



INDO ASIA FINANCE LIMITED

2012-2013



23rd Annual Report



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
Registered Office	:	No.15, New Giri Road, T. Nagar, Chennai - 600 017, Tamilnadu, India. Phone: 91-44-28342111, Fax: 91-44-28341280. Email: investors@indoasianfinance.com Website: www.indoasianfinance.com
Auditors	:	M/s. A. KRISHNAMOORTHY & Co., Chartered Accountants, NO.43, Ramaswamy Street, T.Nagar, Chennai - 600 017. Phone: 91-44-24347260, Fax: 91-44-43560078.
Bankers/Financial Institutions	:	CANARA BANK, Thambu Chetty Street Branch STATE BANK OF INDIA, Overseas Branch, Rajaji Salai PUNJAB NATIONAL BANK, Nungambakkam High Road Branch INDIAN OVERSEAS BANK, Mount Road Branch UCO BANK, T.Nagar Branch BANK OF BARODA, Anna Salai Branch UNITED BANK OF INDIA, T. Nagar Branch INDIAN BANK, Anna Salai Branch ORIENTAL BANK OF COMMERCE, Pondy Bazar Branch ALLAHABAD BANK, T. Nagar Branch PUNJAB & SIND BANK, Thambu Chetty St. Branch
Share Listed with:	:	The Bombay Stock Exchange Limited, Mumbai The Madras Stock Exchange Limited, Chennai
Company Share Registry	:	M/s.Cameo Corporate Services Limited "Subramanian Buildings", 1, Club House Road, Chennai - 600 002 Phone: 91-44-28460390-94, Fax:91-44-28460129. E-mail: investor@cameoindia.com

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the Twenty-Third Annual General Meeting of the Members of **INDO ASIA FINANCE LIMITED** will be held on Monday the 30th September, 2013 at 11.30 a.m at the registered office of the Company at No.15, New Giri Road, T.Nagar, Chennai-600017 to transact the following business:

ORDINARY BUSINESS

- 1.** To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2013, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 2.** To appoint a Director in place of Mr.M.Prakash Chand Jain, who retires by rotation, and being eligible, offers himself for reappointment.
- 3.** To appoint a Director in place of Mr.M.Viswanathan, who retires by rotation, and being eligible, offers himself for reappointment
- 4.** To appoint Statutory Auditors and fix their remuneration. M/s.A.Krishnamoorthy & Co., Chartered Accountants, the retiring Auditors of the Company are eligible for reappointment and offer themselves for reappointment.

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

**Padham J Challani
Chairman and Managing Director**

29th July, 2013

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

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXY TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 27th day of September, 2013 to Monday, 30th day of September, 2013 (Both days Inclusive) for the purpose of ascertaining the list of members as on the date of ensuing Twenty Third Annual General Meeting.
3. Members are hereby requested to send all correspondence concerning transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address to the Company's Registrar and Share Transfer Agent.
4. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the Company keep the information ready.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
6. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar for the prescribed form. Nomination form may be downloaded from Company's Website www.indoasianfinance.com.
7. Annual Report is available at the website of the Company at www.indoasianfinance.com.
8. Members who have not yet encashed their dividend warrants for previous years are advised to forward such warrants to the Company for revalidation. Pursuant to the provision of Section 205A read with Section 205C of the Companies Act, 1956, dividend, which remains unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government.
9. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holding shares in electronic form are, therefore, requested to submit the PAN to their Depositories Participant with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent.



10. Members holding shares in Electronic form may note that Bank particulars registered against their respective Depository Accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in Electronic form for any change of Bank particulars of Bank mandates. Such changes are to be advised only to the Depository Participant of the members.
11. Members holding shares in Electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their DEMAT accounts.
12. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice / Documents including Annual Report can be sent by E-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their E-mail addresses, so far, are requested to register their E-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to their E-mail ID's with M/s.Cameo Corporate Services Limited, “Subramanian Buildings”, 1, Club House Road, Chennai - 600 002.
13. Members who are holding shares in more than one folio under physical form may approach the Company's Share Transfer Agent for consolidation with respective details.
14. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/re-appointment of Directors.

DIRECTORS

1	Name	Prakash Chand Jain.M
	Date of Birth & Age	03.11.1955, 56 Years
	Nationality	Indian
	Date of Appointment on the Board	13.11.1992
	Qualifications	M.M.S.(Bits Pilani)
	Expertise in Functional Area	Comes from a family of financiers and has about 32 years experience in Hire Purchase, Loan and Real Estate fields
	No of Shares held	8,16,600 (Eight Lakhs Sixteen Thousand Six Hundred only)
	List of Directorship held In other Companies	1. United Overseas Developers Limited 2. Leaders Gate Housing Private Limited 3. United Overseas Impex Private Limited
	Chairman/Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2013	Nil
	PAN	AOWPS6898E

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

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

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

Padham J Challani
Chairman and Managing Director

29th July, 2013
Registered Office
No.15, New Giri Road,
T.Nagar, Chennai - 600 017.

**DIRECTORS' REPORT**

To The Members,

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

Financial Results:

(₹ in Lakhs)

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

**BUSINESS OUTLOOK AND FUTURE PROSPECTS**

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

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

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

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

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

DIVIDEND

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

RESOURCE MOBILISATION**Public Deposit**

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

Bank Finance

Your Company's bankers continue to extend their support, providing loans at competitive rates. The maximum amount outstanding at any time was Rs.30.21 Crores and the amount outstanding at the end of the year was Rs.28.94 Crores. The working capital credit limits of your Company were renewed at Rs.29.60 Crores.

**CREDIT RATING**

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

CAPITAL ADEQUACY RATIO

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

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

Confirm that :

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

**INTERNAL CONTROLS AND THEIR ADEQUACY**

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

STATEMENT PURSUANT TO LISTING AGREEMENT

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

CORPORATE GOVERNANCE

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

DIRECTORATE

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

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

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

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

Pursuant to an information from the promoters, the name of the promoters and entities comprising group as defined under Monopolies and Restrictive Trade Practice (MRTP) Act, 1969, are as under for the purpose of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997. (As at 31st March, 2013).

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

**AUDITORS**

The retiring auditors, M/s.A.Krishnamoorthy & Co., Chartered Accountants have expressed their 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 Accountants 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.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the support and co-operation extended by all the Shareholders, Customers, Vehicle Manufacturers, Dealers, Government Agencies, Bankers and all other Associated to your Company during the year and look forward to their continued support.

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

**For and on behalf of the Board
For INDO ASIA FINANCE LIMITED**

Padham J Challani
Chairman and Managing Director

29th July, 2013
Registered Office
No.15, New Giri Road,
T.Nagar, Chennai - 600 017.



