



- Board of Directors** : **PADHAM J CHALLANI**  
Chairman & Managing Director
- M.PRAKASHCHAND JAIN, M.M.S**  
Director
- N.SUBRAMANIAN, B.Com., F.C.A**  
Director
- M.VISWANATHAN**  
Director
- PRASAN CHAND CHOPRA**  
Director
- Bankers** : **ALLAHABAD BANK**, T.Nagar Branch  
**BANK OF BARODA**, Anna Salai Branch  
**CANARA BANK**, Thambu Chetty St. Branch  
**INDIAN 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@indoasianfinance.com  
Website: www.indoasianfinance.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: 91-44-283460129.  
E-mail: investor@cameoindia.com

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the Twenty-Second Annual General Meeting of the Members of Indo Asia Finance Limited will be held on Friday the 28th September, 2012 at 10.00 a.m at the Registered Office of the Company at No.15, New Giri Road, T.Nagar, Chennai-600017 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2012, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.N.Subramanian, who retires by rotation, and being eligible, offers himself for re-appointment.
3. 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**

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr.Prasan Chand Chopra who was appointed as Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 at the meeting of the Board of Directors held on 30.01.2012 with effect from 13.02.2012 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."

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

**Padham J Challani**  
Chairman

July 30, 2012

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. PROXY FORM AND ATTENDANCE SLIP ARE ANNEXED HEREWITH.**
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 Wednesday the September 26, 2012 to Friday the September 28, 2012 (both days inclusive) for the purpose of ascertaining the list of members as on the date of ensuing Twenty Second Annual General Meeting.
4. 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.
5. 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.
6. 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.
7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar for the prescribed form. Nomination form may be downloaded from Company's Website [www.indoasianfinance.com](http://www.indoasianfinance.com)
8. Annual Report is available at the website of the Company at [www.indoasianfinance.com](http://www.indoasianfinance.com)
9. Members who have not yet encashed their dividend warrants for previous years are advised to forward such warrants to the company for revalidation. Pursuant to the provision of section 205A read with section 205C of the Companies Act, 1956, dividend, which remains unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund of the Central Government.
10. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holding shares in electronic forms 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.



11. 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 of Bank mandates. Such changes are to be advised only to the Depository Participant of the members.
12. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their depository participants with whom they are maintaining their DEMAT accounts.
13. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice/Documents including Annual Report can be sent by E-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their E-mail addresses, so far, are requested to register their E-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their E-mail IDs with M/s. Cameo Corporate Services Limited, "Subramanian Buildings", 1, Club House Road, Chennai - 600 002.
14. Members who are holding shares in 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.

**DIRECTORS**

1	Name	<b>N. Subramanian</b>
	Date of Birth & Age	28.03.1941, 71 years
	Nationality	Indian
	Date of Appointment on the Board	29.03.2006
	Qualifications	B.Com., F.C.A.,
	Expertise in functional area	A practicing Chartered Accountant with over 40 years of professional experience in the field of Finance & Management
	No of Shares held	300 ( Three Hundred )
	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 31.03.2012	NIL
	PAN	<b>AOWPS6898 E</b>



2	Name	<b>PRASAN CHAND CHOPRA</b>
	Date of Birth & Age	14.04.1966, 46 years
	Nationality	Indian
	Date of Appointment on the Board	13.02.2012
	Qualifications	B.Com.,
	Expertise in functional area	He has more than 20 years of professional experience in Securities Market
	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 31.03.2012	NIL
	PAN	<b>AABPC4769R</b>

**Explanatory Statement**

Pursuant to Section 173 (2) of the Companies Act, 1956

**Item No. 4:**

The Board of Directors at their meeting held on 30th January, 2012 had appointed Mr. Prasan Chand Chopra as an additional Director with effect from 13th February, 2012, pursuant to the provisions of section 260 of the Companies Act, 1956 and with Article No.9 of the Articles of Association of the Company who shall hold office as such till the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. Prasan Chand Chopra 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. Prasan Chand Chopra and accordingly the Board of Directors recommend the resolution as set out in item No.4 of the notice convening Annual General Meeting for approval of the shareholders.

Except Mr. Prasan Chand Chopra, being the appointee no other Directors is interested in the aforesaid resolution.

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

**Padham J Challani**  
Chairman

July 30, 2012

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

**DIRECTORS' REPORT**

To The Members,

Your Directors are pleased to present the Twenty-Second Annual Report of your company with the audited financial statements for the year ended 31st March, 2012.

**Financial Results :****(₹.in Lakhs)**

	For the year ended	
	31.03.2012	31.03.2011
<b>INCOME :</b>		
Income from operations	836.30	752.40
Other income	0.27	2.17
<b>Total (A)</b>	<b>836.57</b>	<b>754.57</b>
<b>EXPENDITURE :</b>		
Financial Expenses	545.82	477.38
Establishment expenses	64.96	70.51
Administrative & Other Expenses	111.84	150.40
Provisions & Write off	26.45	0.47
Depreciation	18.15	14.19
<b>Total (B)</b>	<b>767.22</b>	<b>712.95</b>
<b>PROFIT BEFORE TAX</b>	<b>69.35</b>	<b>41.62</b>
Less Taxation - Current	18.22	12.86
Earlier Years	10.39	0
<b>PROFIT AFTER TAX</b>	<b>40.74</b>	<b>28.76</b>
Balance as per last Balance Sheet brought forward	40.77	32.01
Profit Available for Appropriation	81.51	60.77
<b>The Appropriations are :</b>		
- Transfer to General Reserve	12.50	10.00
- Transfer to Special Reserve	12.50	10.00
- Balance carried forward	56.51	40.77

**BUSINESS OUTLOOK AND FUTURE PROSPECTS**

The Gross Income during the year was Rs.8.37 crores as against 7.55 crores in the previous year. Profit after tax for the current year is Rs.40.74 lakhs against Rs.28.76 lakhs in the previous year up by 41.66%. Net Stock on Hire grew marginally by Rs.2.84 Crores to 41.02 crores from 38.18 crores. The marginal increase in Income and Profit is mainly due to paucity of funds. The sanctioning of the additional limit, by the Consortium of Bankers, to the extent of Appraised Limit of Rs.40.50Crores was not materialized, for technical reasons, during the current financial year also. Because of this the Company was forced to go slow on disbursements and enter into Franchise operations to meet the demand.

The Shareholders of the Company in order to augment the liquid resources for the development of business of the Company at the previous Annual General Meeting held on 28th September, 2011 had declined the Board of Directors' recommendation to declare dividend @3%, as a result the provision made for Rs.31.48 Lakhs during the year has re-transferred to Profit and Loss Account during the year under report.

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

The Company has also entered Franchise Agreement with L&T Finance Limited on January 3,2012 and started rendering Fee based services.

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

The company considering that the present book value of the assets not representing the Fair Value and also to enhance the quality of the assets which will contribute the future revenue of the company, has during the year under review revalued the Land situated at GN Chetty Road T.Nagar Chennai and entered into a Joint Venture Agreement with a reputed builder to develop the said land into a commercial complex.

**DIVIDEND**

In order to conserve the liquid resources for the development of business of the Company and to enhance Shareholders value, your Directors have not recommended any Dividend for the year ended 31st March, 2012. However to enhance the Reserves, the Board of Directors has voluntarily transferred a sum of Rs.12.50 lakhs to the General Reserve.

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

The Company has accepted fixed deposits amounting to Rs.4,55,000/- during the year. The total deposits outstanding as on March 31, 2012 was Rs. 5,35,000/- as compared to Rs.1,97,053/- as on March 31, 2011. There were unclaimed matured deposits of Rs.30,000/- representing three depositors as at March 31, 2012, which has been paid subsequently in June, 2012. The Public Deposit outstanding as on 30th June, 2012 is NIL. However, the company continues to hold Rs.2.00 lacs as SLR Security invested in 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.29.75 Crores and the amount outstanding at the end of the year was Rs.29.72 Crores. The working capital credit limits of your Company were renewed at Rs.29.60 Crores.

**CREDIT RATING**

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

**CAPITAL ADEQUACY RATIO :**

Your Company's total Capital Adequacy Ratio (CAR) , as of March 31, 2012 stood at 33.05% of the aggregate risk weighted assets which is well above the regulatory minimum of 15%.

