the company, these are repayable on demand and therefore the question of overdue amounts does not arise.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business of finance activities and fixed assets. During the course of our audit we have not observed any failure to correct major weakness in internal control system.

(v) In respect of transactions covered u/s 301 Companies Act, 1956:
(a) In our opinion and according to the information and explanations given to us, the transactions made on pursuance of contracts or arrangements that needed to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been so entered. In the register required to be maintained under that section. In our opinion and according to the information and explanations given to us there are no transactions in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, aggregating during the year Rs.5 lakhs (Rupees Five Lakhs Only) or more in respect of any party.

(vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Non-Banking Financial Companies Regulations issued by RBI and the rules framed there under with regard to the Deposits accepted from the public

(vii) In our opinion, the company has an adequate internal audit system, Commensurate with the size and the nature of its business.

(viii) According to the information given to us the Central Government has not prescribed the maintenance of Cost records under Clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of services carried out by the company.

(ix) In respect of statutory dues:

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Investors' Educations & Protection Fund, Employees' State Insurance, Cess, Sales Tax, Wealth Tax, and other statutory dues wherever applicable have been generally regularly deposited with the appropriate authorities. And there are no undisputed amounts towards the above statutory dues payable and outstanding for a period of more than 6 months from the date of becoming payable. However the following are the undisputed liability which is not paid as on the date of this audit report in respect of Income Tax

Nature of Liability	Asst Year	Amount	Remarks
Income Tax	2010-11	36,21,190	U/S.143(1)
	2008-09	8,38,852	U/S.143(1)
Fringe Benefit Tax	2008-09	4,52,120	Self Assessment
Fringe Benefit Tax	2007-08	61,150	Self Assessment

(b) According the information and explanation given to us, following are the disputed statutory dues which have not been deposited on account of the matter being pending before various forums as stated below:

(Rupees in Lakhs)

Assessment Year	Demand	Amount Paid	Balance Demand	Forum in which pending
1998-99	12.87	5.00	7.87	High Court of Madras
2000-01	20.24	11.66	8.58	High Court of Madras
2001-02	9.64	0	9.64	High Court of Madras
2002-03	6.02	0	6.02	High Court of Madras
2003-04	15.97	7.00	8.97	High Court of Madras

(c) As a stay has been obtained before the High Court of Madras, by a Trade Association of which the company is a member of the levy of Service Tax on hire purchase transactions, the company is not remitting Service Tax on the aforesaid transactions pending disposal of the writ petition.

(x) To the best of our knowledge and according to the information and explanation given to us, there are no expenses of personal nature charged to the revenue account.

(xi) Being a finance company, the provision of Section 3(1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable.

xii) The company has neither accumulated losses at the end of the year nor incurred cash losses during the current financial year as well as in the immediately preceding financial year.

(xiii) Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(xiv) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the questions of maintenance of adequate records for this purpose does not arise.

(xv) In our opinion and according to the information and explanations given to us, the company is not a chit fund / nidhi /mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xvi) The company does not deal or trade in shares, securities, debentures and other investments.

(xvii) In our opinion and according to the information and explanations given to us, the company has not guaranteed any loans taken by others from banks and financial institutions.

(xviii) In my opinion the term loans obtained by the Company are applied for the purpose for which it is obtained.

(xix) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised in short term basis have, *prima facie*, not been used during the year for long term investment (fixed assets etc.)

(xx) In our opinion and according to information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956, during the year.

(xxi) According to the information and explanations given to us and the records examined by us securities have been created in respect of the debentures issued.

(xxii) The company has not raised any money by way of public issue during the year.

