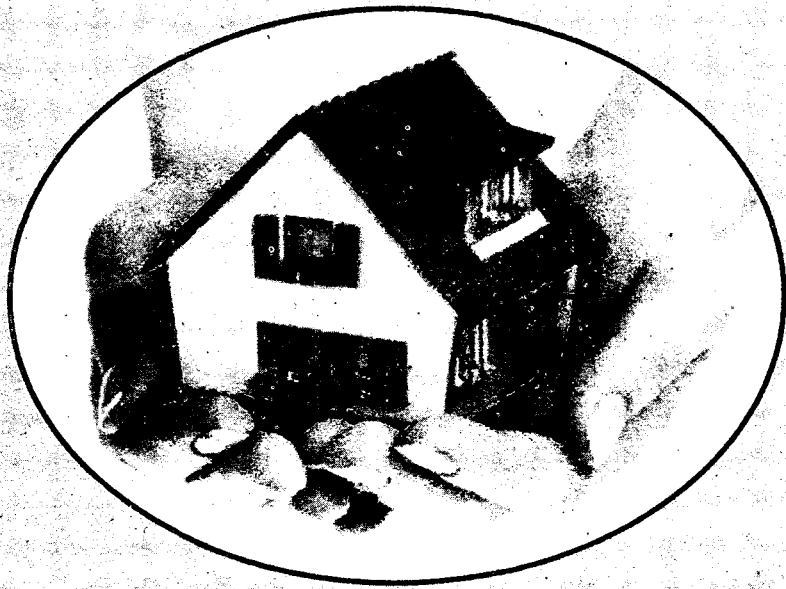




Ind Bank Housing Ltd



**18TH ANNUAL REPORT
2008 - 2009**



Ind Bank Housing Ltd

Registered Office : 66, Rajaji Salai, Chennai - 600 001.
Corporate Office : 480, Anna Salai, Nandanam, Chennai - 600 035.

BOARD OF DIRECTORS

Shri A. Subramanian

(Upto 30-6-09)

Shri A.S. Bhattacharya

(From 15-7-09)

Shri Sri Ramanan

Shri K. Subramanian

Shri A. Damodaran

Shri P. N. Patel

Managing Director

EXECUTIVE

Shri S. Selvaraj

Company Secretary

AUDITORS

L U Krishnan & Co.,

Chartered Accountants

Sam's Nathaneal Tower,

3-1, West Club Road,

Shenoy Nagar, Chennai - 600 030.

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 XVIII ANNUAL GENERAL MEETING

Notice is hereby given that the eighteenth 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 20th August 2009 at 3.30 P 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 2009, 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. Sri Ramanan 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 A S Bhattacharya 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 Pravinbhai Naranbhai Patel 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:

"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 Pravinbhai Naranbhai Patel (who is on deputation from Indian Bank) as the Managing Director of the Company by the Board of Directors on 23.10.2008 with effect from 24.10.2008 for 2 years without remuneration as detailed in the explanatory statement annexed to the notice of the Meeting.

Regd Office
66 Rajaji Salai
Chennai

Date : 20.07.2009

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 17.08.2009 to 20.08.2009 (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:

| | |
|--|--|
| Name | Shri Sri Ramanan |
| Date of Birth | 23.12.1950 |
| Date of appointment | 31.07.2008 |
| Expertise in specific functional area | General Manager in Indian Bank, having 37 years experience in the banking sector in various positions. |
| Qualification | M.Sc., and CAIIB – I |
| Directorship in other public limited companies | Indbank Merchant Banking Services Ltd Indfund Management Ltd |

Except Shri Sri Ramanan none of the Directors of your company is concerned or interested in the above resolution

Agenda No. 3:

Shri A S Bhattacharya, 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 15.07.2009. 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 A S Bhattacharya |
| Date of Birth | 03 01 1952 |
| Date of appointment | 15.07.2009 |
| Expertise in specific functional area | Executive Director in Indian Bank, having 38 years experience in the banking sector in various positions. |
| Qualification | B.Sc., (Agri) Hons |
| Directorship in other public limited companies | Indian Bank Indbank Merchant Banking Services Ltd Indfund Management Ltd |

Except Shri A S Bhattacharya none of the Directors of your company is concerned or interested in the above resolution

Agenda No. 4:

Shri Pravinbhai Naranbhai Patel on deputation from Indian Bank, 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 23.10.2008. 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.