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

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

There are no foreign exchange earnings and out go during the year under review.

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

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.

**DIRECTORS RESPONSIBILITY STATEMENT**

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

**Confirm that :**

- a) In the preparation of the Annual Accounts, for the year 2011-12, the applicable Accounting Standards have been followed and there are no material departure;
- b) They 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) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities and
- d) They have prepared the annual accounts on a going concern basis.



**INTERNAL CONTROLS AND THEIR ADEQUACY:**

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

**STATEMENT PURSUANT TO LISTING AGREEMENT**

The Companies Securities are listed with The Bombay Stock Exchange Limited, Mumbai and The Madras Stock Exchange Limited, Chennai and the Company has paid the respective Annual Listing Fees up to date and there are no arrears.

**CORPORATE GOVERNANCE**

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

**DIRECTORATE**

In compliance with the provisions of the Companies Act, 1956 and in accordance with the Article 9 of the Company's Articles of Association, Mr.N.Subramanian, retires at this Annual General Meeting and being eligible, offers himself for re-appointment.

Further the Board of Directors at their meeting held on 30.01.2012 had appointed Mr.Prasan Chand Chopra as an Additional Director with effect from 13.02.2012, pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article No.9 of the Articles of Association of the Company to hold office as such till the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the Company has received a Notice in writing from a member signifying his intention to propose the candidature of Mr.Prasan Chand Chopra for the Office of Director of the Company. Your Directors recommend the resolution as set out in item No.4 of the notice convening Annual General Meeting for approval of the shareholders. In spite of best effort the Company could not able to appoint a full time Company Secretary as required under section 383 A of the Companies Act.

Brief resume of the Directors, seeking re-appointment, nature of their expertise as stipulated under clause 49 of the listing agreement with the Bombay Stock Exchange Limited, is appended to the notice convening the Annual General Meeting.

**Disclosures of Particulars of Constituting "Group" pursuant to Regulation 3(1)(e) of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.**

Pursuant to 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, 2012).



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			

**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.

**ACKNOWLEDGMENTS**

Your directors gratefully acknowledge the support and co-operation extended by all the shareholders, depositors, customers, vehicle manufacturers, dealers, Government agencies, Bankers, Franchisers 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 30, 2012

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

**ANNEXURE-A****REPORT ON CORPORATE GOVERNANCE****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 comprises of one Managing Director and four Non Executive Directors including three Independent Directors. The Board members possess requisite skills, experience and expertise 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. The Board meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with the 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 Directors		Attendance of Last AGM	Number of Directorships held in the Indian Companies (excluding Indo Asia Finance Limited)	Number of Board / Committee memberships Held in other companies
		Held	Attended			
Padham J Challani	Chairman and Managing Director - Executive	05	05	Yes	02	Nil
M. Prakashchand Jain	Director - Non Executive	05	02	Yes	02	Nil
N. Subramanian	Director - Non Executive & Independent	05	05	Yes	Nil	Nil
M. Viswanathan	Director - Non Executive & Independent	05	02	Yes	Nil	Nil
Prasan Chand Chopra	Director - Non Executive & Independent	05	01	No	01	Nil

\*\*\* Appointed with effect from 13.02.2012



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.

Further, there are no changes in the composition of the Board of Directors.

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 are/is properly recorded and signed, in the Minutes Book maintained for the purpose.

The Board of Directors met Five (05) times on 11.05.20011, 29.06.2011, 27.07.2011, 19.10.2011 and 30.01.2012 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 31-03-2011 was held on 28-09-2011 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.

None of the Director is related to any other Director of the company.

**DIRECTORS SHAREHOLDING :**

Name of the Directors	No of Equity Shares held as on 31st Mar 2012
Padham J Challani	1,10,100
M. Prakashchand Jain	8,16,600
N. Subramanian	300

There are no other shares or convertible instruments held by any other director.

**BOARD COMMITTEES**

The Board is assisted by various committees like, Audit Committee, Remuneration 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 exists.
- ❖ 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 Three "Non-Executive & Independent Directors" as members as detailed below and all members have adequate financial and accounting knowledge.



The Audit Committee met five (5) times on 11-05-2011, 29-06-2011, 27-07-2011, 19-10-2011 and 30-01-2012 during the year and the details of the number of meetings held and attendance record of the members are as follows:

Name of the Directors	Status and Category	No. of Meetings	
		Held	Attended
N. Subramanian - Chairman	Director, Non - Executive, Independent	05	05
M. Viswanathan - Member	Director, Non - Executive, Independent	05	03
Prakashchand Jain, Member (**)	Director, Non - Executive	05	02
Prasan Chand Chopra - Member (**)	Director, Non - Executive, Independent	05	00

(\*\* Mr. Prasan Chand Chopra was appointed in place of Mr. M. Prakash Chand Jain with effect from 13.02.2012).

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

#### **Remuneration Committee**

Your Company has constituted a Remuneration Committee under the Chairmanship of Mr. N. Subramanian. The committee consisting of Mr. N. Subramanian, Mr. M. Viswanathan and Mr. Padham J Challani, decide 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 01-04-2011 to 31-03-2012 as he has waived his right for the same for the best interest of the Company.

Mr. Padham J Challani was re-appointed as Managing Director at the Annual General Meeting held on 28.09.2011, for a period of five years, with effect from 1.12.2010, with principal terms and condition mentioned and other perquisite as per the policy of the company.

Mr. Padham J Challani was not paid any sitting fees for the Board Meetings or of any Committees of the Board attended by him.

#### **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 the 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 and Mr.Prasan Chand Chopra, 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.

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**

Mr.K.Venkataramani 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:-

Type of Complaints	Number of Complaints
Non Receipt of Annual Reports	-
Non Receipt of Dividend Warrants	-
Non Receipt of Interest/Redemption Warrants	-
Non Receipt of Certificates	-
<b>Total</b>	-

**General Body Meetings :**

The details of the Annual General Meetings held during the last three years are as follows:

No.	Financial Year	Location	Date	Time
21st AGM	2010 - 2011	No.15, New Giri Road, T.Nagar, Chennai - 600 017	28.09.2011	10.30 A.M
20th AGM	2009 - 2010	No.15, New Giri Road, T.Nagar, Chennai - 600 017	29.09.2010	10.30 A.M
19th AGM	2008 - 2009	No.15, New Giri Road, T.Nagar, Chennai - 600 017	29.09.2009	10.30 A.M



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

**DISCLOSURE MADE BY THE SENIOR MANAGERIAL PERSONNEL TO THE BOARD**

During the year no material transactions 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 interests of the company.

**DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS**

There were no materially significant related party transactions 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, 2012.

**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.

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.

**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, 2012. A declaration to this effect signed by Mr. Padham J Challani, Chairman & Managing Director 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.



**CEO/CFO CERTIFICATION**

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by Mr. Padham J Challani, Chairman and Managing Director was placed before the Board of Directors along with financial statement for the financial year ended March 31, 2012 at its meeting held on 30th July, 2012.