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 guideline 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	04	04	Yes	13	Nil
M Prakash Chand Jain	Director-Non Executive	04	--	Yes	03	Nil
N Subramanian	Director-Non Executive & Independent	04	04	Yes	Nil	Nil
M Viswathan	Director-Non Executive & Independent	04	04	Yes	Nil	Nil
Prasan Chand Chopra	Director-Non Executive & Independent	04	04	Yes	02	Nil



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 were 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 Four (04) times on 30.05.2012, 30.07.2012, 16.10.2012 and 30.01.2013 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 31.03.2012 was held on 28.09.2012 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 as on 31 st March 2013
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 Directors.

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, policies 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 utilization 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 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 Four (04) times during the year on 30.05.2012, 30.07.2012, 16.10.2012 and 30.01.2013 during the year and the details of the number of meetings held and attendance record of the members are as follows:

Name of Directors	Status and Category	No. of Meetings	
		Held	Attended
N.Subramanian - Chairman	Director-Non-Executive & Independent	04	04
M.Viswanathan - Member	Director-Non-Executive & Independent	04	04
Prasan Chand Chopra - Member	Director-Non-Executive & Independent	04	04

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 paid to him during the period 01.04.2012 to 31.03.2013 as he has waived his right for the same for the best interest 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 Company, its promoters, management or its subsidiaries.

**Shareholders/ Investor's Grievance Committee**

The shareholders/ Investors Grievance Committee of the Board oversees redressal of shareholders 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 consists of Mr.N.Subramanian, Mr.M.Viswanthan, 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.

COMPLAINEE OFFICER

Mr.B.Vettri Velan, is the Compliance Officer for complying with the requirements of Securities laws and Listing Agreements with the Stock Exchanges in India.

INVESTOR GRIEVANCE REDRESSAL

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	-
Total	-

General Body Meetings

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

	Financial Year	Location	Date	Time
22 nd AGM	2011-12	No.15, New Giri Road, T.Nagar, Chennai - 600 017.	28.09.2012	10.00 a.m
21 st AGM	2010-11	No.15, New Giri Road, T.Nagar, Chennai - 600 017.	28.09.2011	10.30 a.m
20 th AGM	2009-10	No.15, New Giri Road, T.Nagar, Chennai - 600 017.	29.09.2010	10.30 a.m



All the resolutions including special resolutions as set out in the respective notices were passed by the shareholders. There is no proposal to pass any resolution by Postal Ballot.

DISCLOSURE MADE BY THE SENIOR MANAGERIAL PERSONNEL TO THE BOARD

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

DISCLOSURES 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, except as mentioned in point no.4(c) of Note no.21 to the Notes to the Accounts, that had potential conflict with the interest of the Company at large in the financial year ended March 31, 2013.

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 framework 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, 2013. 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, 2013 at its meeting held on 30th May, 2013.

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

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

COMPLIANCES BY THE COMPANY

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

DETAILS OF NON-COMPLIANCES WITH REGARD TO CAPITAL MARKET

There were no instances of non-compliance by the Company on any matter related to capital markets during the last three years. Hence there was no penalty, 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 where general information about the Company is available.

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

GENERAL SHAREHOLDER'S INFORMATION**Financial Calendar (Tentative)**

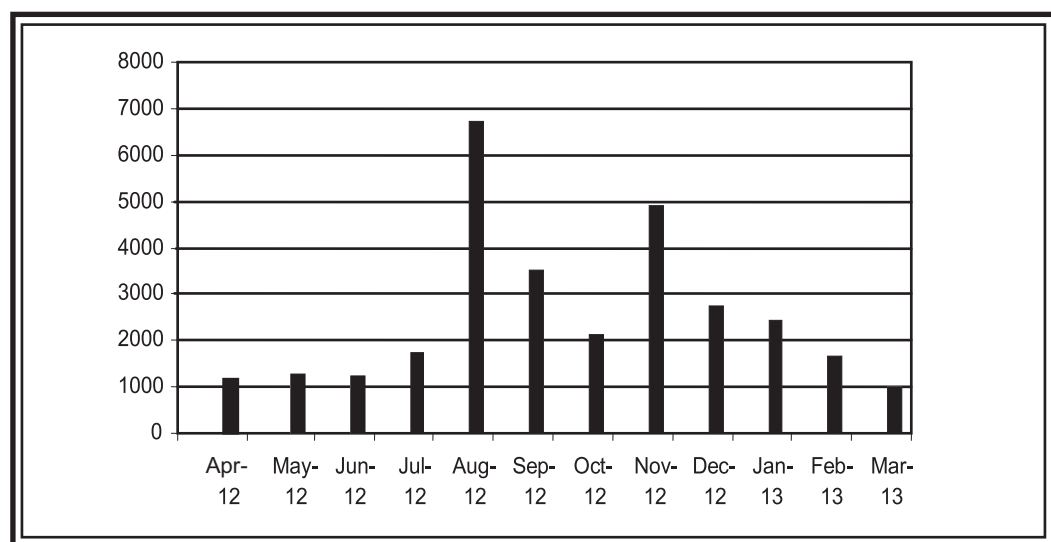
Financial year First Quarter Result Second Quarter Result and Half-yearly Result Third Quarter Result Fourth Quarter Result Annual Result (Audited) Annual General Meeting	April 1, 2013 to March 31, 2014 (Subject to Change) July 30, 2013 October 30, 2013 January 30, 2014 May 30, 2014 May 30, 2014 Within 6 months of the close of the financial year In accordance with Section 166 of the Companies Act, 1956.
Dates of book closure	27 th September, 2013 to 30 th September, 2013
Venue and other details of the Annual General Meeting	Day :- Monday Date :- 30 th September, 2013 Time :- 11.30 a.m "No.15, New Giri 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 The Madras Stock Exchange Limited, Chennai (Annual Listing fees for the year 2013-14 has been duly paid to the above exchange) - Scrip Code 530747.



Stock Market data for the period April 1, 2012 to March 31, 2013 and Graphical representation of volume of Shares trading during April 2012 - March 2013. Monthly high and low prices as well as the volumes of shares traded at BSE for the year 2012-13.

Bombay Stock Exchange (BSE)			
Month	High Price (Rs.)	Low Price (Rs.)	Volume (No. of Shares)
Apr-12	8.44	6.92	1133
May-12	10.30	8.66	1293
Jun-12	9.23	8.34	1250
Jul-12	8.00	7.70	1755
Aug-12	8.25	6.40	6731
Sep-12	6.37	4.88	3508
Oct-12	6.25	4.75	2133
Nov-12	7.92	5.73	4920
Dec-12	5.45	4.54	2755
Jan-13	5.22	4.53	2418
Feb-13	4.90	4.67	1678
Mar-13	4.67	4.45	1010

The Chart given hereunder plots the movement of the Company's shares traded in BSE for the Financial year 2012-13.




