



Ind Bank Housing Ltd

20th Annual Report

2010-2011



Ind Bank Housing Ltd

Registered Office : 66, Rajaji Salai, Chennai – 600 001.
Corporate Office : 480, Anna Salai, Nandanam, Chennai – 600 035. Ph : 2431 0237

BOARD OF DIRECTORS

Shri V. RamaGopal (Upto 01.06.2011)
Shri Rajeew Rishi (From 13.06.2011)
Shri R. Ravi (Upto 20.04.2011)
Shri N. Eswaran (From 20.04.2011)
Shri K. Subramanian
Shri A. Damodaran
Shri M.S. Natarajan
Shri G. Rangarajan Managing Director (Upto 26.05.2011)
Shri Banabihari Panda Managing Director (From 26.05.2011)

EXECUTIVE

Shri S. Selvaraj Company Secretary

AUDITORS

Venkat & Rangaa
Chartered Accountants
New No. 13, Old No. 6,
Flat No. 5, Majestic Apartments
Soundarrajan street,
T.Nagar, Chennai - 600 017.

BANKER

Indian Bank

OUR BRANCH NETWORK

- ◆ **TAMILNADU**
 - CHENNAI : 480, Anna Salai, Nandanam, Chennai – 600 035.
Phone : 24329235
 - MADURAI : 8-A, Ratnasamy Nadar Cross Cut Road, Bibi Kulam,
Madurai – 625 002. Phone : 2527892
- ◆ **ANDHRAPRADESH**
 - HYDERABAD : 3-6, 150, Himayatnagar, Hyderabad – 500 029.
Phone : 23226806

SHARE REGISTRARS & TRANSFER AGENTS

Cameo Corporate Services Ltd.

Subramanian Building,
1, Club House Road,
Chennai – 600 002.

NOTICE FOR THE XX ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held at "IMAGE" M.R.C NAGAR, R A PURAM [NEAR IYAPPAN TEMPLE], SANTHOME, CHENNAI – 600 028 on Saturday 20th August 2011 at 11.30 A.M. for transacting the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2011, the Audited Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri M.S.Natarajan who retires by rotation and he being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification, the following as an ordinary resolution of which Notice under section 257 of the Companies Act, 1956 has been received by the Company from one of the share holders.
"Resolved that Shri Rajeev Rishi be and is hereby appointed as a Director of the Company"
4. To consider and if thought fit, to pass with or without modification, the following as an ordinary resolution of which Notice under section 257 of the Companies Act, 1956 has been received by the Company from one of the share holders.
"Resolved that Shri N Eswaran be and is hereby appointed as a Director of the Company"
5. To consider and if thought fit, to pass with or without modification, the following as an ordinary resolution of which Notice under section 257 of the Companies Act, 1956 has been received by the Company from one of the share holders.
"Resolved that Shri Banabihari Panda be and is hereby appointed as a Director of the Company"
6. To consider and if thought fit, to pass with or without modification, the following as an ordinary resolution:
"Resolved that pursuant to the provisions of Section 269, 198, 309 and other provisions, if any applicable, of the Companies Act 1956, consent of the members be and is hereby accorded to the appointment of Shri Banabihari Panda (who is on deputation from Indian Bank) as the Managing Director of the Company by the Board of Directors on 26.05.2011 with effect from 26.05.2011 for a period of 2 years without remuneration as detailed in the explanatory statement annexed to the notice of the Meeting.

Regd Office
66 Rajaji Salai
Chennai.
Date : 15.07.2011

By Order of the Board
For IND BANK HOUSING LTD

S SELVARAJ
COMPANY SECRETARY

NOTES:

1. A member entitled to attend and vote in the above meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies should be lodged at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. The explanatory statement pursuant to section 173 (2) of the Companies Act 1956 is annexed hereto.
3. Please bring the admission slip with you duly filled in and handover the same at the entrance of the meeting hall.
4. In case there is any change in your address registered with us, we request you to communicate the same to us with PIN code to enable us to register the change in our records. It will greatly facilitate if you quote your registered Folio number in all your correspondence with the Company.
5. The Register of Members and the Share Transfer Register of the Company will remain closed from 17.08.2011 to 20.08.2011 (both days inclusive).

Details of Director seeking appointment/reappointment at the forthcoming Annual General Meeting (as required under clause 49 of the Listing Agreement)

Agenda No. 2:

At this annual general meeting Shri M S Natarajan, Director retires by rotation and he being eligible, offers himself for reappointment

Name	Shri M S Natarajan
Date of Birth	22.01.1940
Date of appointment	16.04.2010
Expertise in specific functional area experience	Retired Executive Director in LIC, having 33 years in the insurance sector in various positions.
Qualification	M.Sc., (Chemistry), Bachelor of Law, Fellow of the Insurance Institute of India. Diploma in Business Management

Except Shri M.S.Natarajan none of the Directors of your company is concerned or interested in the above resolution

Agenda No. 3:

Shri Rajeev Rishi was appointed as Director under the provisions of the Companies Act 1956 and the Articles of Association of the Company by the Board 13.06.2011. He holds office as a Director upto the date of Annual General Meeting. A notice under section 257 of the Companies Act 1956 has been received by the Company from one of the

shareholders proposing his appointment as a Director at the Annual General Meeting. Accordingly, the resolution set out as the item No.3 is placed under this item for the approval of the shareholders.

Name	Shri Rajeev Rishi
Date of Birth	30.08.1959
Date of appointment	13.06.2011
Expertise in specific functional area	Executive Director, Indian Bank, having 32 years experience in banking industry in various positions.
Qualification	B.A. L.L.B
Directorship in other public limited companies	Director in Indbank Merchant Banking Services Ltd
Director in Indfund Management Ltd	

Except Shri Rajeev Rishi none of the Directors of your company is concerned or interested in the above resolution

Agenda No. 4:

Shri N Eswaran was appointed as Director under the provisions of the Companies Act 1956 and the Articles of Association of the Company at the Board meeting held on 20.04.2011. He holds office as a Director upto the date of Annual General Meeting. A notice under section 257 of the Companies Act 1956 has been received by the Company from one of the shareholders proposing his appointment as a Director at the Annual General Meeting. Accordingly, the resolution set out as the item No.4 is placed under this item for the approval of the shareholders.

Name	Shri N Eswaran
Date of Birth	30.05.1953
Date of appointment	20.04.2011
Expertise in specific functional area	General Manager, Indian Bank, having 37 years experience in banking industry in various positions.
Qualification	B.Com., CAIIB
Directorship in other public limited companies	Director in Indbank Merchant Banking Services Ltd
Director in Indfund Management Ltd	

Except Shri N Eswaran none of the Directors of your company is concerned or interested in the above resolution

Agenda No. 5:

Shri Banabihari Panda was appointed as Director under the provisions of the Companies Act 1956 and the Articles of Association of the Company by the Board on 26.05.2011. He holds office as a Director upto the date of Annual General Meeting. A notice under section 257 of the Companies Act 1956 has been received by the Company from one of the shareholders proposing his appointment as a Director at the Annual General Meeting. Accordingly, the resolution set out as the item No.5 is placed under this item for the approval of the shareholders.