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

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

**COMPLIANCE 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, structures 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.indoasianfinance.com](http://www.indoasianfinance.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)

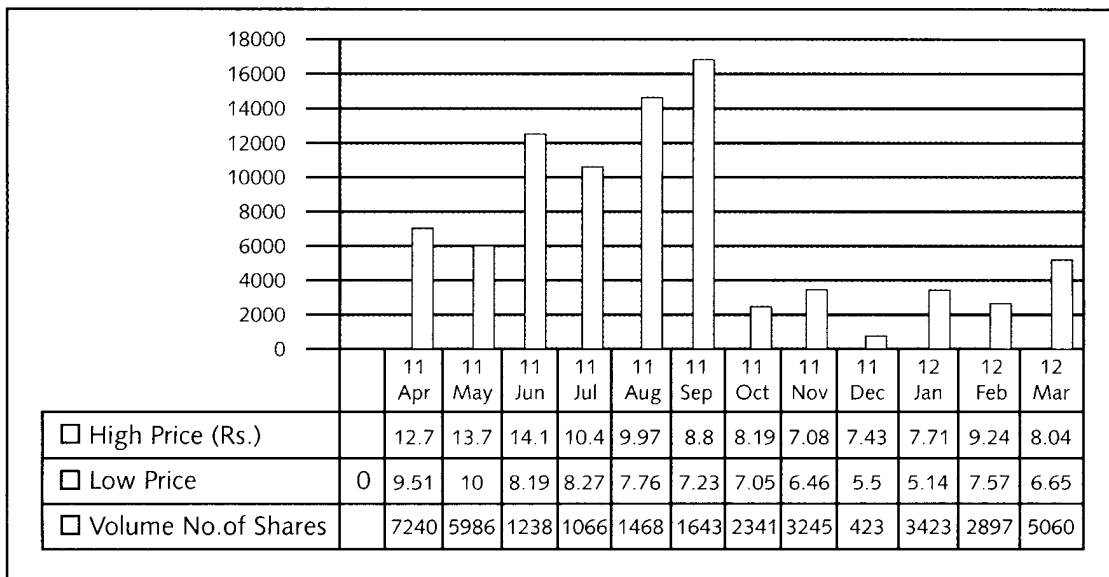
<b>Financial year</b>	April 1, 2012 to March 31, 2013 (Subject to Change)
First Quarter Result	July 30, 2012
Second Quarter Result and Half-yearly Result	October 29, 2012
Third Quarter Result	January 30, 2013
Fourth Quarter Result	May 30, 2013
Annual Result (Audited)	May 30, 2013
Annual General Meeting	Within 6 months of the close of the financial year in accordance with Section 166 of the Companies Act, 1956.
Dates of book closure	26th September 2012 to 28th September 2012
Venue and other details of the Annual General Meeting	Day : Friday Date : 28th September, 2012 Time : 10.00 a.m "No.15, New Gira road, T.Nagar, Chennai - 600 017
Dividend Payment Date (if declared)	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	The Bombay Stock Exchange Limited, Mumbai Madras Stock Exchange Limited, Chennai (Annual Listing for fees for the year 2012-2013 has been duly paid to the above exchange) - <b>Scrip Code 530747.</b>



Stock Market data for the period April 1, 2011 to March 31, 2012 and Graphical representation of volume of Shares traded during April 2011 to March 2012, monthly high and low prices as well as the volumes of shares traded at BSE for the year 2011-12.

<b>Bombay Stock Exchange (BSE)</b>			
<b>Month</b>	<b>High Price (Rs.)</b>	<b>Low Price (Rs.)</b>	<b>Volume (No. of Shares)</b>
Apr-11	12.74	9.51	7240
May-11	13.65	10.0	5986
Jun-11	14.10	8.19	1238
Jul-11	10.39	8.27	3106
Aug-11	9.97	7.76	6514
Sep-11	8.80	7.23	6851
Oct-11	8.19	7.05	6439
Nov-11	7.08	6.46	2341
Dec-11	7.43	5.50	3245
Jan-12	7.71	5.14	4233
Feb-12	9.24	7.57	4232
Mar-12	8.04	6.65	8975

The Chart given hereunder plots the movement of the Company's share price on BSE versus BSE sensex for the year Financial Year 2011-12



**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, 2012 are 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	100.00
2	Held in dematerialized Form in CDSL	3,95,478	4.40
3	Held in dematerialized Form in NSDL	53,37,209	59.30
4	Physical	32,67,313	36.30

**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 : 044-28460390-94, Fax No : 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 dematerialization/ re-materialization, transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address are disposed off expeditiously.

**DISTRIBUTION OF SHARE HOLDING AS ON 31-03-2012**

Share holding	Share holders		Share Amount	
	Rs.	Number	Rs.	% of Total
1 - 5000	586	44.7328	9,91,430	1.1015
5001 - 10000	340	25.9541	25,52,930	2.8370
10001 - 20000	198	15.1145	28,60,190	3.1779
20001 - 30000	70	5.3435	17,80,940	1.9788
30001 - 40000	16	1.2214	5,68,750	0.6319
40001 - 50000	19	1.4503	8,96,030	0.9955
50001 - 100000	34	2.5954	24,40,920	2.7121
100001 - and Above	47	3.5880	77,908,810	86.5653
<b>Total</b>	<b>1310</b>	<b>100.00</b>	<b>9,00,00,000</b>	<b>100.00</b>



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 Shareholdings as on March 31, 2012**

Sl.No.	Category of Shareholders	No.of shares Held	Percentage of holdings
1	Promoters	62,36,154	69.29
2	Foreign Institutional Investors/Mutual Funds	-	-
3	Bodies Corporate	60,065	0.67
4	Individual shareholders holding nominal shares Capital up to Rs. 1 lakh	11,05,340	12.28
5	Individual Shareholders holding nominal shares Capital in excess of Rs.1 lakh	15,46,915	17.19
6	Clearing Members	1	0.00
7	Hindu Undivided Family	49805	0.55
8	Non Resident Indian	1720	0.02
9	Foreign National	Nil	Nil
	<b>Total</b>	<b>90,00,000</b>	<b>100.00</b>

**MAJOR SHAREHOLDERS**

Details of Shareholders holding more than 1% of the paid up capital of the Company as on March 31, 2012 are given below:-

Name of Shareholders	No.of shares	% of Paid up Capital	Category
Ajeeth P Challani	1210500	13.45	Promoter
J. P. Swapna	346,806	3.85	Promoter
Padham J Challani	110,100	1.22	Promoter
Mamtha A Muthaa	309,054	3.43	Promoter
P. Shobha	866394	9.63	Promoter
Aashish Chopra	450000	5.00	Promoter
Abishek Chopra	450000	5.00	Promoter
Aditya Chopra	450000	5.00	Promoter
M. Prakash Chand Jain	816600	9.07	Promoter
P. Kantha Chopra	435900	4.84	Promoter
Jawarilal Jain R	397200	4.41	Promoter
J. A. Lalitha	5700	0.06	Promoter
Manoharlal R.J	115800	1.29	Promoter
Rishub J. J	792300	8.80	Promoter

**TRANSFER OF UNPAID/UNCLAIMED AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND**

Members who have not yet encashed their dividend warrants for previous years are advised to forward such warrants to the Company for revalidation. Pursuant to the provision of section 205A read with 205C of the Companies Act, 1956 dividend, which remains unclaimed for a period of Seven Years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

The Following table gives information relating to outstanding dividend accounts and the dates by which they can be claimed by the Shareholders.

<b>Financial Year</b>	<b>Date of declaration</b>	<b>Proposed date for transfer to IEPF *</b>
2004-05	19.09.2005	18.10.2012
2005-06	25.09.2006	24.10.2013
2006-07	24.09.2007	23.10.2014
2007-08	29.09.2008	28.10.2015
2008-09	29.09.2009	28.10.2016
2009-10	29.09.2010	28.10.2017

\*indicative dates. Actual dates may vary.

It may be noted that no claims will lie against the company nor the IEPF in respect of the said unclaimed amount transferred to the fund.

**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 - 600 017

Phone : 044-2834 2111

Fax : 044-2834 1280

Email : [investors@indoasianfinance.com](mailto:investors@indoasianfinance.com)

Website : [www.indoasianfinance.com](http://www.indoasianfinance.com)

In terms of clause 47(f) of the Listing Agreement of Stock Exchanges, investors may please use [investors@indoasianfinance.com](mailto:investors@indoasianfinance.com) as 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, 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

Dated: July 30, 2012

Registered Office:

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

**Padham J Challani**

Chairman & Managing Director

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS**

The Certificate dated 30th day of July 2012, 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 & Managing Director

**Prasan Chand Chopra**

Director

Dated: July 30, 2012

Registered Office:

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

**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,2012.

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 certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state 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 the management

**For A. KRISHNAMOORTHY & CO**

**Chartered Accountants**

**FRN: 001489S**

**A. Krishnamoorthy**

**Partner - Membership No.27190**

Place : Chennai

Date : July 30, 2012

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY OVERVIEW**

NBFC sector has been experiencing significant stresses on asset quality, liquidity and funding costs due to the global economic slowdown & its impact on the domestic economy. While all the NBFCs were affected, the impact varied according to the structural features of each NBFC. Asset-liability maturity (ALM) profiles, type of assets financed and origination / collection models followed were the primary differentiators within NBFCs. Profitability is expected to be lower than historical levels due to conservative ALM management, higher provisioning and avoidance of high yielding unsecured loan segments. However profits are at the same time expected to be much more stable & less susceptible.