Details of other Directorships/Committee Memberships held by him

| | |
|--|--|
| Name | Shri Pravinbhai Naranbhai Patel |
| Date of Birth | 01 05 1950 |
| Date of appointment | 23.10.2008 |
| Expertise in specific functional area | Deputy General Manager in Indian Bank, having 33 years experience in the banking sector in various position. |
| Qualification | M.Sc., DIBM, DEIM, CAIIB |
| Directorship in other public limited companies | Indbank Merchant Banking Services Ltd |

Shri Pravinbhai Naranbhai Patel, on deputation from Indian Bank is deemed to be interested in the above resolution since it is relating to his appointment.

Agenda No.5

Shri Pravinbhai Naranbhai Patel was appointed in the Board Meeting held on 23.10.2008 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 S Annadurai, who has been repatriated to Indian Bank. Shri Pravinbhai Naranbhai Patel was appointed by the Board without any remuneration, as given below:

1. Date of appointment: With effect from 24.10.2008 for 2 years
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.

The resolution set out as Item No.5 is placed before the shareholders for their consideration and approval. Shri.Pravinbhai Naranbhai Patel is deemed to be interested in the above Resolution since it is relating to his appointment.

Regd Office
66 Rajaji-Salai
Place : Chennai
Date : 20.07.2009

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 Eighteenth Annual Report of your Company with audited accounts for the year ended 31st March 2009.

Financial Results:

[Rs.in lacs]

| Particulars | Year ended 31.03.2009 | Year ended 31.03.2008 |
|---|--------------------------|--------------------------|
| Loss before depreciation, provision and tax | 452.76 | 513.51 |
| Add: Depreciation | 1.94 | 2.20 |
| Provision for Fringe Benefit Tax | 0.19 | 0.13 |
| Loss after depreciation and tax | 454.89 | 515.84 |
| Less: withdrawal of provisions no longer required | 176.01 | 158.98 |
| Add: Prior period adjustment | 0.03 | 0.04 |
| Loss after adjustments | 278.91 | 356.90 |
| Balance loss brought forward from previous year | 6960.81 | 6603.91 |
| Balance loss carried over to balance sheet | 7239.72 | 6960.81 |

Performance of The Company:

During the financial year ended 31st March 2009 your company continued its efforts for recovery of non performing assets as done in the previous financial year. During this period the company had recovered Rs.7.64 crores mainly from individual housing loans and project loan accounts as against Rs.6.58 crores during the previous year. Consequent to the improved-recovery performance the company could reduce the loss for the financial year 2008-09 to Rs.2.79 crores as against Rs.3.57 crores in the previous year.

Dividend

During the year your company had incurred a net loss of Rs.2.79 crores. Hence the Board of Directors have not recommended any dividend for the financial year ended 31st March 2009.

Public Deposit

The company had stopped renewing the public deposits with effect from 01.11.2001 for want of borrowing power. During the year 2008-09 the outstanding public deposits have come down to Rs. 26.20 lacs from Rs. 34.52 lacs as on 31.03.2008. The entire outstanding balance represents matured but unclaimed deposits numbering to 90. 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 year Shri S Annadurai has resigned from the Board on 23.10.2008 from the post of Managing Director consequent to his repatriation to Indian Bank. In his place Indian Bank has nominated Shri P N Patel, Deputy General Manager, Indian Bank and he was inducted into the Board on 23.10.2008 and appointed as Managing Director of the company. Shri.K.B.Nagendra Murthy has resigned from the Board on 23.01.2009.

Your directors place on record their appreciation for the valuable contributions made by Shri S Annadurai and Shri K.B.Nagendra Murthy during their tenure as Directors 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 2009 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 2009 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 2009 has been prepared on a going concern basis.

Auditors

M/s L.U. Krishnan & Co., Chartered Accountants have been appointed, as statutory auditors by the Comptroller and Auditor General of India for the year 2008-09.