Details of other Directorships / Committee Memberships held by him

Name	Shri Banabihari Panda
Date of Birth	06.11.1955
Date of appointment	26.05.2011
Expertise in specific functional area	General Manager in Indian Bank, having 30 years experience in the banking sector in various positions
Qualification	B.A. (Hons) LLB, MA, MBA, CAIIB Certified Treasury Manager, Diploma in Treasury, Investment and Risk Management, Diploma in International Banking & Finance.
Directorship in other public limited companies	Ind Bank Merchant Banking Services Ltd

Agenda No 6:

Shri Banabihari Panda was appointed by the Board on 26.05.2011 as an Additional Director by the Board of Directors and in the same Board Meeting he was appointed as Managing Director of the Company in place of Shri G Rangarajan, who has been repatriated to Indian Bank. Shri Banabihari Panda was appointed by the Board without any remuneration, as given below :

Details of other Directorships/Committee Memberships held by him

1. Date of appointment	26.05.2011
2. Remuneration & Perquisites	Since he is already President-cum-Whole Time Director in Indbank Merchant Banking Services Ltd he continues to draw salary from that Company. However he is eligible for reimbursement of actual expenses such as telephone, travelling, entertainment and other out of pocket expenses incurred for the business of this Company

Shri Banabihari Panda is deemed to be interested in the above resolution since it is relating to his appointment.

Regd Office
66 Rajaji Salai
Chennai.

Place : Chennai
Date : 15.07.2011

By Order of the Board
For IND BANK HOUSING LTD

S SELVARAJ
Company Secretary

DIRECTORS' REPORT

To the members,

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company with audited accounts for the year ended 31st March 2011.

Financial Results:

[Rs. in lacs]

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Loss before depreciation, provision and tax	397.00	753.26
Add: Depreciation	1.48	1.65
Loss after depreciation and tax	398.48	754.91
Less: withdrawal of provisions no longer required	106.82	372.70
Add: Prior period adjustment	0.04	0
Loss after adjustments	291.62	382.21
Balance loss brought forward from previous year	7621.92	7239.72
Balance loss carried over to balance sheet	7913.54	7621.92

Performance of the Company:

During the financial year ended 31st March 2011 your company continued its efforts for recovery of non performing assets as done in the previous financial years. During this period the company had recovered Rs.5.20 crores from individual housing loans, project loan accounts and inter corporate deposits as against Rs.5.28 crores during the previous year. The loss for the financial year 2010-11 has comedown to Rs.2.92 crores as against Rs.3.82 crores in the previous year.

Dividend

During the year your company had incurred a net loss of Rs.2.92 crores. Hence the Board of Directors have not recommended any dividend for the financial year ended 31st March 2011.

Public Deposit

The company had stopped renewing the public deposits with effect from 01.11.2001 for want of borrowing power. During the year 2010-11 the outstanding public deposits have come down to Rs. 7.64 lacs from Rs. 15.76 lacs as on 31.03.2010. The entire outstanding balance represents matured but unclaimed deposits numbering to 15. The company has intimated the depositors about the maturity of deposits with a request to claim their deposits.

Corporate Governance

Pursuant to clause 49 of the Listing agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding the compliance of the same are made a part of this Annual Report,

Directors

During the financial year, Shri P N Patel has resigned from the Board of the company and as Managing Director with effect from 28.04.2010, consequent to his repatriation to Indian Bank. In his place Indian Bank has nominated Shri G Rangarajan, Deputy General Manager, Indian Bank and was inducted into the Board of the company on 28.04.2010 and appointed as Managing Director of the company with effect from 28.04.2010.

During the year Shri A S Bhattacharya, Executive Director, Indian Bank has resigned from the Board of the company with effect from 24.09.2010 consequent to his appointment as Chairman-cum-Managing Director of Bank of Maharashtra. In his place Indian Bank has nominated Shri V RamaGopal, Executive Director Indian Bank and he was inducted into the Board on 24.09.2010.

Shri Sri Ramanan has resigned from the Board of the company with effect from 31.12.2010 consequent to his retirement from Indian Bank on attaining superannuation. In his place Indian Bank has nominated Shri R Ravi, General Manager, Indian Bank and he was inducted into the Board of the company on 07.01.2011.

Your directors placed on record their appreciation for the valuable contributions made by Shri A S Bhattacharya, Shri Sri Ramanan and Shri P N Patel during their tenure as Director of the company.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

1. That in the preparation of the annual accounts for the year ended 31st March 2011 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. That such accounting policies as mentioned in Schedule P of the Annual Accounts have been selected and applied consistently and judgments and estimates that are reasonable and prudent are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2011 and of the loss of the Company for that year.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts for the year ended 31st March 2011 has been prepared on a going concern basis.

Auditors

M/s Venkat & Rangaa Chartered Accountants have been appointed, as statutory auditors by the Comptroller and Auditor General of India for the year 2010-11.

Auditors Report

Regarding the observations made by the Auditors in their Report, Notes on Accounts furnished are self-explanatory.

Information As Per Section 217 (1-E) Of The Companies Act, 1956

- a. The company has no activity relating to conservation of energy or technology absorption.
- b. The company did not have any foreign exchange earnings as well as expenses.

Personnel

None of the employees of the company received remuneration in excess of the limits prescribed Under Section 217 (2A) of the Companies Act, 1956.

Acknowledgement

The Directors wish to place on record their gratitude to the Ministry of Finance, Government of India, Reserve Bank of India, National Housing Bank and HUDCO for their valuable advice and guidance.

The Directors also place on record their appreciation for the assistance, active support and guidance received from Indian Bank and its officers and staff. The Directors express their appreciation for the contribution of the employees of the company. The Board of Directors thanks all the shareholders and Depositors for their patronage. Their continued patronage and support are of great encouragement to the company and will serve as a source of strength in all its future endeavours.

On behalf of the Board of Directors

Place : Chennai
Date : 20.04.2011

G. RANGARAJAN
MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of Governance:

Corporate governance has established itself globally as a new and emerging concept in management. Corporate governance in a broader perspective deals with performance, conformance and report thereby ensuring greater transparency better internal control and improved efficiency. Your company has been giving the highest importance to the elements of good corporate governance like transparency, accountability and responsibility in every sphere of management practice and equity in all areas of its operation and in all its dealings with the shareholders and multiple stakeholders.

2. The Management Discussion and Analysis Report:

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is given as addition to this report.

3. Board of Directors

During the year Shri A S Bhattacharya has resigned from the Board with effect from 24.09.2010 consequent to his appointment as Chairman-cum-Managing Director of Bank of Maharashtra.

In his place Indian Bank has nominated Shri V RamaGopal, Executive Director Indian Bank and he was inducted into the Board on 24.09.2010. Shri P N Patel has resigned from the Directorship and as Managing Director with effect from 28.04.2010, consequent to his repatriation to Indian Bank. In his place Indian Bank has nominated Shri G Rangarajan, Deputy General Manager, Indian Bank and he was inducted into the Board on 28.04.2010 and appointed as Managing Director of the company with effect from 28.04.2010. Shri Sri Ramanan has resigned from the Board with effect from 31.12.2010 consequent to his retirement from Indian Bank on attaining superannuation. In his place Indian Bank has nominated Shri R Ravi, General Manager, Indian Bank and he was inducted into the Board on 07.01.2011. The present Board of Directors of IBHL comprises of one Executive, 2 non-Executive Directors and 3 Independent Directors.

Attendance of each Director at the Board Meetings held during 2009-10 and the last AGM is as follows:

Director	Category of Directorship	No. of Meetings Held	Attended	Last AGM Attended
Shri A S Bhattacharya	NED	5	2	Attended
Shri V RamaGopal	NED	5	3	NA
Shri Sri Ramanan	NED	5	4	Attended
Shri R Ravi	NED	5	1	NA
Shri P N Patel	MD	5	1	NA
Shri G Rangarajan	MD	5	4	Attended
Shri.A Damodaran	Independent	5	4	Attended
Shri K Subramanian	Independent	5	4	NA
Shri M S Natarajan	Independent	5	5	Attended

NED – Non-Executive Director, MD – Managing Director

(i) Number of Board Meetings held and the dates on which held:

5 Board Meetings were held during the year 2010-11 as against the minimum requirement of 4 meetings. The dates on which meetings were held are given below:

16.04.2010, 29.07.2010, 28.09.2010, 02.11.2010 and 31.01.2011

(ii) Information placed before the Board of Directors:

It is the policy of the company that in addition to matters statutorily requiring approval of the Board, all major terms involving mobilisation of resources, capital expenditure, investments, compromise are discussed by the Board. In line with this policy, all the information laid down in the corporate governance code are being placed before the Board of Directors.