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 upto March 31, 2013 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	29,14,645	32.38
3.	Held in dematerialized Form in NSDL	53,38,442	59.32
4.	Physical	7,46,913	8.30

REGISTRAR AND SHARE TRANSFER AGENT (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 31-03-2013

Share holding		Share holders		Share Amount	
Rs.		Number	% of Total	Rs.	% of Total
1 - 5000		576	44.79	996590	1.11
5001 - 10000		339	26.37	2551790	2.83
10001 - 20000		192	14.93	2782330	3.09
20001 - 30000		70	5.44	1780880	1.98
30001 - 40000		14	1.09	503820	0.56
40001 - 50000		19	1.48	888400	0.99
50001 - 100000		38	2.95	2700770	3.00
100001 - and Above		38	2.95	77795420	86.44
Total		1286	100.00	90000000	100.00



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

Categories of Shareholdings as on March 31, 2013

Sr.No	Category of Shareholders	No.of shares Held	Percentage of holdings
1.	Promoters	46,48,499	51.65
2.	Foreign Institutional Investors/Mutual Funds	-	-
3.	Bodies Corporate	1,06,261	1.18
4.	Individual shareholders holding nominal share capital upto Rs. 1 lakh	11,09,719	12.33
5.	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	30,85,260	34.28
6.	Clearing Members	-	-
7.	Hindu Undivided Family	48,541	0.54
8.	Non Resident Indians	1,720	0.02
9.	Foreign National	-	-
Total		90,00,000	100.00

MAJOR SHAREHOLDERS

Details of Shareholders holding more than 1% of the paid up capital of the Company as on March 31, 2013 are given below :-

Name of Shareholder	No. of Shares	% of Paid up Capital	Category
Padham J Challani	110,100	1.22	Promoter
Ajith P Challani	408300	4.54	Promoter
J.P.Swapna	346,806	3.85	Promoter
Mamtha A Mutha a	309,054	3.43	Promoter
P.Shobha	3379594	37.55	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

**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 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.

Financial Year	Date of Declaration	Proposed date for transfer to IEPF*
2004-05	19.09.2005	18.09.2013
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 GDR/ADR/ WARRANTS/ CONVERTIBLE INSTRUMENTS.**ADDRESS FOR COMMUNICATION INDO ASIA FINANCE LIMITED**

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

Phone : 044-2834 2111

Fax : 044-2834 1280

Email : investors@indoasianfinance.com

Website : www.indoasianfinance.com

In terms of clause 47(f) of the Listing Agreement of Stock Exchanges, investors may please use 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, Chairman & 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.

**For and on behalf of the Board
For INDO ASIA FINANCE LIMITED**

Padham J Challani
Chairman & Managing Director

Dated: 29th July, 2013.

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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS

The Certificate dated 30th day of May 2013, 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: 29th July, 2013.

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



INDO ASIA FINANCE LIMITED

2012-2013

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 Regulations issued by SEBI and NSDL for the financial year ended on 31st March, 2013.

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 M/s.A.KRISHNAMOORTHY & CO
Chartered Accountants
FRN: 001489S

A.Krishnamoorthy
Proprietor
Mem No.27190

Place: Chennai
Date: 30th May, 2013

**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 2013 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 2013. 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.15.11 crores during the year as against Rs.19.14 crores in the previous year.

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 Rs.32.14 Lakhs (47.57%) was made against Substandard Assets and a provision of Rs.10.48 Lakhs (0.25%) was made against Standard Assets. The Company is continuing its efforts in recovering NPAs.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate systems and controls commensurate with the size of the business.

**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, 2013 are:

- ✦ Current year income tax provision amounted to Rs. 7.81 lacs as compared to Rs. 18.22 lacs in the previous year. The effective income tax rate for the year is 30.90%.
- ✦ Pre-tax return on average assets was 0.32% in the current year as against 1.11% in the previous year. Post tax return on average assets was 0.22% in the current year as against 0.65% in the previous year
- ✦ Ratio of financial expenses to average assets was 6.87 % in the current year as against 8.76% in the previous year.
- ✦ The Earnings per Share was Rs. 0.19 for the current year as against Rs. 0.45 for the previous year.
- ✦ Ratio of non interest expenses to total expenses was 32.71 % in the current year against 29.80% to last year.

Opportunities and threats

The Non Banking Finance Companies [NBFCs] emerged as important financial intermediaries particularly for the retail sector. With the depletion in economic condition, we continued to critically selective in financing and we chose to grow responsibly rather than grow rapidly.

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

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

**For and on behalf of the Board
For INDO ASIA FINANCE LIMITED**

Padham J Challani
Chairman & Managing Director

Prasan Chand Chopra
Director

Chennai, 29th July, 2013

**Auditors' Report**

To

The Members of Indo Asia Finance Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of Indo Asia Finance Limited, Chennai, which comprise of the Balance Sheet as at 31st March 2013, the Statement of Profit & Loss for the year ended on that date along with Notes on accounts.

Managements' Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 2013.
- b) In the case of the Statement of Profit & Loss account, of the profit for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit & Loss, dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For A.KRISHNAMOORTHY & CO
Chartered Accountants
Firm Regn. No: 0014895

Place: Chennai
Date: 30.05.2013

A.KRISHNAMOORTHY
Proprietor
Membership No: 027190



ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013.

(i) In respect of its Fixed Assets:

- a) The company has maintained proper records showing full particulars including quantitative details and the situation of its Fixed Assets.
- b) Fixed Assets are physically verified by the management at reasonable intervals. In our opinion, the interval is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- c) No parts of the fixed assets were disposed off during the year and therefore the question of affecting the going concern status of the company does not arise.

(ii) In respect of its inventories

- a) The inventories are physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate.
 - b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion, the company has maintained proper records of inventory. The discrepancies between the physical stock and the book stocks were not material and have been properly dealt with in the books of account.
- (iii) a) During the year, the company has neither granted nor taken loans and advances secured or unsecured to Companies, Firms or Other Parties covered in the register maintained under Section 301 of the companies Act, 1956. Accordingly, the provisions of clause (iii) (a) to (iii) (g) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no minor or major continuing failure has been noticed in the internal control system.
- (v) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion, that the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been properly entered in the said register.
- b) In our opinion, and according to the information and explanations given to us, transactions entered in the register maintained under Section 301 of the Companies Act, 1956, and exceeding the value by Rs.5 lakhs during the year in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time wherever applicable.



- (vi) The company has not accepted any deposits from the public pursuant to Section 58A, 58AA or any other relevant provisions of the Companies Act 1956, and rules framed there under. Therefore, the provisions of clause (iv) of the Order are not applicable to the Company.
- (vii) The Company has an *internal audit system*, which in our opinion is commensurate with its size and nature of its business.
- (viii) In our opinion the maintenance of cost records pursuant to the rules made by the Central Government under section 209(1)(d) of the Companies Act, 1956, are not applicable to the Company.
- (ix)
 - a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, and other statutory dues with the appropriate authorities where ever applicable.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duties, Excise Duty and Cess were in arrears as at 31st March 2013 for a period more than six months from the date they become payable.
 - c) According to the information and explanations given to us, there are no disputed dues that were not deposited with the authorities concerned.
- (x) The Company neither accumulated losses at the end of the financial year nor incurred cash losses during the financial year and in the immediately preceding year.
- (xi) Based on our verification and according to the information and explanations given by the management, the company has obtained loans from banks and there is no default in repayment of dues to its banks.
- (xii) Based on our examination and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, Debentures and Other Securities.
- (xiii) The Company is not a Chit Fund/ Nidhi / Mutual Benefit Fund / Society and as such this clause of the order is not applicable.
- (xiv) The company is dealing in Shares & Securities and Other Investments and proper books of account have been maintained and timely entries have been made therein.
- (xv) According to the information and explanations given to us and the representation made by the management, the company has not given any guarantee for loan taken by others from any bank or financial institutions.