(xxiii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For A. KRISHNAMOORTHY & CO.
FRN. Registration No.001489S
CHARTERED ACCOUNTANTS

Place:Chennai
Date: June 29, 2011

A.KRISHNAMOORTHY
PROPRIETOR
Membership No.027190

Financial Highlights

(Rupees in Lakhs)

YEAR	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Gross Income	754.57	1,001.59	1,107.15	1,095.20	755.88	604.23
Profit Before Tax	41.62	132.16	115.47	278.77	158.09	121.68
Profit After Tax	28.76	87.24	85.08	179.74	120.35	95.38
Dividend Rate(%)	3.00	3	5	10	10	10
Dividend Amount	27.00	27.00	15.00	30.00	30.00	30.00
Paid-up Share Capital	900.00	900.00	300.00	300.00	300.00	300.00
Reserves & Surplus	296.01	298.74	842.98	775.45	629.91	543.77
Earning Per Share	0.32	0.97	2.84	5.99	4.01	3.18
Capital Adequacy Ratio (%)	26.17	27.18	27.89	23.59	24.49	25.31
Over dues % of H.P/Loans	2.34	3.74	5.02	4.44	10.94	9.08
DISBURSEMENTS						
Own Operation	2,114.00	2,747.00	2,211.00	2,900.00	2,200.00	2,724.00
Franchise Operation	233.00	144.00	4,394.00	7,400.00	6,500.00	-
Total	1,147.00	2,891.00	6,605.00	10,300.00	8,700.00	2,724.00
Assets Classification						
Standard	3,892.11	3,559.87	3,916.15	3,915.22	3,152.06	2,832.01
Sub-standard	12.98	18.35	58.90	58.84	25.73	30.88
Doubtful	43.94	36.35	19.22	5.17	27.17	32.10
Loss Assets	-	4.99	-	6.03	9.88	1.14
Gross NPA -Amount	56.92	59.69	78.12	70.04	62.78	64.12
%	#DIV/0!	1.65	1.96	1.76	1.95	2.21
Net NPA -Amount	30.17	34.78	62.64	33.40	40.15	44.58
%	0.77	0.96	1.57	0.84	1.25	1.54
Provision for NPA-Amount	26.75	24.91	15.48	36.64	22.63	19.54
%	47.00	41.73	19.82	52.31	36.05	30.47
Provision for NPA-Finance Charges	0.54	1.97	0.65	15.00	10.57	7.63
Total NPA Provision	27.29	26.88	16.13	51.64	33.20	27.17

BALANCE SHEET AS AT 31st MARCH,2011

	Schedule	31st March,2011 Rs.	31st March,2011 Rs.	31st March,2010 Rs.	31st March,2010 Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	90,000,000		90,000,000	
Reserves and Surplus	2	29,601,006	119,601,006	29,873,682	119,873,682
Loan Funds					
Secured Loans	3	339,738,319		322,046,996	
Unsecured Loans	4	9,323,469	349,061,788	4,345,343	326,392,339
	Total		468,662,795		446,266,021
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	67,036,156		63,480,236	
Less: Depreciation		9,065,579		7,647,810	
Net Block			57,970,576		55,832,426
Investments	6		575,019		578,519
Current Assets, Loans & Advances					
Current Assets	7	396,474,919		380,220,686	
Loans and Advances	8	21,937,863		19,655,928	
	A	418,412,782		399,876,614	
Current Liabilities and Provisions					
Current Liabilities	9	4,895,517		3,457,109	
Provisions	10	7,264,275		10,428,639	
	B	12,159,792		13,885,748	
Net Current Assets	(A-B)		406,252,990		385,990,867
Deferred Tax Assets			3,864,210		3,864,210
	Total		468,662,795		446,266,021
Notes to the accounts	17				

As per our report of even date attached
For A.Krishnamoorthy & Co
FRN.Registration No.001489S
Chartered Accountants

A.Krishnamoorthy
Proprietor (M.No. 27190)