4. Audit Committee

Terms of reference:

The Audit Committee provides direction to the audit functions of the company and monitors the quality of internal audit and internal control. The functions of the Audit Committee includes overseeing the financial reporting process to ensure proper disclosure of financial statements, reviewing the annual/half yearly financial statements before submission to the Board, reviewing adequacy of internal control systems and adequacy, structure and staffing of the internal audit function, reviewing findings of internal investigations, discussing the scope of audit with external auditors.

Composition:

The Audit Committee was constituted on 04 07 2002 and the following are the members of the committee during the year 2010-11.

Name of the member	Status	No. of meetings attended
Shri A Damodaran	Chairman	3
Shri Sri Ramanan	Member	3
Shri R Ravi	Member	1
Shri K Subramanian	Member	3
Shri M S Natarajan	Member	4

5. Remuneration Committee:

Remuneration of employees consists of salary and perquisites which are governed by the service regulations of the company framed and approved by the Board. The Managing Director of the company is on deputation from Indian Bank and the remuneration is in accordance with the Indian Bank Officers' Service Regulation in force from time to time and the shareholders of the company at the respective general meeting have approved the same. However the present Managing Director does not receive any remuneration from Ind Bank Housing Ltd as the same is met by Indbank Merchant Banking Services Ltd where he is holding the position as President & Whole time Director. In view of the above, the company does not have a Remuneration Committee.

For Non Executive Directors [other than directors nominated by Indian Bank] sitting fees are paid for attending Board and Committee Meetings. The amount paid to them is as follows.

Name of the directors	Fees paid [for attending Board meetings].
Shri.A Damodaran	Rs.8,000/- paid for attending Board Meetings.
Shri M S Natarajan	Rs.10000/- paid for attending Board Meetings

6. Share Transfer/Shareholders Grievances Committee:

Composition

The share transfer committee was constituted by the Board of Directors at the meeting held on 09.12.1991. The Committee was reconstituted on 16.04.2010. The following Directors are members at present:

Shri A Damodaran
Shri R Ravi
Shri K Subramanian

The functions of the Committee include approval, rejection of transfer, transmission, transposition of shares, issue of duplicate share certificates and other issues relating to shares. The Share Transfer Committee met 23 times during the year.

The attendance of members is as follows.

Shri A Damodaran	23
Shri Sri Ramanan	17
Shri R Ravi	6
Shri K Subramanian	23

7. Credit Committee

The function of the committee is sanction of the housing loans to individuals and professional builders. The company has stopped lending housing loans from October 1999. Hence the committee has not met.

Composition of the Committee

The Credit committee was constituted by the Board of Directors at the meeting held on 19th June 92 .At present the committee comprises of Managing Director and Shri A Damodaran, Director.

8. General Body Meetings

The last three Annual General meetings were held as below:

Year	Date	Time	Venue
2007-08	31.07.2008	3.00 p.m	IMAGE, Chennai
2008-09	20.08.2009	3.30 p.m	IMAGE, Chennai
2009-10	29.07.2010	3.30 p.m	IMAGE, Chennai

No special resolution was put through postal ballot last year, nor any proposed for this year.

9. Disclosures

- There are no transactions of material nature, with its promoters, the directors or the management their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large.
- There are no instances of non-compliance on any matter related to the capital market, during the last 3 years.

10. Means of communication

The quarterly results are published in national daily newspapers viz. News Today in English and Malai Sudar in Tamil. The annual reports and accounts are posted to every shareholder of the company.

Management discussion and analysis report forms part of this annual report, which is being posted to all shareholders of the company.

11. General Shareholder Information

19th Annual General Meeting

Date and venue	29 th July 2010 at IMAGE, Chennai
Financial year	2009-10
Book closure dates	26.07.2010 to 29.07.2010
Listing of equity shares	Mumbai Stock Exchange
Stock code Mumbai Stock Exchange	523465

Market Price Data:

Month	The Stock Exchange Mumbai	
	High	Low
April 2010	21.00	15.05
May 2010	28.20	18.30
June 2010	22.55	19.80
July 2010	24.95	20.05
Aug 2010	27.55	21.25
Sep 2010	23.65	19.10
Oct 2010	26.30	19.85
Nov 2010	26.50	20.35
Dec 2010	29.90	18.45
Jan 2011	22.25	17.00
Feb 2011	21.00	17.50
Mar 2011	21.70	16.00

Registrar & Transfer Agent

M/s Cameo Corporate Service Ltd, Subramaniam Building, 1, Club House Road, Chennai - 600002

Share Transfer System

The power to approve transfer, transmission, transposition, have been delegated to the Share Transfer Committee and issue of duplicate shares in lieu of lost, mutilated share certificates etc. have been delegated to the Board of Directors. All the requests received from the shareholders are processed within 20 days from the date of receipt. Letters are sent to the shareholders after transfer of shares in their names giving an option for dematerialisation of the physical shares. Physical shares are dematerialised and electronic credit is given to those shareholders who opt for dematerialisation and in respect of other shareholders who have not opted for dematerialisation, share certificates are dispatched by registered post.

Distribution of Shareholding as on 31 03 2011

Category	No. of shares held	% of shareholding
A Promoters holding		
1 Promoters -Indian Promoters -Foreign Promoters	7600000	76.00
2 Person acting in concert Sub-total	7600000	76.00
B Non-Promoters holding		
3 Institutional Investors		
A Mutual funds and UTI		
B Banks, FIs, insurance companies (Central/State Government institutions/ Non Government institutions)	200	0.00
C FIs Sub-total	200	0.00
4 Others		
A Private Corporate Bodies	142889	1.43
B individuals holding upto Rs.1 lacs	2060062	20.60
C individual holding more than Rs.1 lac	94970	0.95
D Clearing member	7455	0.08
E Hindu Undivided Families	43844	0.44
F Non Resident Indians	35243	0.35

Dematerialisation of shares & Liquidity

The Company's shares are traded in the Stock Exchange only in electronic mode. The company has entered into necessary agreement for demat with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) whereby the shareholders have option to dematerialize their shares with these two depositories. The number of shares denaturalized as on 31 03 2011 is 6550751. The ISIN number allotted for the company's shares is INE969D01012.

CEO/CFO Certification:

The Managing Director and Head of Finance has issued certificate to the Board of Directors on the accounts of the company for the year 2010-11 as required under the Corporate Governance guidelines and the same is placed before the Board and taken on record.

Compliance Report:

The company had complied with the guidelines regarding the mandatory requirements on the Corporate Governance Guidelines as per the Clause 49 of the Listing Agreement.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BUSINESS ENVIRONMENT

Since 2000, there was continuous positive growth in the Indian real estate sector and buying property became one of the good options of investment. A study of this period egged the growth of the real estate market at about 30% annually which offered one of the most attractive returns in the Asia-Pacific region. The Indian real estate market was expected to grow from Rs. 55,832 crore in 2007-08 to Rs. 4,06,776 crores in the next 10 years. However, the subprime crisis in the US and the downturn of the economy in general, has also affected the real estate market in India.

The relaxed FDI rules and revised investor friendly policies implemented in our country are promoting the growth of real estate sector by inviting both Indian and foreign investors. Thus, the current economic scenario in our country is quite favorable for making investments in real estate.