- (xvi) In my opinion the term loans obtained by the Company are applied for the purpose for which it is obtained.
- (xvii) On the basis of our examination, the company has not raised funds on short term basis for long term investments.
- (xviii) During the year, the Company has not allotted any shares on preferential basis to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956
- (xix) During the year, the company has not issued any secured debentures.
- (xx) During the year, the company has not raised any money by public issue.
- (xxi) Based on the Audit Procedures adopted and information and explanations given to us by the Management, no fraud on or by the company has been noticed or reported during the course of our audit.

For A.KRISHNAMOORTHY & CO
Chartered Accountants
Firm Regn. No: 001489S

Place: Chennai
Date: 30.05.2013

A.KRISHNAMOORTHY
Proprietor
Membership No: 027190


Financial Highlights
(Rupees in Lakhs)

Year	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Gross Income	741.50	836.57	754.50	1001.59	1107.15	1095.20	755.88
Profit Before Tax	24.79	69.35	41.62	132.16	115.47	278.77	158.09
Profit After Tax	16.98	40.74	28.76	87.24	85.08	179.74	120.35
Dividend Rate (%)	-	-	-	3.00	5.00	10.00	10.00
Dividend Amount	-	-	-	27.00	15.00	30.00	30.00
Paid Up Share Capital	900	900.00	900.00	900.00	300.00	300.00	300.00
Reserve & Surplus	2990.47	2973.49	296.01	298.74	842.98	775.45	629.91
Earning Per Share	0.19	0.45	0.32	0.97	2.84	5.99	4.01
Capital Adequacy Ratio (%)	31.82	33.05	26.17	27.18	27.89	23.59	24.49
Over dues % of H.P./ Loans	1.97	2.51	2.34	3.74	5.02	4.44	10.94
DISBURSEMENTS							
Own Operations	1511.00	1914.00	2114.00	2747.00	2211.00	2900.00	2200.00
Franchise Operation	154.14	79.20	233.00	144.00	4394.00	7400.00	6500.00
Total	1665.14	1993.20	2347.00	2891.00	6605.00	10300.00	8700.00
Assets Classification							
Standard	4000.21	7371.85	3892.11	3559.87	3916.15	3915.22	3152.06
Sub-Standard	13.98	13.97	12.98	18.35	58.90	58.84	25.73
Doubtful	53.59	54.67	43.94	36.35	19.22	5.17	27.17
Loss Assets	0	0.00	0.00	4.99	0.00	6.03	9.88
Gross NPA- Amount	67.57	68.64	56.92	59.69	78.12	70.04	62.78
%	1.66	0.92	1.44	1.65	1.96	1.76	1.95
Net NPA Amount	35.43	36.37	30.17	34.78	62.64	33.40	40.15
%	0.87	0.49	0.77	0.96	1.57	0.84	1.25
Provision for NPA	32.14	32.27	26.75	24.91	15.48	36.64	22.63
%	47.57	47.01	47.00	41.73	19.82	52.31	36.05
Provision for NPA-Finance Charges	6.52	1.49	0.54	1.97	0.65	15.00	10.57
Total NPA Provision	38.66	33.76	27.29	26.88	16.13	51.64	33.20


BALANCE SHEET AS AT MARCH 31, 2013

(in ₹)

Particulars		Note No.	As at	
			31-Mar-13	31-Mar-12
A	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	1	90,000,000	90,000,000
	(b) Reserves and Surplus	2	299,047,102	297,349,238
			389,047,102	387,349,238
2	Non-Current Liabilities			
	(a) Long-Term Borrowings	3	52,587,561	70,232,385
	(b) Other Long-Term Liabilities	4	40,000,000	-
	(c) Long-Term Provisions	5	5,172,780	5,474,743
			97,760,341	75,707,128
3	Current Liabilities			
	(a) Short-Term Borrowings	6	289,672,267	298,231,630
	(b) Other Current Liabilities	7	5,744,148	4,956,437
	(c) Short-Term Provisions	8	780,769	1,821,855
			296,197,184	305,009,922
	TOTAL		783,004,627	768,066,288
B	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	9		
	(i) Tangible Assets		319,581,200	319,120,833
	(b) Non-Current Investments	10	575,019	575,019
	(c) Deferred Tax Assets (net)		3,864,210	3,864,210
	(d) Long-Term Loans and Advances		-	-
	(e) Other Non-Current Assets		-	-
			324,020,429	323,560,062
2	Current Assets			
	(a) Current Investments		-	-
	(b) Cash and Bank Balances	11	2,880,938	5,734,070
	(c) Short-Term Loans and Advances	12	432,898,677	420,313,791
	(d) Other Current Assets	13	23,204,583	18,458,365
			458,984,198	444,506,226
	TOTAL		783,004,627	768,066,288
	The accompanying Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet			

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

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

A.KRISHNAMOORTHY
 Proprietor
 Membership No.27190
 Place : CHENNAI
 Date : May 30,2013

PADHAM J CHALLANI
 Chairman

Place : CHENNAI
 Date : May .30,2013

PRASAN CHAND CHOPRA
 Director


Statement of Profit and Loss for the Year ended March 31, 2013
(in ₹)

	Particulars	Note No.	For the year ended	
			31-Mar-13	31-Mar-12
1	INCOME			
	Revenue from Operations	14	74,080,358	83,630,299
	Other Income	15	69,781	26,427
	Total		74,150,139	83,656,726
2	EXPENSES			
	(a) Finance Costs	17	53,275,773	54,582,243
	(b) Employee Benefits Expenses	18	8,719,527	6,496,225
	(c) Depreciation and Amortisation Expenses	9	1,358,943	1,814,589
	(d) Other Expenses	19	16,119,226	11,183,998
	(e) Provisions / Write offs	20	(301,963)	2,644,881
	Total Expenses		79,171,506	76,721,936
3	Profit before Exceptional and Extraordinary Items and Tax (1 - 2)		(5,021,367)	6,934,790
4	Exceptional Items		-	-
5	Profit before Extraordinary Items and Tax (3 + 4)		(5,021,367)	6,934,790
6	Extraordinary Items	16	7,500,000	-
7	Profit before Tax (5 + 6)		2,478,633	6,934,790
8	Tax Expense:			
	(a) Current Tax Expense		780,769	1,821,855
	(b) Short Provisions of Tax of Earlier Years		-	1,038,817
9	Profit after Tax from Continuing Operations (7 ± 8)		1,697,864	4,074,118
10	Earnings per share (excluding extraordinary items) (of ₹ 10/- each):			
	(a) Basic & Diluted			
	(i) Continuing operations		0.19	0.45
	(ii) Total operations		0.19	0.45
	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 our report of even date attached
For A. KRISHNAMOORTHY & CO
 Firm Registration No.0014895
 Chartered Accountants