**MARKET SCENARIO**

A continued decline in economic growth in the year 2012 in particular, a steep drop in industrial output, affecting asset quality/asset growth and earnings could also lead to negative rating action. The market outlook of the NBFC sectors during the year under review is stable but cautious. The cyclical headwinds from a moderating economy had significantly affected the NBFCs' asset quality, and loan growth had drastically slow down in 2012. Further the introduction of guidelines by Reserve Bank of India (RBI) under which bank loans to NBFCs are not considered priority-sector loans from 1st April 2011, which reduced incentives for banks to lend directly to NBFCs and resultant increase in the funding costs of NBFC. Despite the downward shift in interest rates during the year 2012, funding costs for NBFCs had increased in the year, which, together with higher credit costs, had reduced profitability.

**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.19.14 crores during the year as against Rs.21.14 crores in the previous year, registering a decline of 9.46 %.

**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 32.27 Lakhs (47.01%) was made against Substandard Assets and a provision of Rs.18.43 Lakhs (0.25%) was made against Standard Assets. The Company is continuing its efforts in recovering NPAs.



**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, 2012 are:
- ❖ Profit before tax and profit after tax increased by 66.63 % and 41.67% respectively.
- ❖ Current year income tax provision amounted to Rs. 18.22 lacs as compared to Rs. 12.86 lacs in the previous year. The effective income tax rate for the year is 30.90%.
- ❖ Pre-tax return on average assets was 1.11 % in the current year as against 0.89% in the previous year. Post tax return on average assets was 0.65% in the current year as against 0.61% in the previous year.
- ❖ Ratio of financial expenses to average assets was 8.76 % in the current year as against 10.15% in the previous year.
- ❖ The Earnings per Share was Rs. 0.45 for the current year as against Rs. 0.32 for the previous year.
- ❖ Ratio of non interest expenses to total expenses was 29.80 % in the current year against 32.90% to last year.

**Opportunities and threats**

The Non Banking Finance Companies [NBFCs] emerged as important financial intermediaries particularly for the retail sector. To tame inflation, the interest rates were revised on more than thirteen times between March 2010 and January 2012, resulting in dearer financial resources for the borrowers. With the depletion in economic condition, we continued to be critically selective in financing and we chose to grow responsibly rather than grow rapidly.

The NBFCs have 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**

**Padham J Challani**  
Chairman & Managing Director

**Prasan Chand Chopra**  
Director

Dated : July 30, 2012

### **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, 2012 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012.
- 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**  
F R N : .001489S  
**CHARTERED ACCOUNTANTS**

**A. KRISHNAMOORTHY**  
**PROPRIETOR**  
**Membership No.27190**

Place : Chennai  
Date : May 30, 2012

**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.25.53 lakhs and received Rs.138.48 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 U/S. 143(1)

Nature of Liability	Asst Year	Amount	Remarks
Income Tax	2010 - 11	19,87,342	U/S.143(1)
	2011 - 12	10,99,862	U/S.143(1)
Fringe Benefit Tax	2008 - 09	4,52,120	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 High Court of Madras.

(Rupees in Lakhs)

Assessment Year	Demand (Disputed)	Amount Paid	Balance Demand
1998 - 99	36.20	32.30	3.90
1999 - 00	1.85	0.00	1.85
2000 - 01	31.58	21.34	10.24
2001 - 02	24.64	22.50	2.14
2002 - 03	16.64	15.62	1.02
2003 - 04	15.97	7.00	8.97



- (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 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.:001489S  
**CHARTERED ACCOUNTANTS**

**A.KRISHNAMOORTHY**  
**PROPRIETOR**  
**Membership No.27190**

**Place : Chennai**  
**Date : May 30,2012**


**Financial Highlights**

(Rupees in Lakhs)

YEAR	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Gross Income	836.57	754.50	1,001.59	1,107.15	1,095.20	755.88	604.23
Profit Before Tax	69.35	41.62	132.16	115.47	278.77	158.09	121.68
Profit After Tax	40.74	28.76	87.24	85.08	179.74	120.35	95.38
Dividend Rate(%)	0	-	3	5	10	10	10
Dividend Amount	0	-	27.00	15.00	30.00	30.00	30.00
Paid-up Share Capital	900	900.00	900.00	300.00	300.00	300.00	300.00
Reserves & Surplus	2973.49	296.01	298.74	842.98	775.45	629.91	543.77
Earning Per Share	0.45	0.32	0.97	2.84	5.99	4.01	3.18
Capital Adequacy Ratio (%)	33.05	26.17	27.18	27.89	23.59	24.49	25.31
Over dues % of H.P/Loans	2.51	2.34	3.74	5.02	4.44	10.94	9.08
<b>DISBURSEMENTS</b>							
Own Operation	1914.00	2,114.00	2,747.00	2,211.00	2,900.00	2,200.00	2,724.00
Franchise Operation	79.20	233.00	144.00	4,394.00	7,400.00	6,500.00	-
Total	1993.20	2,347.00	2,891.00	6,605.00	10,300.00	8,700.00	2,724.00
Assets Classification							
Standard	7371.85	3,892.11	3,559.87	3,916.15	3,915.22	3,152.06	2,832.01
Sub-standard	13.97	12.98	18.35	58.90	58.84	25.73	30.88
Doubtful	54.67	43.94	36.35	19.22	5.17	27.17	32.10
Loss Assets	0	-	4.99	-	6.03	9.88	1.14
Gross NPA - Amount	68.64	56.92	59.69	78.12	70.04	62.78	64.12
%	0.92	1.44	1.65	1.96	1.76	1.95	2.21
Net NPA - Amount	36.37	30.17	34.78	62.64	33.40	40.15	44.58
%	0.49	0.77	0.96	1.57	0.84	1.25	1.54
Provision for NPA - Amount	32.27	26.75	24.91	15.48	36.64	22.63	19.54
%	47.01	47.00	41.73	19.82	52.31	36.05	30.47
Provision for NPA - Finance Charges	1.49	0.54	1.97	0.65	15.00	10.57	7.63
Total NPA Provision	33.76	27.29	26.88	16.13	51.64	33.20	27.17


**BALANCE SHEET AS AT MARCH 31, 2012**

(in ₹)

Sl.No	Particulars	Note No.	As at	
			March 31, 2012	March 31, 2011
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders funds</b>			
	(a) Share Capital	1	90,000,000	90,000,000
	(b) Reserves and Surplus	2	297,349,238	32,749,442
			<b>387,349,238</b>	<b>122,749,442</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-Term Borrowings	3	70,232,385	43,048,893
	(b) Other Long-Term Liabilities	4	-	-
	(c) Long-Term Provisions	5	5,474,743	2,829,864
			<b>75,707,128</b>	<b>45,878,757</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-Term Borrowings	6	298,231,630	296,886,479
	(b) Trade Payables	7	-	-
	(c) Other Current Liabilities	8	4,956,437	4,895,517
	(d) Short-Term Provisions	9	1,821,855	1,285,976
			<b>305,009,922</b>	<b>303,067,972</b>
	<b>TOTAL</b>		<b>768,066,288</b>	<b>471,696,171</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Fixed Assets	10		
	(i) Tangible Assets		319,120,833	57,970,576
	(b) Non-Current Investments	11	575,019	575,019
	(c) Deferred Tax Assets (net)	12	3,864,210	3,864,210
	(d) Long-Term Loans and Advances	13	-	-
	(e) Other Non-Current Assets	14	-	-
			<b>323,560,062</b>	<b>62,409,805</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Current Investments	15	-	-
	(b) Trade receivables	16	-	-
	(c) Cash and Bank Balances	17	5,734,070	5,508,309
	(d) Short-Term Loans and Advances	18	420,313,791	385,819,692
	(e) Other Current Assets	19	18,458,365	17,958,365
			<b>44,450,626</b>	<b>409,286,366</b>
	<b>TOTAL</b>		<b>768,066,288</b>	<b>471,696,171</b>
	The accompanying Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.			