BUSINESS OPERATIONS

Your company has stopped fresh lending since the year 2000 and is complying with the National Housing Bank's regulations. The company is concentrating only on recovery of housing loans and other assets. The company was notified as a 'financial institution' under the Securitisation Act on 16.03.2006 which is helping the company to speed up the recovery process.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The major risks among others that your company manages include credit risk, liquidity risk, interest rate risk and operational risk. As there is no fresh lending, the credit risks on appraisal and disbursement do not arise. The company has put in place an aggressive recovery mechanism for realisation of existing housing loans, including continuous follow up legal proceedings to speed up the recovery process. Your company continuously monitors the recovery of the loans and funds requirement and hence the liquidity risk is minimized.

Your company has detailed operating manuals and well laid down delegation of powers to ensure that operational controls are maintained on the business. The policies and procedures are adopted as per the guidelines of National Housing Bank after placing it to Board. Your company has also an adequate internal audit system to ensure feedback on adherence to the defined policies and procedures.

HUMAN RESOURCES

Human resources of your company comprise of a mix of 3 officers on deputation from Indian Bank and 3 employees on direct rolls. The employees are qualified and experienced in their field of operations.

FINANCIAL PERFORMANCE

Share Capital

The share capital of your company comprises of equity shares of Rs.10/- each. Your company's shares are listed with Mumbai stock exchange.

Secured Loans

Secured loans comprise of term loan from Indian Bank. Your company has started repaying the loan from the year 2004-05 and during the financial year it has repaid Rs.6.50 crores as against Rs.3.65 crores during the previous financial year 2009-10

Unsecured Loans

Your company had stopped accepting fresh public deposits since 1998 and renewal of the deposits from 01 11 2001. Your company has repaid all the deposits except a sum of Rs.0.08 crores as on 31.03.2011 which represent the deposits matured and unclaimed by the depositors. Your company is sending reminders to the depositors to surrender the deposit receipts to make the payment.

Fixed Assets

During the financial year 2010-11 your company has incurred a sum of Rs.1.82 lacs towards purchase of car for office use. The fixed assets consist of motor vehicle, furniture, office equipments and computers.

Investments

The investments of your company comprise of Government Securities and deposits [as per statutory liquid assets requirements].

Net Current Assets

The net current assets have decreased primarily due to the recoveries under loans, including NPA accounts, etc.

Miscellaneous Expenditure and Profit and Loss Account

Your company has no miscellaneous expenditure to be charged to profit and loss account. The accumulated losses stand at Rs.79.14 crores as at 31.03.2011.

Income

The gross income has increased to Rs.3.92 crores from Rs.2.51 crores due to higher recovery in the project loans.

Expenses

Finance charges have increased to Rs..7.37 crores from Rs. 7.17 crores owing to charging interest on unserviced interest. The personnel expenses have increased to Rs.35.18 lacs from Rs. 29.10 lacs. The administrative and other expenses stood at Rs. 16.01 lacs as against Rs.16.09 lacs in the previous year.

Bad debts written off

During the current financial year the company has written off Rs.0.38 lacs being the balance amount in a individual housing loan account after recovery under the provisions of SARFAESI Act. .

Your company has made reversal of provisions to the extent of Rs. 106.82 lacs as against Rs. 372.70 lacs of reversal of provisions during the previous year.

Financial Results

[Rs.in lacs]

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Gross Income	391.83	251.09
Interest	737.26	717.18
Other expenses	51.19	45.20
Bad written off	0.38	241.97
Provision for contingencies	- 106.82	- 372.70
Loss before depreciation and tax	290.18	380.56
Depreciation	1.48	1.65
Loss after depreciation and tax	291.66	382.21
Prior period adjustments	- 0.04	
Profit/Loss after adjustments	291.62	382.21
Balance brought forward from previous year	7621.92	7239.72
Balance carried over to balance sheet	7913.54	7621.93

OUTLOOK

Since the notification of your company under the Securitisation Act on 16.03.2006, it is taking all out efforts for recovery of all NPA accounts which had helped the company to make impressive recovery both in individual housing loans and inter corporate deposits during the financial years from 2007-08 to 2010-11 . The company will continue with the same level of efforts for recovery performance in the coming financial year also, which will help to improve its bottom line further.

AUDITORS' CERTIFICATE

To the Members of
Ind Bank Housing Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Ind Bank Housing Limited, for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to:

1. Our reliance upon the certificate received by the Company from its Registrar that there were no complaints received from shareholders unattended as on 31.03.2011 and that there are no share transfers pending as the year end as at stated under Serial No.6 of the Companys Report on the Corporate Governance;
2. Our having relied on the representation of the management that there were no transactions of material nature with the management or their relatives that may have potential conflict with the interest of the Company at large, as stated under Serial No.10 of the Companys report on Corporate Governance.

We certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For VENKAT & RANGAA
Chartered Accountants

Place : Chennai
Date : 20.4.2011

S.Mohan Raajan
Partner
M.No: 206393

AUDITOR'S REPORT

TO THE MEMBERS OF IND BANK HOUSING LIMITED

We have audited the attached Balance Sheet of IND BANK HOUSING LIMITED, as at 31st March 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Companys management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We believe that our audit provides a reasonable basis for our opinion.

1. As required by Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. **Attention of the members is invited to Notes on Accounts under (b) regarding preparation of accounts on a going concern basis. This is subject to the Company getting the continued financial support from Indian Bank as stated in the said notes.**

3. **Disputed income tax of Rs.432.12 Lacs for the Assessment Year 1999 – 2000 has not been provided in the accounts by the Company as the same is pending before Honble Madras High Court, Chennai. Further Income Tax Department has raised a demand of Rs.19.02 Lakhs for the Assessment Year 2005-06 has not been provided in the accounts by the Company as the same is pending before The Commissioner of Income Tax Appeals – III, Chennai. (refer Notes on Accounts under Sl.No. h).**
4. Further to our comments in the Annexure referred to above, we report that:
- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and with the returns from the branches;
 - In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011
 - In the case of the Profit and Loss Account, of the Loss for the year ended on that date and
 - In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

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

For VENKAT & RANGAA
Chartered Accountants

S.Mohan Raajan
Partner
M.No: 206393

Place : Chennai
Date : 20.4.2011

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 of our Report of even date)

- The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.
 - The fixed assets have been physically verified by the management during the year. No discrepancies were noticed on such physical verification.
- According to the information and explanations given to us the provisions of clauses (ii), (iii), (v), (viii), (xiii), (xviii), (xix), (xx) of paragraph 4 of the Companies (Auditors Report) Order 2003 are not applicable to the Company.
- The Company has not granted or taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
- 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 the nature of its business for purchase of fixed assets.

5. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and the rules framed and directions issued by National Housing Bank (NHB) wherever applicable to deposits accepted from public except as stated hereunder;
- (i) NHB has allowed time upto 30.09.2001 to bring the Public Deposits within the limits prescribed by the NHB. The Company has repaid all the deposit accepted from public except to the extent of Rs.7.64 Lacs, which represents the deposits matured but not claimed, for which the company has deposited a sum of Rs.8.00 Lacs in Escrow A/c with Indian Bank.
- (ii) The total borrowing of the Company is in excess of the limits prescribed by the NHB in relation to the net worth of the Company and has been reported to NHB.
6. Taking into account the volume and nature of operations presently carried on by the Company, we are of the opinion that the present system of internal audit is adequate from the point of view of coverage/requirement.
7. (a) The company is regular in depositing undisputed statutory dues including provident fund dues and income tax with the concerned authorities. We are informed that the provisions of Employees State Insurance Act, 1948, Wealth Tax Act, Sales Tax Act, Customs and Excise laws are not been applicable to this Company.
- (b) According to the information and explanations given to us the following disputed taxes (including interest) have not deposited by the Company.