Padham J Challani
Chairman and Managing Director

N.Subramanian
Director

Chennai
Date :June 29,2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	31st March,2011 Rs	31st March,2010 Rs
INCOME			
Income from Operation	11	75,314,997	99,897,874
Other Income	12	141,811	260,626
Total		75,456,809	100,158,500
EXPENDITURE			
Financial Expenses	13	47,738,265	46,447,958
Establishment Expenses	14	7,051,569	6,622,055
Administrative and Other Expenses	15	15,039,595	30,071,035
Provisions & Write Off	16	46,997	2,507,990
Depreciation	5	1,418,646	1,293,131
Total		71,295,072	86,942,169
Profit Before Tax		4,161,737	13,216,331
Taxation -Current		1,285,977	4,492,231
Profit After Tax		2,875,760	8,724,100
Add: Balance B/Fd. from the previous year		3,201,682	1,626,017
Amount available for Appropriation		6,077,442	10,350,117
Appropriation			
Proposed Dividend		2,700,000	2,700,000
Tax on Proposed Dividend		448,436	448,436
Special Reserve		1,000,000	2,000,000
General Reserve		1,000,000	2,000,000
Surplus -Balance Carried to Balance Sheet		929,006	3,201,682
		6,077,442	10,350,118
Notes to the accounts	17		
Earnings per Equity Share			
Number of Shares (Face Value Rs.10/-per share)		9,000,000	9,000,000
Basic and Diluted earning per share (in Rupees)		0.32	0.97

As per our report of even date attached
For A.Krishnamoorthy & Co
FRN.Registration No.001489S
Chartered Accountants

A.Krishnamoorthy
Proprietor (M.No. 27190)

Padham J Challani
Chairman and Managing Director

Chennai
Date :JUNE 29,2011

N.Subramanian
Director

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH,2011

SCH NO		Rs.	31st March,2011 Rs.	Rs.	31st March,2010 Rs.
6	**INVESTMENTS (At Cost)**				
	In Government Securities				
	Unquoted		205,188		205,188
	In Equity Shares				
	Quoted	323,096		323,096	
	Unquoted	46,735	369,831	46,735	369,831
	In Debentures		-		3,500
	Total		575,019		578,519
	Market value of the quoted shares		272,168		272,168
	Out of the above Investments of Rs.2,05,188/- are made in Statutory Liquid Assets,in accorddance with the norms prescribed by the Reserve Bank of India. In case of quoted investments,where quotes are not available,book value has been considered as market value.				
7	**CURRENT ASSETS**				
	Net Stock-on-Hire		381,797,379		362,459,485
	Sundry Debtors				
	Outstanding for more than Six Months				
	Secured Considered Good	1,297,995		1,835,911	
	Secured Considered Doubtful	4,394,467		4,133,987	
		5,692,462		5,969,898	
	Outstanding for Less than Six Months				
	Secured Considered Good	3,476,769		8,120,352	
	Total Sundry Debtors		9,169,231		14,090,250
	Cash and Bank Balances				
	Cash at Bank	965,146		2,149,594	
	Cash in Hand	4,543,163	5,508,309	1,521,357	3,670,951
	Total		396,474,919		380,220,686
8	**LOANS AND ADVANCES**				
	Unsecured unless otherwise stated-Considered good				
	Advance & other payment of Income Tax		17,958,365		16,914,883
	Advance & Deposits recoverable in cash or kind or for value to be received		3,979,498		2,741,045
	Total		21,937,863		19,655,928
9	**CURRENT LIABILITIES**				
	Sundry Creditors for Expenses		480,352		568,472
	Unclaimed Dividend		846,388		818,443
	Interest accrued but not due		377,450		638,749
	Others		3,191,327		1,431,445
	Total		4,895,517		3,457,109
10	**PROVISIONS**				
	Non-Performing Assets		2,674,767		2,489,739
	NPA Finance Charges		53,932		197,070
	Investments		101,163		101,163
	Proposed Dividend		2,700,000		2,700,000
	Dividend Tax		448,436		448,436
	Income Tax		1,285,977		4,492,231
	Total		7,264,275		10,428,639