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: 07.05.2009

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 S Annadurai has resigned from the Board on 23.10.2008 and from the post of Managing Director consequent to his repatriation to Indian Bank. In his place Indian Bank has nominated Shri P N Patel, Deputy General Manager, Indian Bank and he was inducted into the Board on 23.10.2008 and appointed as Managing Director of the company. Shri.K.B.Nagendra Murthy has resigned from the Board on 23.01.2009. The present Board of Directors of IBHL comprises of one Executive, 2 non-Executive Directors and 2 Independent Directors.

Attendance of each Director at the Board Meetings held during 2008-09 and the last AGM is as follows:

| Director | Category of Directorship | No. of Meetings Held | Attended | Last AGM Attended |
|--------------------------|--------------------------|----------------------|----------|-------------------|
| Shri A Subramanian | NED | 4 | 3 | Attended |
| Shri K B Nagendra Murthy | NED | 4 | 4 | Attended |
| Shri Sri Ramanan | NED | 4 | 4 | Attended |
| Shri S Annadurai | MD | 3 | 3 | Attended |
| Shri P N Patel | MD | 1 | 1 | NA |
| Shri.A Damodaran | Independent | 4 | 4 | Attended |
| Shri K Subramanian | Independent | 4 | 3 | Attended |

NED – Non-Executive Director, MD – Managing Director

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

4 Board Meetings were held during the year 2008-09 as against the minimum requirement of 4 meetings. The dates on which meetings were held are given below:

29.04.2008, 31.07.2008, 23.10.2008 and 23.01.2009

(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 2008-09:

| Name of the member | Status | No. of meetings attended |
|------------------------|----------|--------------------------|
| Shri A Damodaran | Chairman | 4 |
| Shri S K Bandyopadhyay | Member | 4 |
| Shri K Subramanian | 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. 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]. |
|-----------------------|---|
| Sri.A Damodaran | Rs.8,000/- paid for attending Board Meetings. |

6. Share Transfer Committee:

Composition

The share transfer committee was constituted by the Board of Directors at the meeting held on 09 12 91. The Committee, at present, comprises of Managing Director and Company Secretary. The functions of the Committee include approval, rejection of transfer, transmission, transposition of shares, and other issues relating to shares. The Share Transfer Committee met 21 times during the year.

The attendance of members is as follows.

| Name of the member | Status | No. of meetings attended |
|--------------------|-------------------|--------------------------|
| Shri S Annadurai | Managing Director | 12 |
| Shri P N Patel | Managing Director | 9 |
| Shri S Selvaraj | Company Secretary | 21 |

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. Shareholders/Investors Grievances committee.

The routine letters received from the shareholders/investors and also the letters received through Stock Exchange/SEBI are replied immediately. There are no complaints regarding non-receipt of share certificate/dividend etc., from the shareholders during the year under review.

The Board has constituted Shareholders/Investors Grievances committee on 04.07.2002. The functions of the committee are to review and redress Shareholders/Investors grievances/complaint on matters relating to transfer of shares, non-receipt of balance sheet, dividend etc., The present members of the committee are as follows:

1. Shri A Damodaran 2. Shri Sri-Ramanan 3. Shri K Subramanian

9. General Body Meetings

The last three Annual General meetings were held as below:

| Year | Date | Time | Venue |
|---------|------------|-----------|----------------|
| 2005-06 | 31.08.2006 | 3.30 p.m. | IMAGE, Chennai |
| 2006-07 | 18.08.2007 | 3.00 p.m | IMAGE, Chennai |
| 2007-08 | 31.07.2008 | 3.00 p.m | IMAGE, Chennai |

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

10. Disclosures

- a) 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.
- b) There are no instances of non-compliance on any matter related to the capital market, during the last 3 years.

11. 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.