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

A. KRISHNAMOORTHY
 Proprietor
 Membership No.27190
 Place : CHENNAI
 Date : May 30, 2013

PADHAM J CHALLANI
 Chairman

PRASAN CHAND CHOPRA
 Director

Place : CHENNAI
 Date : May .30, 2013


INDO ASIA FINANCE LIMITED
2012-2013
Cash Flow Statement for the Year ended 31st March, 2013
(in ₹)

Particulars	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	2,478,633	5,895,972
Add:		
Provision for NPA	(304,328)	2,489,708
Provision for Investments	2,365	155,172
Adjustment for Depreciation	1,358,943	1,814,588
Financial Expenses	53,275,773	54,582,243
	56,811,386	64,937,683
Less: Other Income	69,781	26,427
Operating Profit before Working Capital changes	56,741,605	64,911,256
(Increase) / Decrease in Net Stock on Hire	(11,591,263)	(34,364,443)
(Increase) / Decrease in Loans and Advances	(5,739,841)	(629,656)
Increase / (Decrease) in Current Liabilities	787,711	60,920
Cash Generated from Operating Activities	40,198,212	29,978,077
Less: Finance Expenses	53,275,773	54,582,243
Income Tax Paid	1,821,855	1,285,977
Net Cash Generated from Operating Activities (A)	(14,899,416)	(25,890,143)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,819,310)	(2,439,167)
Sale of Fixed Assets	-	-
Sale of Investments	-	-
Dividend / Interest / Commission Received	69,781	26,427
Net Cash Generated from Investing Activities (B)	(1,749,529)	(2,412,740)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Bank Borrowings	(7,072,873)	1,559,810
Increase / (Decrease) in Vehicle Loan from Bank	(244,575)	(552,605)
Increase / (Decrease) in Debentures	(4,883,893)	13,335,000
Increase / (Decrease) in Unsecured Loans	25,997,154	14,186,439
Dividend Paid (Including Dividend Tax)	-	-
Net Cash Generated from Financing Activities (C)	13,795,813	28,528,644
Net Increase in Cash and Cash Equivalents (A + B + C)	(2,853,132)	225,761
Cash and Cash Equivalents at the beginning of the year	5,734,070	5,508,309
Cash and Cash Equivalents at the end of the year		
Cash & Cheques on Hand	1,905,174	4,238,462
Cash at Bank	975,764	1,495,608

For and on behalf of the Board
PRASAN CHAND CHOPRA
Director

Place : CHENNAI Date : May 30, 2013

PADHAM J CHALLANI
Chairman
AUDITOR'S STATEMENT

We have verified that Cash Flow Statement of Indo Asia Finance Limited derived from the Audited Annual Accounts for the year ended 31st March 2013 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, 2013

A. KRISHNAMOORTHY
Proprietor - M. No.27190


NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.		As at March 31, 2013 ₹	As at March 31, 2012 ₹
1	SHARE CAPITAL Authorised Share Capital Ordinary Shares 1,55,10,000 Equity Shares of ₹ 10/-each	155,100,000	155,100,000
	Issued,Subscribed and fully paid up 90,00,000 (Previous year- 90,00,000) Equity Shares of ₹ 10/-each.	90,000,000	90,000,000

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.

For the year ended March 31,2013, the Directors have not recommended any dividend.

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.

Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:

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)

Reconciliation of the shares outstanding at the beginning and at the end of the year

PARTICULARS	March 31,2013		March31,2012	
	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	9000000	900.00	9000000	900.00
Add : Fresh Issue	0	0	0	0
Bonus Share	0	0	0	0
As at the end of the year	9000000	900.00	9000000	900.00

Shareholders holding more than 5% shares in the Company

	March 31,2013		March 31,2012	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
MS. P.shoba	3,379,594	37.55	864,984	9.61
Mr. Ajeeth P Challani	-	-	802,200	8.91
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
Mr. M Prakash Chand Jain	816,600	9.07	-	-


NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.		As at	
		31-Mar-13	31-Mar-12
		₹	₹
2	RESERVES AND SURPLUS		
	Capital Reserve	72,000	72,000
	Revaluation Reserve	260,525,679	260,525,679
	General Reserve	4,250,000	4,250,000
	Statutory Reserve pursuant to Section 45-1c of the RBI Act.1934		
	Balance as at the beginning of the year	26,850,000	25,600,000
	Add: Transferred from Profit & Loss A/c	1,000,000	1,250,000
	Balance as at the end of the year	27,850,000	26,850,000
	Surplus - Balance in Statement of Profit and Loss		
	Balance as at the Beginning of the Year	5,651,559	4,077,442
	Add: Current Year Profit	1,697,864	4,074,117
	Less: Transfer to General Reserve	-	1,250,000
	Less: Transfer to Special Reserve	1,000,000	1,250,000
	Balance as at the End of the Period	6,349,423	5,651,559
	TOTAL RESERVES AND SURPLUS	299,047,102	297,349,238
3	NON-CURRENT LIABILITIES		
	LONG TERM BORROWINGS		
	Secured Borrowings		
	12 % Non-Convertible Redeemable Debentures	51,500,000	56,383,893
	(Secured by Specific Assets covered under Hypothecation Loan Agreements- Redeemable at the end of 12 months. with an option to renew for a further period of 12 months)		
	Term Loan from Bank -Installments due after One Year	706,915	-
		52,206,915	56,383,893
	Unsecured Borrowings		
	From Group Company	380,646	13,848,492
		380,646	13,848,492
	TOTAL LONG TERM BORROWINGS	52,587,561	70,232,385
4	OTHER LONG TERM LIABILITIES		
	Deposit from J.V. Partner	40,000,000	-
	Interest accrued but not due on Long-term Borrowings		
		40,000,000	
5	LONG TERM PROVISIONS		
	Contingent Provisions against Standard Assets	1,047,650	1,843,000
	Provision against		
	Non-Performing Assets	3,214,238	3,226,580
	NPA Finance Charges	652,192	148,828
	Diminution in Investments	258,700	256,335
		5,172,780	5,474,743


NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.		As At	
		31-Mar-13	31-Mar-12
		₹	₹
	CURRENT LIABILITIES		
6	SHORT-TERM BORROWINGS		
	Secured Borrowings		
	Cash Credit from Banks	289,432,267	297,212,055
	(Secured by Specific Assets under Hypothecation Loan Agreements and Equitable Mortgage over Land)		
	Term Loan from Bank (installments due within a Year)	240,000	484,575
		289,672,267	297,696,630
	Unsecured Borrowings		
	Fixed Deposits		
	From Public	-	535,000
		-	535,000
	Loans and advances		
	From Related Party		
	TOTAL SHORT TERM BORROWINGS	289,672,267	298,231,630
7	OTHER CURRENT LIABILITIES		
	Interest Accrued but not due on Borrowings	-	253,225
	Unclaimed Dividends	347,081	848,008
	Sundry Creditors for Expenses	1,073,037	367,735
	Income-Tax Payable	2,963,948	2,230,945
	Other Payables	1,360,082	1,256,524
		5,744,148	4,956,437
8	SHORT-TERM PROVISIONS		
	Income-Tax	780,769	1,821,855
		780,769	1,821,855



2012-2013

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

9 NON -CURRENT-TANGIBLE FIXED ASSETS AS AT 31.03.2013

(in ₹)

Sl NO.	DESCRIPTION	GROSS BLOCK(COST/VALUATION)				DEPRECIATION				NET BLOCK	
		As At 01.04.2012	Additions	Disposals	As At 31.03.2013	Up to 31.03.2012	Charge during the Period	Disposals	Up to 31.03.2013	As At 31.03.2013	As At 31.03.2012
1	Land	308,531,106			308,531,106	-		-	-	308,531,106	308,531,106
2	Building	1,567,658			1,567,658	159,286	25,553	-	184,839	1,382,819	1,408,372
3	Plant & Machinery	966,850			966,850	424,144	45,925	-	470,069	496,781	542,706
4	Furniture & Fittings	4,419,947	791,875		5,211,822	1,249,470	217,513	67,288	1,399,695	3,812,127	3,170,477
5	Electrical Installation	236,464			236,464	175,432	11,232	-	186,664	49,800	61,032
6	Air Conditioners	1,483,201			1,483,201	706,799	70,452	521	776,730	706,471	776,402
7	Aqua Guard	5,290			5,290	4,027	251	-	4,278	1,012	1,263
8	Water Cooler	8,300			8,300	5,649	394	-	6,043	2,257	2,651
9	Office Equipments	5,715,118			5,715,118	3,579,562	768,394	-	4,347,956	1,367,162	2,135,556
10	Motor Cars	6,542,846	1,027,435		7,570,281	4,379,163	452,938	212,202	4,619,899	2,950,382	2,163,683
11	Auto Rickshaws	291,132			291,132	63,340	27,658	-	90,998	200,134	227,792
12	Motor Cycles	233,090			233,090	133,297	20,079	1,435	151,941	81,149	99,793
TOTAL		330,001,002	1,819,310	-	331,820,312	10,880,169	1,640,389	281,446	12,239,112	319,581,200	319,120,833
Previous Year's TOTAL		67,036,156	262,964,846	-	330,001,002	9,065,580	1,814,589	-	10,880,169	319,120,833	57,970,576


NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.		As At			
		31-Mar-13		31-Mar-12	
		Nos.	₹	Nos.	₹
10	NON-CURRENT INVESTMENT				
	A. Trade Investments		-		-
	B. OTHER INVESTMENTS				
	Investment in Equity Shares				
	1) Associates		-		-
	2) Others				
	Equity Shares Fully Paid-Up				
	QUOTED-DEMAT				
	KOPRAN LIMITED	2000	251,100	2000	251,100
	HINUSTHAN UNILEVER LIMITED	10	1,000	10	1,000
	INDIAN BANK	696	63,336	696	63,336
	UMANG DAIRIES LIMITED	200	2,000	200	2,000
	WIM PLAST LTD.	200	2,000	200	2,000
	SubTotal A	3106	319,436	3106	319,436
	QUOTED -PHYSICAL				
	GNFC LTD.	266	2,660	266	2,660
	GRUH FINANCE LTD.	100	1,000	100	1,000
	Comp-U-Learntec India Ltd.	1000	13,735	1000	13,735
	Sub Total B	1366	17,395	1366	17,395
	Total A+B	4472	336,831	4472	336,831
	UNQUOTED-DEMAT				
	COMPUTER POWER (INDIA) LTD.	25000	25,000	25000	25,000
	ONIDA FINANCE LIMITED	800	8,000	800	8,000
	Total	25800	33,000	25800	33,000
	Total Investments in Equity Shares	30,272	369,831	30,272	369,831
	Investment in Government Securities				
	7.32% A.P State Development Loan-2016 (Statutory Liquid Asset in accordance with the norms prescribed by the R.B.I .)	2,000	205,188	2,000	205,188
	TOTAL NON CURRENT INVESTMENTS		575,019		575,019
	Quoted Investments				
	Cost		336,831		336,831
	Market Value		352,469		345,542
	Provision made for Diminutions in investment		258,700		256,335


NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.		As At	
		31-Mar-13	31-Mar-12
		₹	₹
11	CASH AND CASH EQUIVALENTS		
	Balances with Banks		
	In Current Accounts	628,683	717,080
	In Un Claimed Dividend Account	347,081	778,529
		975,764	1,495,609
	Cash on Hand	1,905,174	4,238,461
	Total Cash & Bank Balances	2,880,938	5,734,070
12	SHORT TERM LOANS AND ADVANCES		
	Hypothecation Loans		
	Secured- Considered Good		
	Outstanding for Less than six months	400,630,403	409,340,879
	Outstanding for more than six months	1,397,545	1,396,612
		402,027,948	410,737,491
	Secured- Considered Doubtful		
	Outstanding for more than six months	5,359,163	5,467,146
		407,387,111	416,204,637
	Un Secured- Considered Good		
	Outstanding for Less than six months		
	Related Parties	20,408,789	-
		427,795,900	416,204,637
	Other Loans & Advances		
	(Un secured- Considered Good)		
	To Related Parties		
	Group Companies	612,863	8,269
	Directors	36,432	31,680
	Employees	24,024	69,608
	Staff Vehicle Loan	5,800	19,720
	To Others		
	Security Deposits	370,000	370,000
	Rental Advance	1,200,000	1,040,000
	Telephone / Electricity Deposits	203,731	207,448
	Deposits with Sales -tax Department	92,120	92,120
	Other Advances recoverable in Cash or in kind or Value to be received	2,557,807	2,270,309
		5,102,777	4,109,154
	SHORT TERM LOANS AND ADVANCES - TOTAL	432,898,677	420,313,791
13	OTHER CURRENT ASSETS		
	Income-tax Refund Receivable	4,000,000	-
	Advance & other Payment of Income Tax	19,204,583	18,458,365
	OTHER CURRENT ASSETS	23,204,583	18,458,365


NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.		For the period ended	
		31-Mar-13	31-Mar-12
		₹	₹
14	REVENUE FROM OPERATION		
	Interest Income on		
	Hypothecation Loans	60,523,086	76,664,457
	Other Fee based services		
	Franchise Operation	13,557,272	6,965,842
		74,080,358	83,630,299
15	OTHER INCOME		
	Dividend	8,501	7,255
	Interest Received on Govt.Bond	14,640	14,640
	Interest Provision Reversed	7,113	-
	Insurance Commission	-	400
	Interest on Advances to Group Company	34,775	-
	Interest on Directors' Loans	4,752	4,132
		69,781	26,427
16	EXTRAORDINARY INCOME		
	Income-tax on Lease Equalisation Reserve	4,000,000	-
	Share of Income from Group company	3,500,000	-
		7,500,000	-
17	FINANCE COST		
	Interest Expenses		
	Debentures	5,936,906	5,403,760
	Bank Loans	47,337,383	49,108,063
	Fixed Deposits	1,484	70,420
		53,275,773	54,582,243
18	EMPLOYEE BENEFITS EXPENSES		
	Salaries, Allowances and Bonus	7,887,861	5,834,986
	Contribution to Provident Fund	73,200	59,538
	Contribution to ESI	96,254	72,493
	Staff Welfare Expenses	85,665	118,383
	Staff Canteen Maintenance	576,547	410,825
		8,719,527	6,496,225


NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.		For the period ended	
		31-Mar-13	31-Mar-12
		₹	₹
19	OTHER EXPENSES		
	Rent	1,801,750	1,650,500
	Rates and Taxes	213,270	120,121
	Insurance	39,784	34,616
	Communication Expenses	462,647	706,890
	Travelling and Conveyance	667,933	839,849
	Printing and Stationery	224,853	265,379
	Advertisement Charges	168,314	119,574
	Business Promotion Expenses	1,372,195	1,115,424
	Vehicle Maintenance	665,795	524,881
	Electricity Expenses	348,660	263,724
	Fees and Subscription	155,863	181,618
	Bank Charges and Commission	819,668	1,529,378
	Payment to Auditor:		
	Audit Fees	25,000	27,575
	Tax Audit Fees	15,000	16,545
	Out of Pocket Expenses	-	-
	Certification	16,180	11,030
	Professional and Consultation Fees	2,040,723	710,171
	Brokerage and Commission	546,650	461,000
	Donations, Charity and Scholarship	684,275	108,000
	Directors Remuneration & Sitting fees	20,000	17,500
	Discount Allowed	4,784,940	1,414,864
	Pooja Expenses	25,915	28,733
	Computer Maintenance	66,005	74,685
	Repairs and Office Maintenance	723,630	680,415
		230,176	281,526
		16,119,226	11,183,998
20	PROVISIONS & WRITE OFFS		
	Provision for Standard assets	(795,350)	1,843,000
	Provision against NPA	(12,342)	551,813
	Provision against NPA Finance Charges	503,364	94,896
	Provision for Diminutions in Investments	2,365	155,172
	Less : Reversal of Provision against NPA Interest		
		(301,963)	2,644,881


21. 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.


NOTES TO THE ACCOUNTS

2



NOTES TO THE ACCOUNTS

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

S 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.	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: (₹ in Lakhs)

Particulars	Associates	Key Management Personnel	Relative of Key Management Personnel
Managerial Remuneration	-	-	-
Rent Payments	-	5.40	-
Interest Receipts-on Hypothecation loans	22.38	0.29	11.78
Interest Receipts-on Short Term loans	0.35	0.05	-
Hypothecation Loan paid	25.45	1.96	78.53
Short Term loan Paid	-	-	-
Un Secured Loan Paid	364.06	-	-

d) Contingent Liabilities:

S.No.	Particulars	31.03.2013	31.03.2012
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 our report of even date
for A KRISHNAMOORTHY & Co.
Chartered Accountants
FRN:.001489S

Padham J Challani
Chairman

A KRISHNAMOORTHY
Proprietor (M.No.027190)
Place: Chennai

Prasan Chand Chopra
Director

Date: May 30,2013

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**Information as required under **Part - IV** of the schedule VI of the Companies Act, 1956**I. Registration Details**Registration No.

1	8			1	9	0	6	0
---	---	--	--	---	---	---	---	---

 State Code

1	8
---	---

Balance sheet Date

3	1
---	---

0	3
---	---

2	0	1	3
---	---	---	---

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

Public Issue									Rights Issue										
							N	I	L						-		N	I	L
Bonus Issue									Private Placement										
							N	I	L						-		N	I	L

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

Total Liabilities									Total Assets								
			7	8	3	0	0	4				7	8	3	0	0	4

Sources of Funds

Paid-up Capital									Reserves & Surplus								
				9	0	0	0	0				2	9	9	0	4	7
Secured Loans									Unsecured Loans								
			3	4	1	6	3	9							3	8	0

Application of Funds

Net Fixed Assets								INVESTMENTS										
			3	1	9	5	8	1							5	7	5	
Net Current Assets								Misc.Expenditure / Deferred Tax Asset										
			1	6	2	7	8	7							3	8	6	4
Accumulated Losses																		
							N	I	L									

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

Turnover								
				7	4	1	5	0

Total Expenditure								
				7	9	1	7	1

+	-	Profit/Loss Before Tax						
✓					2	4	7	8

+	-	Profit/Loss After Tax						
✓					1	6	9	7

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



INDO ASIA FINANCE LIMITED

2012-2013

Earning Per Share in Rs.

					0	.	1	9
--	--	--	--	--	---	---	---	---

Dividend Rate %

	0	0
--	---	---

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)

H	Y	P	O	T	H	E	C	A	T	I	O	N		L	O	A	N	
---	---	---	---	---	---	---	---	---	---	---	---	---	--	---	---	---	---	--

Prasan Chand Chopra

Director

Chennai

Date : May 30, 2013

Padham J Challani

Chairman



Schedule to the Balance Sheet for the year ended 31st March, 2013
[as required in terms of paragraph 9BB of Non-Banking Financial Companies
Prudential Norms(Reserve Bank) Directions 2007]

(₹ in lakhs)

	Particulars	Amount out- standing	Amount overdue
	<u>Liabilities side:</u>		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	515.00	0.00
	: Unsecured	0.00	0.00
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	4.85	0.00
	(c) Term Loans	9.47	0.00
	(d) Inter-corporate loans and borrowing	138.48	0.00
	(e) Commercial Paper	0.00	0.00
	(f) Public Deposits	0.00	0.00
	(g) Other Loans (Loan from Franchiser)	42.84	0.00
		710.64	0.00
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured Debentures	-	-
	(b) In the form of partly Secured Debentures i.e. Debentures where there is a shortfall in the value of security	-	-
	(c) Other Public Deposits	-	-
	<u>Assets side:</u>		
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		-
	(b) Unsecured		51.02
(4)	Break up of Leased Assets and Stock on hire and hypothecation loans counting towards EL/HP activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial Lease		0.00
	(b) Operating Lease		0.00
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on Hire		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		4273.32