Nature	Amount Rs. In Lacs	Forum
Income Tax disputed in appeal- - A.Y.1999-2000	432.00	Hon ble Madras High Court, Chennai
- A.Y.2005-2006	19.02	The Commissioner of Income Tax (Appeals) – III, Chennai.

8. The accumulated losses of the Company at the end of the financial year exceeds fifty percent of its net worth. The Company has incurred cash losses in the current financial year and in the immediately preceding financial years.

9. The Company has defaulted in repayment of dues to financial institutions and banks as per the details given below:

Sl No	Institutions	Amount of default Rs in lacs	In default since	Nature of loan
1	Indian Bank – TL III	3329.80	July 1999	Term loan
2	Indian Bank – TL IV	3699.46	Loan availed in June 2004	Term loan

10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The Company does not deal or trade in shares, securities, debentures and other investments in the ordinary course of its business. In respect of shares and securities held as investments by the Company proper records have been maintained for transactions and contracts and timely entries have been made therein.
12. According to the information and explanations given to us the Company has not given any guarantee for loans taken by other from banks of financial institutions.
13. According to the information and explanations given to us the company has not raised funds on short term basis during the year.
14. According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year.

For VENKAT & RANGAA
Chartered Accountants

Place : Chennai
Date : 20.4.2011

S.Mohan Raajan
Partner
M.No: 206393

AUDITORS CERTIFICATE

The Board of Directors,
Ind Bank Housing Ltd,
No.480, Anna Salai,
Nandanam, Chennai – 600 035.

Dear Sir,

Sub: Statutory Audit of your Company Accounts for the F.Y 2010-11.

With reference to the above we report as under:

1. That Ind Bak Housing Ltd (IBH Ltd) is a registered Housing Finance Company under section 29 A of the National Housing Bank Act, (NHB Act) 1987.
2. That IBH Ltd has complied with the liquidity requirements as specified u/s 29 B of the NHB Act.
3. As IBH Ltd has not earned any profit during the year, the question of compliance of section 29 C of NHB Act on the Reserve Fund does not arise.
4. That IBH Ltd has complied with the provision of NHB directions except as reported hereunder:
 - a. The Company has not accepted any deposits from the public since January 1998. NHB has allowed time upto 30.09.2001 to the Company to bring the Public Deposits within the limits prescribed by the NHB. The Company has repaid all the deposits accepted from the public except Rs.7.64 Lacs, which represents the deposits matured but not claimed, for which the Company has deposited a sum of Rs.8.00 Lacs in Escrow a/c with Indian Bank.
 - b. The total borrowings of the Company is in excess of the limits prescribed by the NHB in relation to the net worth of the Company
5. That the capital adequacy ratio as disclosed in the return submitted to NHB has been correctly worked out and such ratio is not in compliance with NHB directions as net worth is negative.
6. That IBH Ltd has not defaulted in paying to its depositors the interest and / or principal amounts of deposits after such interest and / or principal became due.
7. IBH Ltd has complied with prudential norms guidelines issued by National Housing Bank.

For VENKAT & RANGAA
Chartered Accountants

S.Mohan Raajan
Partner
M.No: 206393

Place : Chennai
Date : 20.4.2011

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
IND BANK HOUSING LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2011**

The preparation of financial statements of Ind Bank Housing Limited, Chennai for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20 April 2011.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of Ind Bank Housing Limited, Chennai for the year ended 31 March 2011 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

A. ROYCHOUDHURY

Principal Director of Commercial Audit and
Ex-Officio Member Audit Board

Place : Chennai
Date : 05.05.2011

BALANCE SHEET AS ON 31.03.2011

	Schedule No	As on 31.03.2011 Rs.	As on 31.03.2010 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	100,000,000	100,000,000
Reserves & Surplus	B	<u>58,316,773</u>	58,316,773
		158,316,773	158,316,773
LOAN FUNDS			
Secured Loans	C	702,926,348	694,199,671
Unsecured Loans	D	<u>115,520</u>	917,512
		703,041,868	<u>695,117,183</u>
TOTAL		<u>861,358,641</u>	<u>853,433,956</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	2,854,737	2,699,541
less: Depreciation		<u>-2,149,477</u>	<u>-2,028,955</u>
Net Block		705,260	670,586
INVESTMENTS	F	929,444	960,632
HOUSING LOANS	G	69,293,689	81,351,178
CURRENT ASSETS, LOANS & ADVANCES			
Interest accrued on investments		6,943	16406
Cash and Bank balance		44,533,899	21,175,283
Loans & Advances		<u>32,867,666</u>	<u>32,499,654</u>
		77,408,508	<u>53,691,343</u>
less: Current liabilities & Provisions	I		
Current Liabilities		78,315,079	45,385,795
Provisions		<u>17,461</u>	46,425
		78,332,540	45,432,220
NET CURRENT ASSETS		(924,032)	8,259,123
PROFIT & LOSS ACCOUNT		791,354,280	<u>762,192,437</u>
TOTAL		<u>861,358,641</u>	<u>853,433,956</u>
Accounting	P		
Policies/Notes on Accounts	Q		

(Schedules A to I and schedule P & Q form an integral part of the Balance Sheet)

For VENKAT & RANGAA CHARTERED ACCOUNTANTS	(V RAMAGOPAL) CHAIRMAN	(R RAVI) DIRECTOR
K MOHAN RAAJAN PARTNER	(K SUBRAMANIAN) DIRECTOR	(A DAMODARAN) DIRECTOR
(S SELVARAJ) COMPANY SECRETARY	(M S NATARAJAN) DIRECTOR	(G RANGARAJAN) MANAGING DIRECTOR

Chennai
Date : 20.4.2011

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

	Schedule No	As on 31.03.2011 Rs.	As on 31.03.2010 Rs.
EARNINGS			
Operating Income	J	38,952,902	24,915,130
Other Income	K	230,527	194,230
Total		<u>39,183,429</u>	<u>25,109,360</u>
EXPENSES			
Finance Charges	L	73,726,677	71,718,126
Personnel Expenses	M	3,518,552	2,909,534
Administrative & Other expenses	N	1,601,070	1,609,847
Bad debts written off		37,719	24,197,317
Total		<u>78,884,018</u>	<u>100,434,824</u>
Loss before depreciation and tax		(39,700,589)	(75,325,464)
Add: Depreciation		147,798	165,231
Provision for Fringe Benefit Tax		0	0
Profit/(Loss) after depreciation and tax before provisions and contingency		<u>(39,848,387)</u>	<u>(75,490,695)</u>
Less: Withdrawal of Provision & Contingency no longer required	O	<u>10,682,472</u>	<u>37,269,941</u>
Add: Prior period expenses		1730	0
Less Excess provision written back AY2009-10		-5802	
Profit/(Loss) after adjustments		(29,161,843)	(38,220,754)
Add: balance of loss brought forward from previous year		(762,192,437)	723,971,683
Balance of loss carried over to Balance Sheet		<u>(791,354,280)</u>	<u>762,192,437</u>
Accounting Policies	P		
Notes on Accounts	Q		
(Schedules J to N and schedules P & Q form an integral part of the profit and loss account)			
Earnings Per share (basic)		(2.92)	(3.82)
Earnings Per share (Diluted)		(2.92)	(3.82)
No of shares recokened for calculating EPS		10,000,000	10,000,000
For VENKAT & RANGAA CHARTERED ACCOUNTANTS	(V RAMAGOPAL) CHAIRMAN		(R RAVI) DIRECTOR
K MOHAN RAAJAN PARTNER	(K SUBRAMANIAN) DIRECTOR		(A DAMODARAN) DIRECTOR
(S SELVARAJ) COMPANY SECRETARY	(M S NATARAJAN) DIRECTOR		(G RANGARAJAN) MANAGING DIRECTOR
Chennai Date : 20.4.2011			