As per of our report of even date attached.

 For **A. KRISHNAMOORTHY & CO**

Firm Registration No. 0014895

Chartered Accountants

**A. KRISHNAMOORTHY**

Proprietor

Membership No. 27190

Place : CHENNAI

Date : MAY 30, 2012

**PADHAM J CHALLANI**

Chairman

Place : CHENNAI

Date : MAY 30, 2012

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

**Prasan Chand Chopra**

Director




**Statement of Profit and Loss for the year ended March 31, 2012**
**(in ₹)**

Sl.No	Particulars	Note No.	For the year ended	
			March 31, 2012	March 31, 2011
<b>A</b>	<b>INCOME</b>			
1	Revenue from Operations	20	83,630,299	75,239,938
2	Other Income	21	26,427	216,870
3	<b>Total</b>		<b>83,656,726</b>	<b>75,456,808</b>
4	<b>Expenses</b>			
	(a) Finance Costs	22	54,582,243	47,738,265
	(b) Employee Benefits Expense	23	6,496,225	7,051,569
	(c) Depreciation and Amortisation Expense	10	1,814,589	1,418,646
	(d) Other Expenses	24	11,183,997	15,039,596
	(e) Provisions /Write offs	25	2,644,881	46,997
	<b>Total expenses</b>		<b>76,721,935</b>	<b>71,295,073</b>
5	<b>Profit before exceptional and extraordinary items and tax (3 - 4)</b>		6,934,791	4,161,735
6	Exceptional Items		-	-
7	<b>Profit before extraordinary items and tax (5+6)</b>		6,934,791	4,161,735
8	Extraordinary Items		-	-
9	<b>Profit before Tax (7 + 8)</b>		6,934,791	4,161,735
10	<b>Tax expense:</b>			
	(a) Current tax expense		1,821,855	1,285,976
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Short Provision of Tax of Earlier Years		1,038,817	
	(d) Deferred tax			
			2,860,672	1,285,976
11	<b>Profit After Tax from Continuing Operations (9+10)</b>		4,074,119	2,875,759
12	<b>Earnings per share (excluding extraordinary items) (of 10/- each):</b>			
	(a) Basic & Diluted			
	(i) Continuing operations		0.45	0.32
	(ii) Total operations		0.45	0.32
	The accompanying Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit & Loss			

As per of our report of even date attached.

 For **A. KRISHNAMOORTHY & CO**

Firm Registration No. 0014895

Chartered Accountants

**A.KRISHNAMOORTHY**
**Proprietor**

Membership No. 27190

Place : CHENNAI

Date : MAY 30,2012

**PADHAM J CHALLANI**
**Chairman**

Place : CHENNAI

Date : MAY 30,2012

**For and on behalf of the Board of Directors of  
Indo Asia Finance Limited**
**Prasan Chand Chopra**
**Director**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

(in ₹)

	2011 - 12	2010 - 11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	5,895,972	4,161,737
Add :		
Provision for NPA	2,489,708	41,890
Provision for Investments	155,172	
Adjustment for Depreciation	1,814,588	1,417,837
Financial Expenses	54,582,243	47,738,265
	64,937,683	53,359,729
Less : Other Income	11,787	1,091,284
<b>Operating profit before Working Capital changes</b>	64,925,896	52,268,445
(increase)/Decrease in Net Stock on Hire	(34,364,443)	(15,308,598)
(increase)/Decrease in Loans and Advances	(629,656)	(346,729)
increase/(Decrease) in Current Liabilities	60,920	1,441,561
<b>Cash Generated from Operating Activities</b>	29,992,717	38,054,679
Less : Financial Expenses	54,582,243	47,738,265
Income Tax Paid	1,285,977	5,528,916
<b>Net Cash Generated from Operating Activities (A)</b>	(25,875,503)	(15,212,502)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,439,167)	(3,602,920)
Sale of Fixed Assets		36,983
Sale of Investments		3,500
Dividend / Interest /commissions Received	11,787	1,091,284
<b>Net Cash Generated from Investing Activities (B)</b>	(2,427,380)	(2,471,153)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Bank Borrowings	1,559,810	14,088,657
Increase/(Decrease) in Vehicle Loan from Bank	(552,605)	
Increase/(Decrease) in Debentures	13,335,000	3,602,666
Increase/(Decrease) in Unsecured Loans	14,186,439	4,978,126
Dividend Paid ( Including Dividend Tax )	-	(3,148,436)
<b>Net Cash Generated from Financing Activities (C)</b>	28,528,644	19,521,013
Net Increase in Cash and Cash Equivalents (A + B + C )	225,761	1,837,358
Cash and Cash Equivalents at the beginning of the year	5,508,309	3,670,951
Cash and Cash Equivalents at the end of the year		
Cash & Cheques on Hand	4,238,462	4,543,163
Cash at Bank	1,495,608	965,146

For and on behalf of the Board

**PRASAN CHAND CHOPRA**  
Director**PADHAM J CHALLANI**  
Chairman

Place : Chennai      Date : July 30, 2012

**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 2012 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 exchanges.

For A. KRISHNAMOORTHY & Co  
FRN.0014895  
Chartered Accountants  
Place : CHENNAI  
Date : MAY 30,2012

**A. KRISHNAMOORTHY**  
Proprietor - M.No. 27190

**26. 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 Hypothecation loan transaction is accounted on accrual basis as per 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
563.84 Lacs	12%	Floating Charge on the receivables from unencumbered Hire Purchase and Leasing Assets



**NOTES TO THE ACCOUNTS**

- 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 paid/credited to directors on Directors Loans." Rs. NIL (previous year Rs. 5,330/-).
- b) Auditor's Remuneration

	<b>31.03.2012</b>	<b>31.03.2011</b>
For Statutory Audit, Tax Audit, Limited Review, Certification & Other Services including Service Tax Rs.5,150/-	Rs. 55,150	Rs. 55,150

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

	<b>31.03.2012</b>	<b>31.03.2011</b>
Salary	Nil	Nil
Perquisites (Valued as per I.T Rules)	2,00,000	2,00,000
Sitting Fees	-	-
	<b>2,00,000</b>	<b>2,00,000</b>

- d) 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) 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:</b>	<b>2010 - 12</b>	<b>2010 - 11</b>
Profit for the year after taxation (in Rs.) A	4,074,117	2,875,760
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)	0.45	0.32

- 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

**NOTES TO THE ACCOUNTS**

Sl.No.	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 Global Holdings Ltd. 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	-	-	-
Rent Payments	-	-	2.00
Interest Receipts-on Hypothecation loans	3.32	0.26	10.26
Interest Receipts-on Short Term loans		0.04	
Hypothecation Loan paid	25.45	1.96	78.53
Short Term loan Paid	0.08	0.32	-
Un Secured Loan Received	138.48	-	-

d) **Contingent Liabilities :**

Sl.No.	Particulars	31.03.2012	31.03.2011
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 deposit with the department Rs.92,120/-	92,120	92,120

e) Earning in Foreign Currency : NIL

f) Expenditure in Foreign Currency : NIL

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 of our report of even date attached.