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

SCH NO		Rs.	31st March,2011 Rs.	Rs.	31st March,2010 Rs.
11	**INCOME FROM OPERATION**				
	Hire Purchase / Hypothecation Loans		75,239,938		99,818,657
	Income from Investments		75,059		79,218
	Total		75,314,997		99,897,874
12	**OTHER INCOME**				
	Interest		116,987		147,946
	Dividend		5,164		5,943
	Insurance Commission		17,600		68,190
	Profit on Sale of Fixed Assets		2,060		38,547
	Total		141,811		260,626
13	**FINANCIAL EXPENSES**				
	Interest on Secured loans - Debentures	4,974,287		4,982,062	
	- Bank Loans	42,721,210		41,453,228	
			47,695,497		46,435,290
	Interest on Unsecured loans -Public Deposits	35,371		6,220	
	- ICDs	5,753		1,118	
	-Directors	1,644		5,330	
			42,768		12,668
	Total		47,738,265		46,447,958
14	**ESTABLISHMENT EXPENSES**				
	Salaries,Allowances,Incentive and Bonus		6,460,154		5,911,283
	Company's contribution to Provident Fund		114,935		109,389
	Company's contribution to E.S.I		99,617		58,762
	Staff welfare expenses		376,863		542,621
	Total		7,051,569		6,622,055
15	**ADMINISTRATIVE AND OTHER EXPENSES**				
	Rent		977,000		1,296,845
	Rates and Taxes		136,885		553,018
	Insurance		68,273		89,876
	Communication expenses		555,468		1,223,751
	Travelling and Conveyance		1,385,146		2,177,081
	Printing and Stationery		184,413		281,695
	Total Carried forward to next page		3,307,184		5,622,266

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

SCH NO		Rs.	31st March,2011 Rs.	Rs.	31st March,2010 Rs.
	Total Brought Forward		3,307,184		5,622,266
	Advertisement charges		75,218		60,030
	Business Promotion expenses		792,745		848,557
	Vehicle maintenance		447,927		597,938
	Electricity expenses		264,416		233,070
	Fees and Subscription		113,583		378,251
	Bank charges and Commission		1,379,614		1,601,605
	Audit fees		55,150		50,000
	Professional and Consultation Fees		2,221,926		1,665,062
	Brokerage and Commission		676,663		893,924
	Donations, Charity and Scholarship		298,221		259,916
	Directors remuneration & Sitting fees		51,000		92,000
	Discount allowed		4,389,543		14,948,166
	General expenses		370,682		1,750,089
	Pooja expenses		19,834		43,410
	Computer maintenance		26,775		319,126
	Repairs and Office maintenance		549,114		707,626
	Total		15,039,595		30,071,035
16	**PROVISIONS AND WRITE OFF**				
	Short Provision for Income Tax - F.Y- 2007-08		-		974,697
	Short Provision for Income Tax - F.Y- 2008-09				441,456
	Loss on Sale of Fixed Assets		5,107		177,136
	Provision against NPA		185,028		941,531
	Provision against NPA Finance Charges		-		132,112
			190,135		2,666,932
	Less : Reversal of Provision against Investments				158,942
	Less : Reversal of Provision against NPA Interest		143,138		
	Total		46,997		2,507,990

17. NOTES TO THE ACCOUNTS

1. **SIGNIFICANT ACCOUNTING POLICIES:**

a) System of Accounting: The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the provisions of Companies Act,1956 and in accordance with the generally accepted accounting principles in India. The Company follows the directions prescribed by the Reserve Bank of India for Non Banking Financial Companies from time to time.

b) Income Recognition:
(i)Income from Hire Purchase and Hypothecation loan transaction is accounted on the basis of the Internal Rate of Return method .
(ii)The company has follows prudential norms prescribed by the Reserve Bank of India in respect of income recognition, valuation of investments, capital adequacy and provisioning for non-performing assets.