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2011 Rs.	31.03.2010 Rs.
SCHEDULE A		
SHARE CAPITAL		
Authorised Capital		
5,00,00,000 Equity Shares of Rs.10 each	500,000,000	500,000,000
Issued, Subscribed and paid up		
1,00,00,000 Equity Shares of Rs.10 each		
Fully paid-up		
Indian Bank 51%	51,000,000	
HUDCO 25%	25,000,000	
Public 24%	24,000,000	
	100,000,000	100,000,000
SCHEDULE B		
Special Reserve	31.03.2011	31.03.2010
In terms of section 36 (1)(viii) of the Income Tax Act 1961		
Balance as per last year	58,316,773	58,316,773
General Reserve	Nil	Nil
Total	58,316,773	58,316,773
SCHEDULE C		
SECURED LOANS		
Indian Bank		
Term Loan – III	278,382,921	278,382,921
Interest accrued and due	54,597,689	81,132,572
Secured by 1st charge over inter corporate deposits		
– refer <i>point No. m</i> in Notes on Accounts) <i>Sub Total (a)</i>	<u>332,980,610</u>	<u>359,515,493</u>
Term Loan – IV (availed to repay NHB refinance)	275,000,000	275,000,000
Interest accrued and due	94,945,738	59,684,178
Secured by hypothecation of all housing loan		
receivables)Sub Total (b)	<u>369,945,738</u>	<u>334,684,178</u>
Total (a and b)	702,926,348	694,199,671
SCHEDULE D		
UNSECURED LOANS		
Deposits matured but not claimed	115,520	917,512
Total	115,520	917,512

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule E
Fixed Assets Amount in Rs.

Particulars	Assets				Depreciation				Written Down Value	
	Opening	Addition	Deletion	Total	Opening	For the year	Adjustments	Total	As on 31.03.2010	As on 31.03.2011
Furniture & Fixtures	758,942	0	0	758,942	436,227	58,411	0	494,638	322,715	264,304
Office Equipments	490,770	0	0	490,770	409,197	11,775	0	420,972	81,573	69,878
Vehicles	55,154	182,654	27,458	210,350	54,785	19,384	27,276	46,893	369	163,457
Electrical Equipment	314,329	0	0	314,329	129,798	25,669	0	155,467	184,531	158,862
Computers	1,080,346	0	0	1,080,346	998,948	32,559	0	1,031,507	81,398	48,839
Total	2,699,541	182,654	27,458	2,854,737	2,028,955	147,798	27,276	2,149,477	670,586	705,260
Previous year	2,750,272	59,280	110,011	2699,541	1944,525	165,231	114,221	2,028,955	805,747	670,586

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2011 Rs.	31.03.2010 Rs.			
SCHEDULE F					
INVESTMENTS (AT COST)					
LONG TERM					
A. QUOTED					
Government Securities	541,500	541,500			
Shares	1,652,233	1,660,668			
Total	2,193,733	2,202,168			
Less: provision for diminution in value of investments	(1,264,289)	(1,241,536)			
TOTAL	929,444	960,632			
A. 1. INVESTMENTS IN GOVERNMENT SECURITIES (QUOTED)					
Particulars	Cost as on 31.03.2011	Cost as on 31.03.2010			
Government Securities – 12.40% GOI 2013 Bonds (Market value as on 31.03.2010 Rs.557,150)	541,500	541,500			
	<u>541,500</u>	<u>541,500</u>			
A. 2. INVESTMENTS IN SHARES OF LIMITED COMPANIES (QUOTED)					
Particulars	No of share	Face Value	Paid up value	Cost 31.03.11 Rs.	Cost 31.03.10 Rs.
Lakshmi Precision Screws Ltd (Market value as on 31.03.11 Rs.280,567) (Market value as on 31.03.10 Rs.237,639)	5833	10	10	495,881	495,881
Jayaswals Neco Ltd (Market value as on 31.03.11 Rs.82,075) (Market value as on 31.03.10 Rs. 147,700)	3500	10	10	482,750	482,750
Hindustan Alloys Manufacturing Co Ltd (Market value as on 31.03.11 Nil) (Market value as on 31.03.10 Nil)	5000	10	10	407,050	407,050
Kabra Extrusions Technic Ltd (Market value as on 31.03.11 Rs.88,650) (Market value as on 31.03.10 Rs. 107,275)	1500	10	10	25,302	33,737
Rajasthan Petro Synthetics Ltd (Market value as on 31.03.11 Nil) (Market value as on 31.03.10 Nil)	5000	10	10	241,250	241,250
TOTAL				1,652,233	1,660,668

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2011 Rs.	31.03.2010 Rs.
SCHEDULE G		
HOUSING LOANS		
Individuals	19,701,937	26,291,431
Project Loans	<u>102,048,524</u>	<u>108,785,110</u>
	121,750,461	135,076,541
Less: Provision for NPAs	<u>(52,456,772)</u>	<u>(53,725,363)</u>
TOTAL	<u>69,293,689</u>	<u>81,351,178</u>
SCHEDULE H		
CURRENT ASSETS, LOANS & ADVANCES		
Interest Accrued on Investments	6,943	16,406
Cash and Bank Balance		
Cash & Stamps (including cheques on hand)	2,967	2,433
Balance with scheduled banks		
In Current Account	2,263,741	13,697,708
In Term Deposit	<u>42,267,191</u>	<u>7,475,142</u>
Total	<u>44,533,899</u>	<u>21,175,283</u>
OTHER CURRENT ASSETS		
Interest Accrued on ICDs	41,701,359	50,797,946
Less: Provision for contingencies	<u>41,701,359</u>	<u>50,797,946</u>
Total	<u>0</u>	<u>0</u>
LOANS & ADVANCES		
Loans:		
Installments due from borrowers (secured considered good)	202,236	129,810
Inter Corporate Deposit (unsecured doubtful)	79,604,952	79,576,586
Advances recoverable in cash or in kind or for value to be received (includes law charges on ICD Rs1,089,032/- which is classified as doubtful and provided for)	<u>33,754,462</u>	<u>33,827,289</u>
	113,561,650	113,533,685
Less: Provision for contingencies	<u>80,693,984</u>	<u>81,034,031</u>
Total	<u>32,867,666</u>	<u>32,499,654</u>
SCHEDULE I		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Creditor for Expenses	28,685,628	26,727,098
Advance EMI recd	0	81,932
Amount received under SARFAESI action	42,097,297	12,999,811
Unclaimed matured public deposits	648,090	658,090
Other Liabilities	<u>6,884,064</u>	<u>4,918,864</u>
Total (a)	<u>78,315,079</u>	<u>45,385,795</u>
Provisions:		
Provision for Fringe Benefit Tax	17,461	46,425
Total (b)	<u>17,461</u>	<u>46,425</u>
Total	<u>78,332,540</u>	<u>45,432,220</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	31.03.2011 Rs.	31.03.2010 Rs.
SCHEDULE J		
EARNINGS		
OPERATING INCOME		
Interest on Housing Loans		
Individual	5,588,625	6,124,615
Corporate Bodies	32,899,970	18,544,192
Others	<u>464,307</u>	<u>246,323</u>
	<u>38,952,902</u>	<u>24,915,130</u>
SCHEDULE K		
OTHER INCOME		
Other Interest income	133,880	148,257
Dividend on shares	9,333	6,500
Profit on sale of assets	6918	0
Interest on Income Tax Refund	9682	0
Misc Income	70,714	39,473
Other Income	<u>230,527</u>	<u>194,230</u>
SCHEDULE L		
FINANCE CHARGES		
Interest on Bank Borrowings	73,726,677	71,718,126
TOTAL	<u>73,726,677</u>	<u>71,718,126</u>
SCHEDULE M		
PERSONNEL EXPENSES		
Salaries & Wages	3,275,594	2,711,448
PF & Other Contribution	110,247	120,482
Staff Training & Welfare	132,711	77,604
Total	<u>3,518,552</u>	<u>2,909,534</u>
SCHEDULE N		
Administration and Other Expenses		
Rent, Rates and Taxes	386,593	388,307
Insurance	12,823	13,543
Postage & Telephone	62,929	72,750
Printing, Stationery, books & periodicals	61,726	57,905
Traveling & Conveyance	305,042	251,492
Other Expenses	700,262	755,185
	<u>1,529,375</u>	<u>1,539,182</u>
Auditor's remuneration		
Statutory Audit Fee (including service tax)	33,090	33,090
Tax Audit fee (including service tax)	16,545	16,545
Certification fees	22,060	21,030
Total	<u>1,601,070</u>	<u>1,609,847</u>
SCHEDULE O		
PROVISION AND CONTIGENICES		
Withdrawal of provisions made		
Housing loans	-1,268,591	2,458,651
Inter corporate deposits	-9,436,634	34,565,463
Investments	<u>0</u>	<u>245,827</u>
Total	<u>-10,705,225</u>	<u>37,269,941</u>
Additional provision for Investments	22,753	0
Net withdrawal	<u>-10,682,472</u>	<u>37,269,941</u>