For **A. KRISHNAMOORTHY & CO**

Firm Registration No. 0014895

Chartered Accountants

**A.KRISHNAMOORTHY**

Proprietor

Membership No. 27190

Place : CHENNAI

Date : MAY 30,2012

**PADHAM J CHALLANI**

Chairman

**Prasan Chand Chopra**

Director


**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

Note No.		As at March 31, 2012 ₹	As at March 31, 2011 ₹																																																																									
1	<b>SHARE CAPITAL</b>																																																																											
	<b>Authorised Share Capital</b>																																																																											
	<b>Ordinary Shares</b>																																																																											
	1,55,10,000 Equity Shares of ₹ 10/-each	155,10,000	155,10,000																																																																									
	<b>Issued, Subscribed and fully paid up</b>																																																																											
	90,00,000 (Previous year- 90,00,000) Equity Shares of ₹ 10/-each.	90,00,000	90,00,000																																																																									
	<p>The Company has only one class of equity shares having a par value of ₹ 10/-per share. Each shareholder is eligible for one vote per share held. The Equity shareholders are entitled to receive dividend as and when declared subject to the approval of the shareholders in the Annual General Meeting.</p> <p>For the year ended March 31,2012,the Directors have not recommended any dividend. For the Previous year the Board of Directors had recommended a dividend of ` 0.30 per equity Share but the shareholders have not approved the same and no dividend has been paid.</p> <p>In the event of liquidation of the Company , the holders of equity shares will be entitled to receive remaining assets of the company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p> <p><b>Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :</b></p> <p>60,00,000 Equity Shares were issued and allotted as Bonus shares during the year ended 31st March,2010 in the ratio of 2:1 (Two Shares for every one share held)</p> <p><b>Reconciliation of the shares outstanding at the beginning and at the end of the year</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">March 31, 2012</th> <th colspan="2">March 31, 2011</th> </tr> <tr> <th>No.of Shares</th> <th>₹ in Lakhs</th> <th>No.of Shares</th> <th>₹ in Lakhs</th> </tr> </thead> <tbody> <tr> <td>Equity shares of ₹10/- each fully paid with voting Rights</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>As at the beginning of the year</td> <td>90,00,000</td> <td>900.00</td> <td>90,00,000</td> <td>900.00</td> </tr> <tr> <td>Add : Fresh Issue</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Bonus Share</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>As at the end of the year</td> <td>90,00,000</td> <td>900.00</td> <td>90,00,000</td> <td>900.00</td> </tr> </tbody> </table> <p><b>Shareholders holding more than 5% shares in the Company</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">March 31, 2012</th> <th colspan="2">March 31, 2011</th> </tr> <tr> <th>No.of Shares</th> <th>% of Holdings</th> <th>No.of Shares</th> <th>% of Holdings</th> </tr> </thead> <tbody> <tr> <td>MS. P.shoba</td> <td>864,984</td> <td>9.61</td> <td>864,984</td> <td>9.61</td> </tr> <tr> <td>Mr. Ajeeth P Challani</td> <td>802,200</td> <td>8.91</td> <td>802,200</td> <td>8.91</td> </tr> <tr> <td>Mr. Rishub J.J</td> <td>-</td> <td>-</td> <td>792,300</td> <td>8.80</td> </tr> <tr> <td>Mr. Aditya Chopra</td> <td>450,000</td> <td>5.00</td> <td>450,000</td> <td>5.00</td> </tr> <tr> <td>Mr. Abhishek Chopra</td> <td>450,000</td> <td>5.00</td> <td>450,000</td> <td>5.00</td> </tr> <tr> <td>Mr. Ashish Chopra</td> <td>450,000</td> <td>5.00</td> <td>450,000</td> <td>5.00</td> </tr> </tbody> </table>			Particulars	March 31, 2012		March 31, 2011		No.of Shares	₹ in Lakhs	No.of Shares	₹ in Lakhs	Equity shares of ₹10/- each fully paid with voting Rights					As at the beginning of the year	90,00,000	900.00	90,00,000	900.00	Add : Fresh Issue	0	0	0	0	Bonus Share					As at the end of the year	90,00,000	900.00	90,00,000	900.00		March 31, 2012		March 31, 2011		No.of Shares	% of Holdings	No.of Shares	% of Holdings	MS. P.shoba	864,984	9.61	864,984	9.61	Mr. Ajeeth P Challani	802,200	8.91	802,200	8.91	Mr. Rishub J.J	-	-	792,300	8.80	Mr. Aditya Chopra	450,000	5.00	450,000	5.00	Mr. Abhishek Chopra	450,000	5.00	450,000	5.00	Mr. Ashish Chopra	450,000	5.00	450,000	5.00
Particulars	March 31, 2012		March 31, 2011																																																																									
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As at the beginning of the year	90,00,000	900.00	90,00,000	900.00																																																																								
Add : Fresh Issue	0	0	0	0																																																																								
Bonus Share																																																																												
As at the end of the year	90,00,000	900.00	90,00,000	900.00																																																																								
	March 31, 2012		March 31, 2011																																																																									
	No.of Shares	% of Holdings	No.of Shares	% of Holdings																																																																								
MS. P.shoba	864,984	9.61	864,984	9.61																																																																								
Mr. Ajeeth P Challani	802,200	8.91	802,200	8.91																																																																								
Mr. Rishub J.J	-	-	792,300	8.80																																																																								
Mr. Aditya Chopra	450,000	5.00	450,000	5.00																																																																								
Mr. Abhishek Chopra	450,000	5.00	450,000	5.00																																																																								
Mr. Ashish Chopra	450,000	5.00	450,000	5.00																																																																								


**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

Note No.		As at March 31, 2012 ₹	As at March 31, 2011 ₹
2	<b>RESERVES AND SURPLUS</b>		
	<b>Capital Reserve as at the beginning and end of the year</b>	72,000	72,000
	<b>Revaluation Reserve</b>		
	Balance as at the beginning of the year	-	-
	Add : Revaluation of Land	260,525,679	-
	Balance as at the end of the year	260,525,679	-
	<b>General Reserve</b>		
	Balance as at the beginning of the year	3,000,000	2,000,000
	Add : Transferred from Statement of Profit and Loss	1,250,000	1,000,000
	Balance as at the end of the year	4,250,000	3,000,000
	<b>Statutory Reserve pursuant to Section 45-1C of The RBI Act.1934</b>		
	Balance as at the beginning of the year	25,600,000	24,600,000
	Add : Transferred from Statement of Profit and Loss	1,250,000	1,000,000
	Balance as at the end of the year	26,850,000	25,600,000
	<b>Surplus-balance in Statement of Profit and Loss</b>		
	Balance as at the beginning of the year	4,077,442	3,201,682
	Add : Current year profit	4,074,117	2,875,760
	Less : Transfer to General Reserve	1,250,000	1,000,000
	Less : Transfer to Special Reserve	1,250,000	1,000,000
	Balance as at the end of the year	5,651,559	4,077,442
		<b>297,349,238</b>	<b>32,749,442</b>
	<b>NON-CURRENT LIABILITIES</b>		
3	<b>LONG TERM BORROWINGS</b>		
	<b>Secured Borrowings</b>		
	12 % Non-Convertible Redeemable Debentures	56,383,893	43,048,893
	(Secured by Specific Assets covered under Hypothecation Loan Agreements- Reedemable at the end of 12 months. with an option to renew for a further period of 12 months)		
	<b>Unsecured Borrowings</b>		
	From Related Parties		
	From Group Company	13,848,492	-
		<b>70,232,385</b>	<b>43,048,893</b>


**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

Note No.		As at March 31, 2012 ₹	As at March 31, 2011 ₹
4	<b>OTHER LONG TERM LIABILITIES</b>	-	-
5	<b>LONG TERM PROVISIONS</b>		
	Provision for Bad and Doubtful Debts		
	Standard assets	1,843,000	-
	Non-Performing Assets	3,226,580	2,674,767
	NPA Finance Charges	148,828	53,933
	Provision for Diminution in Investments	256,335	101,164
		5,474,743	2,829,864
	<b>CURRENT LIABILITIES</b>		
6	<b>SHORT-TERM BORROWINGS</b>		
	<b>Secured Borrowings</b>		
	Cash Credit from Banks	297,212,055	295,652,246
	(Secured by specific assets under Hypothecation Loan agreements and Equitable Mortgage over Land)		
	Term Loan from Bank (Installments due within a Year)	484,575	1,037,180
		297,696,630	296,689,426
	<b>Unsecured Borrowings</b>		
	<b>Fixed Deposits</b>		
	From Shareholders	-	-
	From Others	535,000	197,053
		535,000	197,053
	<b>Loans and advances</b>		
	From Related Party		
	<b>TOTAL SHORT TERM BORROWINGS</b>	298,231,630	296,886,479
7	<b>TRADE PAYABLE</b>	0	0
8	<b>OTHER CURRENT LIABILITIES</b>		
	Interest accrued but not due on borrowings	253,225	377,450
	Interest accrued and due on borrowings	-	-
	Unclaimed Dividends	848,008	846,388
	Unpaid Matured deposits and interest accrued there on	-	-
	Sundry Creditors for expenses	367,735	480,352
	Income-tax payable	2,230,945	1,992,231
	Other Payables	1,256,524	1,199,096
		4,956,437	4,895,517
9	<b>SHORT-TERM PROVISIONS</b>		
	Income-Tax	1,821,855	1,285,976