c) Expenditure:
Expenses are accounted on accrual basis except in the case of bonus to employees and contingent liabilities, which are accounted in the year of payment.

d) Fixed Assets:
Fixed Assets are stated at historical cost less accumulated depreciation.

e) Depreciation:
Depreciation on owned assets have been provided under Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

f) Valuation of Investments:
Long-term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary.
Current investments are valued at lower of cost and market value/net asset value.

g) Taxes on Income:
Provision for current tax is made after taking into consideration benefits admissible under provisions of Income Tax Act, 1961. Deferred Tax resulting from 'timing difference' between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The Deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

2 **BALANCE SHEET**

Secured Loans:

a) Cash Credit and term loan from Banks are secured against hypothecation of specified assets covered by the hypothecation/hire purchase agreements and personal guarantees of whole time Directors, apart from Equitable mortgage by deposit of title deeds of immovable property situated at No.87, G N Chetty Road, T Nagar, Chennai - 17, measuring 5775 Sq.Ft. on pari-passu basis, in favour of Consortium of Banks.

b) The company has issued secured redeemable Non Convertible Debentures redeemable at par at the end of one year, the detail thereof as under:

Amount	Rate of Interest	Security
430.49 Lacs	12%	Floating Charge on the receivables from unencumbered Hire Purchase and Leasing Assets

c) Other secured loans are secured against the specific assets purchased under hire purchase scheme/securitisation.

d) The stock on hire represents installments & other dues Net of advance hire charges. and the cost of repossessed assets.

e) *The sundry debtors and creditors balances are subject to confirmation and reconciliation.*

3 PROFIT AND LOSS ACCOUNT

a) Interest includes Rs. 1,644/- (previous year Rs. 5,330/-) paid/credited to directors on Directors Loans."

b) Auditor's Remuneration

	31.03.2011	31.03.2010
For Statutory Audit, Tax Audit , Limited Review,Certification & Other Sevices including Service Tax Rs.6,180/-	Rs. 56,180	Rs. 56,180

c) Remuneration to Whole Time Directors (including Managing Director) (in Rupees)

	31-03.2011	31.03.2010
Salary	36,000	72,000
Perquisites(Valued as per I.T Rules)		-
Sitting Fees	15,000	20,000
	51,000	92,000

d) i) Since no commission is paid/payable to any director, the Computation of net profit in accordance with Section 349 of the companies Act, 1956 has not been made.

e) ii) Managerial remuneration has been made within the limits prescribed under section 198 read with Schedule XIII of the Companies Act, 1956.

4 GENERAL

a) Segmental Information: Company is operating on one broad segment namely Hypothecation Loans within the state of Tamilnadu and hence no separate segmental results have been given.

b)

Earnings per share:	2010-11	2009-10
Profit for the year after taxation (in Rs.) A	2,875,760	8,724,101
Number of equity shares of Face Value of Rs.10/- each outstanding (in numbers) B	9,000,000	9,000,000
Basic and diluted Earning Per Share (in Rs.) (A/B)	0.32	0.97

c) Related Party Transactions:

As per Accounting Standard 18, issued by The Institute of Chartered Accountant of India, the disclosures of transactions with the related parties as defined in the accounting standard are given below:

List of Related Parties with whom transactions have taken place & relationship

SNO.	Name of the related party	Relationship	Remarks
1	PADHAM J CHALLANI	Key Management Personnel	Chairman and Managing Director
2	M.Prakashchand Jain	Key Management Personnel	Director
3	Saravana Global Energy Ltd	Associate	
4	Saravana Foundation Ltd	Associate	
5	Saravana Hi-tech Metal Industries	Associate	

The nature and volume of transactions of the company during the year with the related parties are as follows: (Rupees in Lakhs)