Schedule to the Balance Sheet for the year ended 31st March, 2013
[as required in terms of paragraph 9BB of Non-Banking Financial Companies
Prudential Norms(Reserve Bank) Directions 2007] (₹ in lakhs)

	Particulars	Amount out- standing	Market Value
(5)	Break-up of Investments:		
	Current Investments :		
	1. Quoted :	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. Unquoted :	0	0
	(i) Shares: (a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of Mutual Funds		
	(iv) Government Securities		
	(v) Others (Please specify)		
	Long Term Investments:		
	1. Quoted :		
	(i) Shares: (a) Equity	3.37	3.52
	(b) Preference	0	0
	(ii) Debentures and Bonds		
	(iii) Units of Mutual Funds		
	(iv) Government Securities		
	(v) Others (Bank Deposits)		
	2. Unquoted :		
	(I) Shares: (a) Equity	0.33	0.33
	(b) Preference	0.00	0.00
	(ii) Debentures and Bonds	0.00	0.00
	(iii) Units of Mutual Funds	0.00	0.00
	(iv) Government Securities	2.05	2.05
	(v) Others - Bank Deposits	0.00	0.00
	Total	5.75	5.90
	Less: Provision for Diminution for Long Term Investments	2.58	2.58
	Total	3.17	3.32



INDO ASIA FINANCE LIMITED

2012-2013

Schedule to the Balance Sheet for the year ended 31st March, 2013
[as required in terms of paragraph 9BB of Non-Banking Financial Companies
Prudential Norms(Reserve Bank) Directions 2007]

(₹ in lakhs)

(6)	Borrower group-wise classification of all leased assets, stock-on -hire and loans and advances :			
	Category	Amount of net provisions		
		Secured	Unsecured	Total
	1.Related Parties			
	(a) Subsidiaries	0.00	0.00	0.00
	(b) Companies in the same group	25.45	0.08	25.53
	(c) Other related parties	80.49	0.00	80.49
	2.Other than Related Parties	4098.95	0.00	4098.95
	Total	4204.89	0.08	4204.97
(7)	Investor group-wise classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted)			
	Category	Market Value/Br eak up or fair value or NAV	Book Value (Net of Provisions)	
	1.Related Parties			
	(a) Subsidiaries	0.00	0.00	
	(b) Companies in the same group	0.00	0.00	
	(c) Other Related Parties	0.00	0.00	
	2.Other than Related Parties	5.58	5.75	
	Total	5.58	5.75	
(8)	Other Information			
		Particulars	(Amount in lakhs)	
	(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 our report of even date. for A.KRISHNAMOORTHY&CO FRN.REGISTRATION NO.001489S Chartered Accountants				
(A.KRISHNAMOORHY) (Proprietor-M.No.27190)		Padham J Challani Chairman		
		Prasan Chand Chopra Director		
Place :Chennai		Date May 30, 2013		

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

INDO ASIA FINANCE LIMITED
Registered Office: No.15, New Giri Road, T.Nagar, Chennai 600 017

PROXY FORM

DP ID

Client ID

Registered Folio No.*

No. of Shares

I/We

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

being a member(s) of INDO ASIA FINANCE LIMITED do hereby appoint Mr./Ms. _____ of _____ in the district of _____ (or failing him/her Mr./Ms. _____ of _____ in the district of _____ as my / our proxy and to vote for me / us on my / our behalf at the 23rd Annual General Meeting of the Company scheduled to be held on Monday the 30th day of September, 2013 at 11.30 a.m. at No.15, New Giri Road, T.Nagar, Chennai 600 017 and at any adjournment thereof.

Signed by the said _____ this ____ day of ____ 2013

Affix
Re.1
Revenue
Stamp

* As applicable for investor holding shares in physical form

Note: The proxy form duly completed 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
Registered Office: No.15, New Giri Road, T.Nagar, Chennai 600 017

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING 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 23rd Annual General Meeting of the Company at No.15, New Giri Road, T.Nagar, Chennai 600 017 on Monday the 30th day of September, 2013 at 11.30 a.m. at the Registered Office of the Company at No.15, New Giri Road, T.Nagar, Chennai 600 017

* as applicable for investor holding shares in physical form

Member's / Proxy's Signature



INDO ASIA FINANCE LIMITED

Regd. Office :

No.15, New Girdi Road,

(Opp. Hotel Accord)

Off G.N.Chetty Road,

T.Nagar, Chennai - 600 017.

Tel : +91 44 2834 2111

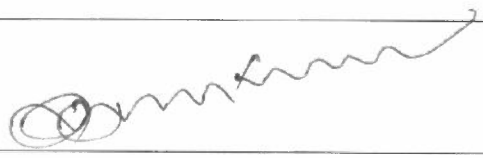
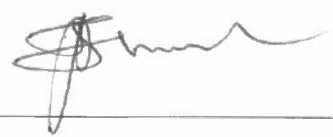

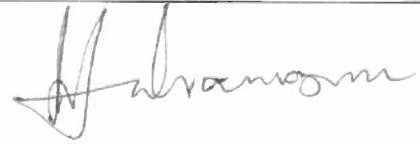
Fax : +91 44 2834 1280

E-mail: info@indoasiafinance.com

Web : www.indoasiafinance.com

FORM A

Format of covering letter of the annual audit report to be filed with the
Stock exchanges

1	Name of the Company:	INDO ASIA FINANCE LIMITED
2	Annual financial statements for the year ended	31.03.2013
3	Type of Audit observation	Un-qualified / Matter of Emphasis
4	Frequency of observation	Not Applicable
5	To be signed by-	
	Padham J Challani Chairman	
	B. Vettrivelan Vice President	
	M/s.A.Krishnamoorthy & Co., Chartered Accountants Firm Regn No.001489S Auditor of the company	
	N.Subramanian Audit Committee Chairman	



INDO ASIA FINANCE LIMITED

Regd. Office :

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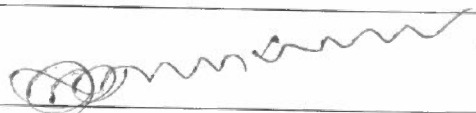


Fax : +91 44 2834 1280

Email: info@indoasiafinance.com

Web : www.indoasiafinance.com

FORM B

Format of covering letter of the annual audit report to be filed with the
Stock exchanges

1	Name of the Company:	INDO ASIA FINANCE LIMITED
2	Annual financial statements for the year ended	31.03.2013
3	Type of Audit qualification	Qualified...../ Subject to/ Except for.....
4	Frequency of qualification	Not Applicable
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Not Applicable
6	Additional comments from the board/audit committee chair:	Not Applicable
7	To be signed by-	
	Padham J Challani Chairman	
	B. Vettrivelen Vice President	
	M/s.A.Krishnamoorthy & Co., Chartered Accountants Firm Regn No. 001489S Auditor of the company	
	N.Subramanian Audit Committee Chairman	