SCHEDULE - P

ACCOUNTING POLICIES:

a) *Method of Accounting*

The Company accounts have been prepared under historical cost convention on an accrual basis and comply with the accounting standards referred to section 211(3C) of the Companies Act, 1956.

b) *Income Recognition and Prudential Norms*

The Company follows NHB's Prudential Norms for recognition of Income and Provisioning for Non Performing Assets.

c) *Interest on Housing Loans*

Repayment of housing loans is by way of Equivated Monthly Installments (EMI's) comprising of principal and interest. Interest is calculated every half year on the opening balance at the beginning of the respective half year/year. EMI commence once the entire loan is disbursed. Pending commencement of EMI, pre EMI interest payable is recognized every month.

d) *Investments*

Investments are classified into current investments and long-term investments. Investments are valued at lower of cost or Market value for each investment individually as per NHB guidelines in force.

e) *Fixed Assets and Depreciation*

Fixed Assets are capitalised at cost and are stated at cost less depreciation. Depreciation is calculated on written down value method at the rates prescribed in schedule XIV to the Companies Act, 1956.

f) *Retirement Benefits*

- i. Contribution to Provident Funds is made to the Regional Provident Fund Commissioner.
- ii. The Gratuity liability is covered by Trust formed under the Group Gratuity Scheme. The trust has purchased a Group Gratuity policy from LIC and the annual premium is paid through the Trust.
- iii. Liability for leave encashment is provided for on actuarial basis.

SCHEDULE Q

NOTES ON ACCOUNTS:

- a) Housing loans excepting those loans classified as doubtful pursuant to the prudential norms of NHB are considered good and recoverable. The housing loans are secured by equitable mortgage of property and / or other securities to the extent of Rs.12,10,09,739/- and loans amounting to Rs.641,722/- are unsecured as on 31.03.2011. Classification of housing loans and provisions made for Non Performing assets are given below.

Particulars	Standard	Sub standard	Doubtful	Total
Individual Loans	7,632,676	70,129	11,999,132	19,701,937
Project loans	0	0	102,048,524	102,048,524
TOTAL	7,632,676	70,129	114,047,656	121,750,461

Provisions	Standard	Sub standard	Doubtful	Total
As on 31.03.2010	—	20,613	53,704,750	53,725,363
Provided during the year	—	-13600	-1,254,991	-1,268,591
Total as on 31.03.2011	—	7,013	52,449,759	52,456,772
Balance less provision	7,632,676	63,116	61,597,897	69,293,689

- b) The company has stopped accepting and renewing of deposits and not making fresh loans. The company continues to receive financial support from its promoter, Indian Bank. In view of the above and in view of the general goodwill enjoyed by the company and continued customer base, the business strength continues to remain intact. Hence the accounts have been prepared on a going concern basis.

- c) The only business activity of the company is housing finance and hence no segment reporting has been done.
- d) The unabsorbed depreciation and carry forward losses eligible for set-off against future taxable income have not been considered as deferred tax asset on the ground of prudence.
- e) There are no related party relationship/transactions requiring disclosure as per the relevant accounting standard.
- f) In respect of term loan taken from Indian Bank the company has given an undertaking to the Bank not to sell, dispose off, charge or otherwise alienate any of its fixed and liquid assets without the prior consent of the Bank so long as the Company's liabilities to the Bank has not been fully repaid.
- g) Investments & Term Deposits with banks includes the following
- Investments and deposits required to be maintained as liquid assets in terms of the Housing Finance Companies (NHB) Directions 1989 as per details given below:

Amount in Rs.

Government Securities	541,500
Term Deposits with Banks	800,000

- Amount received under SARFAESI action kept in no lien account as per the orders of DRAT, Chennai by way of short term deposits Rs.41,467,191/- (including interest accrued thereon)
- h) The Income Tax Department has sent a demand notice for Rs.4.32 crores for the assessment year 1999-00 including interest. The demand is raised by considering the income on non-performing assets on accrual basis which, as per the NHB directives, could not be recognised as income. The Company has contested the demand and filed an appeal before the Hon'ble Madras High Court. In respect of the Assessment year 2005-06 Income Tax department has raised a demand of Rs.19.02 Lakhs for which the company has filed appeal before the commissioner of Income Tax and is hopeful of succeeding in the appeal and hence no provision for tax has been considered necessary.
- i) The Income tax Department has informed the above demand has been adjusted against the refund receivable with the interest thereon, for various assessment years. The refund receivable as per books of the Company is Rs.2.85 crores.
- j) Company's obligation towards Gratuity Fund and details of actuarial valuation:

	Rs
i Total past service gratuity	708,026
ii Actuarial value past service gratuity	708,026
iii Gratuity Fund with LIC	684,858
iv Contribution payable to LIC	23,168
v Contribution paid during the year	23,168
vi Balance payable	Nil
vii Risk premium and service tax paid	2,707
viii Assumptions	
Discounting rate	8% p.a. compound
Projections of salary increase	8% p.a. compound

- k) Managing Director of the company is on deputation from Indian Bank and is drawing remuneration from Indbank Merchant Banking Services Ltd as President of that company. Hence no remuneration is paid by this company.
- l) 12.40% Govt of India 2013 Securities are held in Indian Bank in their SGL constituent account on behalf of the Company and as certified by the Bank.
- m) Term Loan III from Indian Bank is secured by ICDs, which are considered doubtful and fully provided for in the accounts.
- n) Balance confirmation has not been received in respect of debit and credit entries outstanding in Sundry Deposit/ Sundry Receivable account.
- o) Previous year figures have been regrouped wherever necessary to conform to current year's presentation.
- p) The figures in this balance sheet and Profit and Loss Accounts have been rounded off to the nearest rupee.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

 Registration No .