Particulars	Associates	Key Management Personnel	Relative of Key Management Personnel
Managerial Remuneration	-	-	0.36
Rent Payments	-	-	0.35
Interest Receipts-on Hypothecation loans	8.53	**0.22**	9.51
Interest Receipts-on Short Term loan loans	-	**1.16**	-
Interest Paid on Short Term loan	-	-	0.02
Hypothecation Loan paid	22.13	1.70	68.28
Short Term loan Paid	0.09	8.92	-

d) Contingent Liabilities:

S.No.	Particulars	31.03.2011	31.03.2010
1	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	NIL	NIL
2	Disputed Sales Tax liability of Rs. 92,120/- fully covered by outstanding Bank Guarantee Rs. 46,060/-and deposit with the department Rs.46,060/-	92,120	92,120

e) Earning in Foreign Currency NIL

f) Expenditure in Foreign Currency on account of travel (on payment basis)Rs.1,03,006/-

g) As identified by management and relied upon by the auditors there is no amount due to Small Scale Industries in terms of "The Micro, Small and Medium Enterprises Development Act,2006'.

h) Previous year figures are regrouped/reclassified/rearranged wherever necessary.

As per our report of even date
FRN.REGISTRATION NO.001489S

for A KRISHNAMOORTHY & Co.
FRN. Registration No.001489S
Chartered Accountants

Padham J Challani
Chairman

A KRISHNAMOORTHY
Proprietor (M.No.27190)
Place: Chennai
Date: June 29, 2011

N.Subramanian
Director

INDO ASIA FINANCE LIMITED

(Formerly known as Indo Asian Finance Limited)

2010-11

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2011.

	2010-11	2011-10
A. CASH FLOW FROM OPERATING ACTIVITIES	Rs	Rs
Net Profit Before Tax	4,161,737	13,216,331
Add:		
Provision for NPA	41,890	1,073,643
Provision for Investments		(158,942)
Adjustment for Depreciation	1,417,837	1,083,567
Loss on Sale of fixed Assets		
Financial Expenses	47,738,265	46,447,958
	53,359,729	61,662,557
Less; Other Income	1,091,284	1,148,431
Operating profit before Working Capital changes	52,268,445	60,514,126
(increase)/Decrease in Net Stock on Hire	(15,308,598)	(22,278,964)
(increase)/Decrease in Loans and Advances	(346,729)	(409,464)
increase/(Decrease) in Current Liabilities	1,441,561	90,706
Cash Generated from Operating Activities	38,054,679	**37,916,404**
Less; Financial Expenses	47,738,265	46,447,958
Income Tax Paid	5,528,916	12,611,251
Net Cash Generated from Operating Activities (A)	(15,212,502)	**(21,142,805)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,602,920)	(2,452,424)
Sale of Fixed Assets	36,983	551,151
Sale of Investments	3,500	-
Dividend / Interest Received	1,091,284	1,148,431
Net Cash Generated from Investing Activities (B)	(2,471,153)	(752,842)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Bank Borrowings	14,088,657	10,481,388
Increase/(Decrease) in Debentures	3,602,666	2,759,324
Increase/(Decrease) in Unsecured Loans	4,978,126	2,830,516
Dividend Paid (Including Dividend Tax)	(3,148,436)	(1,755,000)
Net Cash Generated from Financing Activities (C)	19,521,013	14,316,228
Net Increase in Cash and Cash Equivalents (A + B + C)	1,837,358	(7,579,419)
Cash and Cash Equivalents at the beginning of the year	3,670,951	11,250,369
Cash and Cash Equivalents at the end of the year		
Cash & Cheques on Hand	4,543,163	1,521,357
Cash at Bank	965,146	2,149,594