**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**  
**10. NON - CURRENT-TANGIBLE FIXED ASSETS AS AT 31.03.2012**

Sl. No.	Description	Gross Block (Cost/Valuation)				Depreciation			Net Block		
		As At 01.04.2011	Additions	Disposals	As At 31.03.2012	Up to 31.03.2011	Charge during the year	Disposals	Up to 31.03.2012	As At 31.03.2012	As At 31.03.2011
1	Land	47,193,927	261,337,179		308,531,106				-	308,531,106	47,193,927
2	Building	1,567,658			1,567,658	133,733	25,553		159,286	1,408,372	1,433,925
3	Plant & Machinery	892,293	74,557		966,850	379,305	44,839		424,144	542,706	512,988
4	Furniture & Fittings	3,150,735	1,269,212		4,419,947	1,023,717	225,753		1,249,470	3,170,477	2,127,018
5	Electrical Installation	236,464			236,464	164,200	11,232		175,432	61,032	72,264
6	Air Conditioners	1,277,337	205,864		1,483,201	639,148	67,651		706,799	776,402	638,189
7	Aqua Guard	5,290			5,290	3,776	251		4,027	1,263	1,514
8	Water Cooler	8,300			8,300	5,255	394		5,649	2,651	3,045
9	Office Equipments	5,637,084	78,034		5,715,118	2,812,017	767,545		3,579,562	2,135,556	2,825,067
10	Motor Cars	6,542,846			6,542,846	3,757,593	621,570		4,379,163	2,163,683	2,785,253
11	Auto Rickshaws	291,132			291,132	35,682	27,658		63,340	227,792	255,450
12	Motor Cycles	233,090			233,090	111,154	22,143		133,297	99,793	121,936
<b>Total</b>		<b>67,036,156</b>	<b>262,964,846</b>	<b>-</b>	<b>330,001,002</b>	<b>9,065,580</b>	<b>1,814,589</b>	<b>-</b>	<b>10,880,169</b>	<b>319,120,833</b>	<b>57,970,576</b>
Previous Years Total		63,480,236	3,592,903	36,983	67,036,156	7,647,811	1,418,646	877	9,065,580	57,970,576	55,832,425

Land has been revalued as at 31st March, 2012 as per external valuer's report. The amount of increase on the revaluation done on March 31, 2012 was Rs. 26,05,25,679 and the revalued amount substituted is Rs. 30,62,50,000 for historical cost of Rs. 4,57,24,321/-

Additions to fixed assets include : Office renovation expenses amounting to Rs.12,35,960/- capitalised and added to Furniture & Fixtures


**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

Note No.		As at 31st March, 2012		As at 31st March, 2011	
		Nos.	₹	Nos.	₹
11	<b>NON-CURRENT INVESTMENT</b>				
	A.Trade Investments		NIL		NIL
	B.OTHER INVESTMENTS				
	<b>Investment in Equity shares</b>				
	1) Associates		NIL		NIL
	2) Others				
	Equity Shares fully paid-up				
	<b>QUOTED - DEMAT</b>				
	KOPRAN LIMITED	2000	251,100.00	2000	251,100.00
	HINDUSTHAN UNILEVER LIMITED	10	1,000.00	10	1,000.00
	INDIAN BANK	696	63,336.00	696	63,336.00
	UMANG DAIRIESLIMITED	200	2,000.00	200	2,000.00
	WIM PLAST LTD.	200	2,000.00	200	2,000.00
	SubTotal A	3106	319,436.00	3106	319,436.00
	<b>QUOTED - PHYSICAL</b>				
	GNFC LTD.	266	2,660.00	266	2,660.00
	GRUH FINANCE LTD.	100	1,000.00	100	1,000.00
	Comp-U-Learntec india Ltd.	1000	13,735.00	1000	13,735.00
	Sub total B	1366	17,395.00	1366	17,395.00
	Total A+B	4472	336,831.00	4472	336,831.00
	<b>UNQUOTED - DEMAT</b>				
	COMPUTER POWER (INDIA) LTD.	25000	25,000.00	25000	25,000.00
	ONIDA FINANCE LIMITED	800	8,000.00	800	8,000.00
	Total	25800	33,000.00	25800	33,000.00
	<b>Total investments in Equity Shares</b>	<b>30,272</b>	<b>369,831.00</b>	<b>30,272</b>	<b>369,831.00</b>
	<b>Investment in Government Securities</b>				
	7.32% A.P State Development Loan-2016	2,000	205,188.00	2,000	205,188.00
	(Stutory Liquid Asset in accordance with the norms prescribed by the R.B.I .)				
	<b>TOTAL NON CURRENT INVESTMENTS</b>		<b>575,019.00</b>		<b>575,019.00</b>
	Quoted Investments				
	Cost		369,831		369,831
	Market Value		345,542		345,542
	Provision Made for Diminutions in investment		256,335		256,335


**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

Note No.		As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
17	<b>CASH AND CASH EQUIVALENTS</b>		
	<b>Balances with Banks</b>		
	In Current Accounts	717,080	188123
	In Un Claimed Dividend Account	778,529	777022
		1,495,609	965145
	<b>Cash on hand</b>	4,238,462	4543163
	<b>Total Cash &amp; Bank Balances</b>	5,734,071	5,508,308
18	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>Hypothecation Loans</b>		
	<b>Secured- Considered Good</b>		
	Outstanding for Less than six months	409,340,879	376,147,732
	Outstanding for more than six months	1396612	1297995
		410,737,491	377,445,727
	<b>Secured- Considered Doubtful</b>		
	Outstanding for more than six months	5467146	4394467
		416,204,637	381,840,194
	<b>Other Loans &amp; Advances</b>		
	<b>(Un secured - Considered Good)</b>		
	To Related Parties		
	Group Companies	8,269	8,934
	Directors	31,680	891,724
	Employees	69,608	55,162
Staff Vehile Loan	19,720	33,983	
To Others			
Security Deposits	370,000	370,000	
Rental Advance	1,040,000	1,140,000	
Telephone /Electricity Deposits	207,448	207,448	
Deposits with Sales -tax Department	92,120	46,060	
Other Advances recoverable in Cash or in kind or Value to be received	2,270,309	1,226,187	
	4,109,154	3,979,498	
	<b>SHORT TERM LOANS AND ADVANCES - TOTAL</b>	420,313,791	385,819,692
19	<b>OTHER CURRENT ASSETS</b>		
	<b>Advance &amp; other Payment of Income Tax</b>	18,458,365	17,958,365


**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

Note No.		For the Year ended	
		March 31, 2012	March 31, 2011
20	<b>REVENUE FROM OPERATION</b>		
	Interest Income on		
	Hypothecation Loans	76,664,457	44,435,597
	Other Fee based services		
	Franchise Operation	6,965,842	30,804,341
		<b>83,630,299</b>	<b>75,239,938</b>
21	<b>OTHER INCOME</b>		
	Dividend	7,255	5,164
	Interest Received on Govt. Bond	14,640	14,640
	Interest on FDs with Banks	-	60,419
	Insurance Commission	400	17,600
	Profit on Sale of Fixed Assets	-	2,060
	Interest on Directors' Loans	4,132	116,987
		<b>26,427</b>	<b>216,870</b>
22	<b>FINANCE COST</b>		
	Interest Expenses	-	-
	Debentures	5,403,760	4,974,287
	Bank Loans	49,108,063	42,721,210
	Fixed Deposits	70,420	35,731
	ICDs	-	5,753
	Directors' Loan	-	1,644
		<b>54,582,243</b>	<b>47,738,625</b>
23	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Allowances and Bonus	5,834,986	6,460,154
	Contribution to Provident Fund	59,538	114,935
	Contribution to ESI	72,493	99,617
	Staff Welfare Expenses	118,383	376,863
	Staff Canteen Maintenance	410,825	
		<b>6,496,225</b>	<b>7,051,569</b>