1	8	2	0	2	1	9
---	---	---	---	---	---	---

 State Code

1	8
---	---

 Balance Sheet Date

3	1
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0	3
---	---

2	0	1	1
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II. Capital raised during the year (Amount in thousands)

Public Issue						
		N	I	L		

Rights Issue						
		N	I	L		

Bonus Issue						
		N	I	L		

Private Placement						
		N	I	L		

III. Position of Mobilisation and Deployment of funds (Amount in thousands)

Total Liabilities							
		8	6	1	3	5	9

Total Assets							
		8	6	1	3	5	9

Source of Funds

Paid up Capital							
		1	0	0	0	0	0

Reserves and surplus							
			5	8	3	1	7

Unsecured Loan							
				1	1	6	

Secured Loan							
		7	0	2	9	2	6

Application of Funds

Net Fixed Assets							
				7	0	5	

Investments							
					9	2	9

Net Current Assets							
				-	9	2	4

Housing Loan								
				6	9	2	9	4

Miscellaneous Expenditure							
		N	I	L			

Accumulated Losses							
		7	9	1	3	5	4

IV. Performance of the Company (Amount in thousands)

Turnover							
		3	9	1	8	3	

Total Expenditure							
		7	8	8	8	4	

+/- Profit / Loss before tax							
		-	2	9	1	6	2

+/- Profit / Loss after tax							
		-	2	9	1	6	2

Earnings per Share in Rs.							
				-	V	E	

Dividend Rate							
		N	I	L			

V. Generic Name of Three Principal productions / service of the company

 Item Code No.

						N		A
--	--	--	--	--	--	---	--	---

 Product Description

H	O	U	S	I	N	G		F	I	N	A	N	C	E
---	---	---	---	---	---	---	--	---	---	---	---	---	---	---

 For VENKAT & RANGAA
CHARTERED ACCOUNTANTS

 (V RAMAGOPAL)
CHAIRMAN

 (R RAVI)
DIRECTOR

 K MOHAN RAAJAN
PARTNER

 (K SUBRAMANIAN)
DIRECTOR

 (A DAMODARAN)
DIRECTOR

 (S SELVARAJ)
COMPANY SECRETARY

 (M S NATARAJAN)
DIRECTOR

 (G RANGARAJAN)
MANAGING DIRECTOR

Chennai

Date : 20.4.2011

CASH FLOW STATEMENT FOR THE YEAR 2010-11

□	2010-2011 Rs	2009-2010 Rs
A. Cash Flow operating Activities		
Profit before tax	-29,161,843	-38,220,754
Adjustment for		
Depreciation	147,798	165,231
Interest charged on Term loan	73,726,677	71,718,126
Profit on sale of assets	-6,918	0
Loss on sale of assets	0	16,710
Dividend on investments	-9,333	-6,500
Provision for contingencies	-10,682,472	-37,269,941
	63,175,752	34,623,626
Trade Receivable	9,078,085	34,745,371
Trade Payable	32,900,320	41,978,405
Cash Generated from Operations	75,992,314	38,454,394
Taxes Paid/Refund		
Net Cash from Operations (A)	75,992,314	38,454,394
B.CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-182,654	-59,280
Sale of Fixed Assets	7,100	12,500
Decrease in investments	8,435	0
Housing Loans	13,326,080	9,991,997
Dividend on Shares	9,333	6,500
Net Cash Flow from Investing Activities (B)	13,168,294	9,951,717
C.CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans	-65,000,000	-36,500,000
Unsecured Loans	-801,992	-358,241
Cash Flow from Financing Activities (C)	-65,801,992	-36,858,241
Net Increase/Decrease in Cash & Cash equivalent (A+B+C)	23,358,616	11,547,870
Cash & Cash equivalents - Opening	21,175,283	9,627,413
Cash & Cash equivalents - closing	44,533,899	21,175,283
For VENKAT & RANGAA CHARTERED ACCOUNTANTS	(V RAMAGOPAL) CHAIRMAN	(R RAVI) DIRECTOR
K MOHAN RAAJAN PARTNER	(K SUBRAMANIAN) DIRECTOR	(A DAMODARAN) DIRECTOR
(S SELVARAJ) COMPANY SECRETARY	(M S NATARAJAN) DIRECTOR	(G RANGARAJAN) MANAGING DIRECTOR
Chennai Date : 20.4.2011		



Ind Bank Housing Ltd

Registered Office : 66(Old No. 31), Rajaji Salai, Chennai – 600 001.

PROXY FORM

DP ID No.	
Client ID No.	

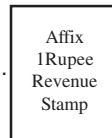
Folio No.	
No. of shares held	

I/We of
in the district of being a Member (s)
of IND BANK HOUSING LTD., hereby appoint of
..... in the district of or
failing him / her of in the district of
as my / our Proxy to attend and vote for me/us on my/our behalf, at the Twentieth Annual General Meeting of the
Company to be held on Saturday the 20th August 2011 at 11.30 a.m. at Indian Bank Management Academy for
Growth & Excellence (IMAGE), MRC Nagar, Raja Annamalaipuram (Near Iyappan Temple), Chennai – 600 028 and
any adjournment thereof.

Signed this day of 2011.

- Note : 1. The Proxy to be valid must be deposited at the Regd. Office of
the Company at 66 (Old No.31) Rajaji Salai, Chennai – 600 001
not less than 48 hours before the commencement of the
meeting.
2. In the case of Corporation, the Proxy shall be given under the
Common Seal or signed on its behalf by an Attorney or officer of
the Corporation

Signature



Ind Bank Housing Ltd

Registered Office : 66(Old No. 31), Rajaji Salai, Chennai – 600 001.

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the Member attending

Name of the Proxy

I hereby record my presence at the Twentieth Annual General Meeting of the Company being held at Indian Bank
Management Academy for Growth & Excellence (IMAGE), MRC Nagar, Raja Annamalaipuram, Chennai 600 028,
on Saturday, the 20th August 2011 at 11.30 a.m.

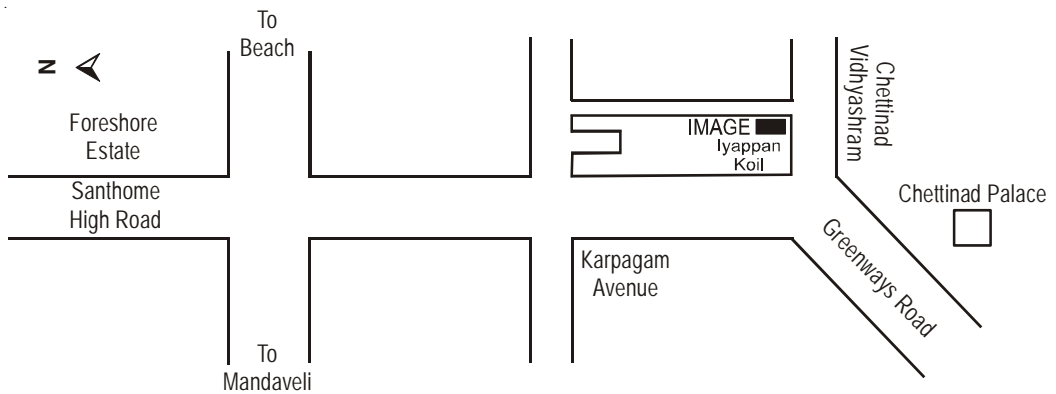
DP ID No.	
Client ID No.	
Registered Folio No	
No. of Shares held	

Member's / Proxy's Signature
(To be signed at the time of handing over this slip)

NOTE : Please note that no gifts will be given at the Annual General Meeting

TWENTIETH ANNUAL GENERAL MEETING
Saturday 20th August 2011

Venue :
**INDIAN BANK MANAGEMENT ACADEMY FOR
GROWTH & EXCELLENCE (IMAGE)**





BOOK POST

To :

If undelivered, please return to :
Cameo Corporate Services Ltd.,
(Unit : Ind Bank Housing Ltd)
Subramanian Building
1, Club House Road,
Chennai - 600 002.

SROAP 044-28445752