For and on behalf of the Board

N.SUBRAMANIAN
Director

PADAHM J CHALLANI
Chairman

Place: Chennai Date: June 27, 2011

AUDITOR'S STATEMENT

We have verified the Cash Flow Statement of Indo Asia Finance Limited derived from the Audited Annual Accounts for the year ended 31st March 2011 and found the same has been drawn in accordance there with and also with the requirements of Clause 32 of the listing agreement entered with stock

for A Krishnamoorthy & Co.
FRN.REGISTRATION NO.001489S
Chartered Accountants

Place: Chennai
Date : June 29, 2011

A.Krishnamoorthy
Proprietor- M.No. 27190

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information as required under **Part - IV** of the schedule VI of the Companies Act,1956

I. Registration Details

Registration No. 1 8 1 9 0 6 0 State Code - 1 8

Balance sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 1 (Year)

II. Capital Raised during the year (Amount in Rs.Thousands)

Public Issue	Rights Issue
NIL	- NIL

Bonus Issue	Private Placement
NIL	- NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	Total Assets
468663	468663

Sources of Funds

Paid-up Capital	Reserves & Surplus
90000	29601

Secured Loans	Unsecured Loans
339738	9324

Application of Funds

Net Fixed Assets	INVESTMENTS
57971	575

Net Current Assets	Misc.Expenditure / Deferred Tax Asset
406253	3864

Accumulated Losses

IV. Performance of Company (Amount in Rs.Thousands)

Turnover: 75457

Total Expenditure: 71295

Profit/Loss Before Tax: + √ 4162 (Please tick appropriate box + for Profit, - for Loss)

Profit/Loss After Tax: + √ 2876

Earning Per Share in Rs.: 0.32

Dividend Rate %: 05

V Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No: (ITC Code): Not Applicable

Product/Service Description:

(a) HIRE PURCHASE

(b) HYPOTHECATION LOAN

N.SUBRAMANIAN
Director

Padham J Challani
Chairman

Chennai
Date : June 29, 2011

Schedule to the Balance Sheet for the year ended 31st March ,2011

[as required in terms of paragraph 9BB of **Non-Banking Financial Companies** Prudential Norms(Reserve Bank) Directions 2007]

(Rs. in Lakhs)

	Particulars	Amount out-standing	Amount overdue
	Liabilities side:		
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
	(a) Debentures : Secured	430.49	0.00
	: Unsecured (other than falling within the meaning of public deposits)	0.00	0.00
	(b) Deferred Credits	0.00	0.00
	(c) Term Loans	2956.52	0.00
	(d) Inter-corporate loans and borrowing	0.00	0.00
	(e) Commercial Paper	0.00	0.00
	(f) Public Deposits	1.97	0.00
	(g) Other Loans (Loan from Franchiser Rs. 91.26, Vehicle Loan Rs. 10.37)	101.63	0.00
		3490.61	0.00
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-

	Particulars	Amount outstanding
	Assets side:	
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**	
	(a) Secured	-
	(b) Unsecured	39.79
(4)	**Break up of Leased Assets and Stock on hire and hypothecation loans counting towards EL/HP activities**	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial lease	0.00
	(b) Operating lease	0.00
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on Hire	3905.04
	(b) Repossessed Assets	4.63
	(iii) Hypothecation loans counting towards EL/HP activities:	
	(a) Loans where assets have been repossessed	0.00
	(b) Loans other than (a) above	0.00

	Particulars	Amount out-standing	Market Value
(5)	**Break-up of Investments:**		
	Current Investments :		
	1. Quoted :		
	(i) Shares: (a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (Please specify)		
	2. Unquoted :		
	(i) Shares: (a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (Please specify)		
	Long Term investments:		
	1. Quoted :		
	(i) Shares: (a) Equity	3.23	2.72
	(b) Preference	0	0
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (Bank Deposits)		
	2. Unquoted :		
	(I) Shares: (a) Equity	0.47	0.00
	(b) Preference	0.00	0.00
	(ii) Debentures and Bonds	0.00	0.00
	(iii) Units of mutual funds	0.00	0.00
	(iv) Government Securities	2.05	2.05
	(v) Others - Bank Deposits	0.00	0.00
	Total	5.75	4.77
	Less: Provision for Diminution for long term investments	1.01	
	Total	4.74	4.77