**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

Note No.		For the Year ended	
		March 31, 2012	March 31, 2011
24	<b>OTHER EXPENSES</b>		
	Rent	1,650,500	977,000
	Rates and Taxes	120,121	136,885
	Insurance	34,616	68,273
	Communication expenses	706,890	555,468
	Travelling and Conveyance	839,849	1,385,146
	Printing and Stationery	265,379	184,413
	Advertisement charges	119,574	75,218
	Business Promotion expenses	1,115,424	792,745
	Vehicle maintenance	524,881	447,927
	Electricity expenses	263,724	264,416
	Fees and Subscription	181,618	113,583
	Bank charges and Commission	1,529,378	1,379,614
	Payment to Auditor:		
	Audit Fees	27575	27575
	Tax Audit Fees	16545	16545
	Out of Pocket Expenses	NIL	NIL
	Certification	11030	11030
	Professional and Consultation Fees	710,171	2,221,926
	Brokerage and Commission	461,000	676,663
	Donations, Charity and Scholarship	108,000	298,221
	Directors remuneration & Sitting fees	17,500	51,000
	Discount allowed	1,414,864	4,389,543
	Pooja expenses	28,733	19,834
	Computer maintenance	74,685	26,775
	Repairs and Office maintenance	680,415	549,114
	Miscellaneous Expenses	281,526	370,682
		11,183,998	15,039,596
	<b>PROVISIONS &amp; WRITE OFFS</b>		
	Loss on Sale of Fixed Assets	-	5,107
	Provision for Standard assets	1,843,000	-
	Provision against NPA	551,813	185,028
	Provision against NPA Finance Charges	94,896	-
	Provision for Diminutions in Investments	155,172	-
	Less : Reversal of Provision against NPA Interest	-	(143,138)
		<b>2,644,881</b>	<b>46,997</b>



**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.  State Code   
 Balance sheet Date : Date  Month  Year

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

Public Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Rights Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Bonus Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L

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

Total Liabilities	<input type="text"/> <input type="text"/> <input type="text"/> 7 6 8 0 6 6	Total Assets	<input type="text"/> <input type="text"/> <input type="text"/> 7 6 8 0 6 6
-------------------	--	--------------	--

**Sources of Funds**

Paid-up Capital	<input type="text"/> <input type="text"/> <input type="text"/> 9 0 0 0 0	Reserves & Surplus	<input type="text"/> <input type="text"/> <input type="text"/> 2 9 7 3 4 9
Secured Loans	<input type="text"/> <input type="text"/> <input type="text"/> 3 5 4 0 8 1	Unsecured Loans	<input type="text"/> <input type="text"/> <input type="text"/> 1 4 3 8 3

**Application of Funds**

Net Fixed Assets	<input type="text"/> <input type="text"/> <input type="text"/> 3 1 9 1 2 1	INVESTMENTS	<input type="text"/> <input type="text"/> <input type="text"/> 5 7 5
Net Current Assets	<input type="text"/> <input type="text"/> <input type="text"/> 2 6 0 5 5 9	Misc.Expenditure / Deferred Tax Asset	<input type="text"/> <input type="text"/> <input type="text"/> 3 8 6 4
Accumulated Losses	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

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

Turnover	<input type="text"/> <input type="text"/> <input type="text"/> 8 3 6 5 7	Total Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> 7 7 7 6 1
+ - Profit/Loss Before Tax	<input checked="" type="checkbox"/> <input type="text"/> <input type="text"/> <input type="text"/> 6 9 3 5	+ - Profit/Loss After Tax	<input checked="" type="checkbox"/> <input type="text"/> <input type="text"/> <input type="text"/> 4 0 7 4

(Please tick appropriate box + for Profit, - for Loss)



Earning Per Share in Rs.

0.45

Dividend Rate %

00

**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) HYPOTHECATION LOAN

**Prasan Chand Chopra**  
Director

**Padham J Challani**  
Chairman

Place : CHENNAI  
Date : MAY 30,2012


**Schedule to the Balance Sheet for the year ended 31st March, 2012**

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

(Rs. in Lakhs)

Sl.No	Particulars	Amount Outstanding	Amount Overdue
1	<b>Liabilities side :</b>		
	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :</b>		
	(a) Debentures : Secured	563.84	0.00
	: Unsecured (other than falling within the meaning of public deposits)	0.00	0.00
	(b) Deferred Credits	4.85	0.00
	(c) Term Loans	2972.12	0.00
	(d) Inter-corporate loans and borrowing	138.48	0.00
	(e) Commercial Paper	0.00	0.00
	(f) Public Deposits	5.35	0.00
	(g) Other Loans (Loan from Franchiser)	42.84	0.00
	<b>3727.48</b>	<b>0.00</b>	
2	<b>Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>		
	(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	-	-
	<b>Particulars</b>		<b>Amount Outstanding</b>
3	<b>Assets side :</b>		
	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
	(a) Secured		-
	(b) Unsecured		41.09
4	<b>Break up of Leased Assets and Stock on hire and hypothecation loans counting towards EL/HP activities</b>		
	(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		0.00
	(b) Repossessed Assets		0.00
	(iii) Hypothecation loans counting towards EL/HP activities:		
(a) Loans where assets have been repossessed		4.63	
(b) Loans other than (a)above		4157.41	





Particulars		Amount Outstanding	Market Value	
5	<b>Break-up of Investments :</b>			
	<u>Current Investments :</u>			
	1. <u>Quoted :</u>	0	0	
	(i) Shares : (a) Equity			
	(b) Preference			
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (Please specify)			
	2. <u>Unquoted :</u>	0	0	
	(i) Shares : (a) Equity			
	(b) Preference			
	(ii) Debentures and Bonds			
	(iii) Units of mutual funds			
	(iv) Government Securities			
	(v) Others (Please specify)			
	<u>Long Term investments :</u>			
1. <u>Quoted :</u>				
(i) Shares : (a) Equity	3.34	3.46		
(b) Preference	0	0		
(ii) Debentures and Bonds				
(iii) Units of mutual funds				
(iv) Government Securities				
(v) Others (Bank Deposits)				
2. <u>Unquoted :</u>				
(i) Shares : (a) Equity	0.33	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	5.72	5.51		
Less : Provision for Diminution for long term investments	2.56	2.56		
Total	3.16	2.95		
6	<b>Borrower group-wise classification of all leased assets, stock-on -hire and loans and advances :</b>			
	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	25.45	0.08	25.53
	(c) Other related parties	80.49	0.00	80.49
	2. Other than related parties	4056.11	0.00	4056.03
	Total	4162.05	0.08	4162.05



<b>7</b>	<b>Investor group-wise classification of all investments ( current and long term) in shares and securities (both quoted and unquoted)</b>		
	<b>Category</b>	<b>Market Value/Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
	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		
	Total	5.51	5.72

<b>8</b>	<b>Other Information</b>		
	<b>Particulars</b>		<b>Amount</b>
	(i)	Gross Non-Performing Assets	
	(a) Related Parties		0.00
	(b) Other than related parties		68.64
	(ii)	Net Non-Performing Assets	
	(a) Related Parties		0.00
	(b) Other than related parties		36.37
	(iii)	Assets acquired in satisfaction of debt (During the year)	0.00

As per of our report of even date attached.  
 For **A. KRISHNAMOORTHY & CO**  
 Firm Registration No. 0014895  
 Chartered Accountants

**A.KRISHNAMOORTHY**  
**Proprietor**  
 Membership No. 27190

Place : CHENNAI  
 Date : July 30,2012

**PADHAM J CHALLANI**  
 Chairman

**Prasan Chand Chopra**  
 Director



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

**PROXY FORM**

DP ID	Client ID
Registered Folio No.*	Client ID

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 22nd Annual General Meeting of the Company scheduled to be held on Friday the 28<sup>th</sup> September, 2012 at 10.00 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 \_\_\_\_\_ 2012.

Affix  
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 22nd Annual General Meeting of the Company at the registered office of the Company, No.15, New Giri Road, T.Nagar, Chennai-600017 on Friday the 28th September, 2012 at 10.00 a.m at the registered office of the Company, No.15, New Giri Road, T.Nagar, Chennai-600017.

\* As applicable for investor holding shares in physical form

Member's / Proxy's Signature