(6) **Borrower group-wise classification of all leased assets, stock-on -hire and loans and advances :**

Category	Amount of net provisions		
	Secured	Unsecured	Total
1.Related Parties			
(a) Subsidiaries	0.00	0.00	0.00
(b) Companies in the same group	22.13	0.09	22.22
(c)Other related parties	78.90	0.00	78.90
2.Other than related parties	3848.34	0.00	3848.34
Total	3949.37	0.09	3949.46

(7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1.Related Parties		
(a) Subsidiaries	0.00	0.00
(b) Companies in the same group	0.00	0.00
(c) Other related parties	0.00	0.00
2.Other than related parties	4.74	4.74
Total	4.74	4.74

(8) **Other Information**

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related Parties	0.00
	(b) Other than related parties	56.92
(ii)	Net Non-Performing Assets	
	(a) Related Parties	0.00
	(b) Other than related parties	30.17
(iii)	Assets acquired in satisfaction of debt (During the year)	0.00

As per our report of even date.
for A.KRISHNAMOORTHY&CO
FRN.REGISTRATION NO.001489S
Chartered Accountants

Padham J Challani
Chairman

(A.KRISHNAMOORHY)
(Proprietor-M.No.27190)

N.Subramanian
Director

Place :Chennai Date June 29, 2011

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

2010-11

Date: _____

From:
Name:

Folio No: _____

DP ID: _____

Address:

Client ID: _____

No of Equity Shares held:_____

Email ID:
Contact No:

To,
M/s.Cameo Corporate Services Limited,
Unit: Indo Asia Finance Limited
"Subramanian Buildings",
1, Club House Road,
Chennai 600 002

Dear Sir(s),

Ref :Dividend Mandate for NECS

Name of the Bank	
Branch Name	
Bank A/c Type (SB / CA)	
Bank A/c. No	
Bankers MICR ECS Code No.	
Bankers IFSC Code No.	
Full Address of the Bank	
Pin code	

- Please enclose photocopy of a cheque or a cancelled cheque, if any, for our reference, otherwise, you may furnish your banker's MICR ECS code correctly, without fail.
- The Present mandate for ECS will supersede my earlier bank instruction, if any

I hereby declare that the particulars given above are correct and complete, if the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsibility expected of me as a participant under the scheme.

(_____)
Signature of the First Registered Shareholders

INDO ASIA FINANCE LIMITED
Regd. Office: No.15, New Giri Road, T.Nagar, Chenna i-600017

PROXY FORM

DP ID | Client ID

Registered Folio No.* | No. of Shares

I/We

Name(s) in Full	Father/ Husband's Name	Address as registered with the Company

being a member(s) of Indo Asia Finance limited do hereby appoint Mr./Ms._____ of _____ in the district of _____ or failing him /her Mr./Ms _____ of _____ in the district of _____ as my / our proxy to attend and vote for me/us on my/our behalf at the 21ST Annual General Meeting of the Company scheduled to 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 and at any adjournment thereof.

Signed by the said _____ this ____ day of _____ 2011

Affixe Re.1 Revenue Stamp

* As applicable for investor holding shares in physical form

Note: The proxy form duly completed and signed must be deposited so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

INDO ASIA FINANCE LIMITED
Regd. Office: No.15, New Giri Road, T.Nagar, Chennai-600017

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID | Client ID

Registered Folio No.* | No. of Shares

Name(s) in Full	Father/ Husband's Name	Address as registered with the Company

I hereby record my presence at the 21st Annual General Meeting of the Company at the registered office of the Company, No.15, New Giri Road, T.Nagar, Chennai-600017 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.

Member's / Proxy's Signature

* As applicable for investor holding shares in physical form

For INDO ASIA FINANCE LIMITED

Director