12. General Shareholder Information.

17th Annual General Meeting

| | |
|----------------------------------|--|
| Date and venue | 31 st July 2008 at IMAGE, Chennai |
| Financial year | 2007-08 |
| Book closure dates | 25.07.2008 to 31.07.2008 |
| Listing of equity shares | Mumbai Stock Exchange |
| Stock code/Mumbai Stock Exchange | 523465 |

Market Price Data:

| Month | The Stock Exchange Mumbai | |
|------------|---------------------------|-------|
| | High | Low |
| April 2008 | 23.45 | 17.70 |
| May 2008 | 22.30 | 16.45 |
| June 2008 | 17.25 | 12.80 |
| July 2008 | 16.64 | 12.50 |
| Aug 2008 | 17.65 | 13.65 |
| Sep 2008 | 20.10 | 13.05 |
| Oct 2008 | 14.00 | 6.89 |
| Nov 2008 | 9.00 | 7.22 |
| Dec 2008 | 8.76 | 6.66 |
| Jan 2009 | 9.35 | 6.55 |
| Feb 2009 | 8.23 | 6.06 |
| Mar 2009 | 7.80 | 5.88 |

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 2009

| 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 | 141837 | 1.42 |
| B | Individuals holding upto Rs.1 lacs | 2107760 | 21.08 |
| C | Individual holding more than Rs.1 lac | 67534 | 0.67 |
| D | Clearing member | 948 | 0.01 |
| E | Hindu Undivided Families | 43944 | 0.44 |
| F | Non Resident Indians Sub-total | 37777 | 0.38 |
| | Grand Total | 10000000 | 100.00 |

Dematerialisation of shares & Liquidity

The Company's shares are traded in the Stock Exchanges 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 dematerialized as on 31 03 2009 is 13,66,851. The ISIN number allotted for the company's shares is INE969D01012.

CEO/CFO Certification:

The Managing Director and Head of Finance have issued certificate to the Board of Directors on the accounts of the company for the year 2008-09 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

Housing has always been an important agenda for the Govt of India over the years because it is a visible output where the development can be seen and a vital sector of the national economy creating jobs and generating taxes and wages that positively influence the quality of life. The demand for institutional finance for housing has been on a steady increase over the years resulting in the entry of a large number of players into housing finance scene. The Govt of India has also committed to the goal of "Housing for All" in the rural areas by the end of the Tenth Plan and this is expected to boost demand for housing loans. With the implementation of Securitisation Act for effective recovery of defaulting housing loan accounts the banks/financial institutions are considering the housing finance as a relatively safe business activity. However the sudden slowdown in the global economy as a whole, affected the real estate and consequent fall in prices of flats coupled with liquidity problem, the wait and watch attitude of the flat purchasers had added further problems to the industry. The position is expected to stabilize during the financial year 2009-10.

BUSINESS OPERATIONS

Your company has stopped fresh lending due to liquidity problem and to comply 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 has helped 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. 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 continuously reviewed through interaction between office heads and other support functional heads. 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 4 officers on deputation from Indian Bank and 5 employees on direct rolls. The employees are well 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 2008-09 it has repaid Rs.7 crores as against Rs.6.35 crores during the previous financial year 2007-08

Unsecured Loans

Your company had stopped accepting fresh public deposits from 1998 and renewal of the deposits from 01.11.2001. Your company has repaid all the deposits except a sum of Rs.0.26 crores as on 31.03.2009 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 2008-09 your company has incurred a sum of Rs.0.60 lacs towards replacing the old computers. The fixed assets consist of furniture, office equipments and computers. The additions and deletions in Furniture are due to replacement and disposal of old items, which are no longer required.

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.72.40 crores as at 31.03.2009.

Income

The gross income has increased from Rs. 2.66 crores to Rs.2.86 crores mainly on account of improved recovery in non-performing assets leading to retrieval of provisions already made which are no longer required and interest realized on such recovery.

Expenses

Finance charges have decreased to Rs.6.91 crores from Rs. 6.99 crores owing to repayments made. The personnel expenses have decreased to Rs.31.75 lacs from Rs. 32.11 lacs. The administrative and other expenses stood at Rs. 15.51 lacs as against Rs.18.80 lacs in the previous year.

Your company has made reversal of provisions to the extent of Rs. 176.01 lacs as against Rs. 158.98 lacs of reversal of provisions during the previous year. The increase is due to higher recovery during the financial year 2008-09. The cumulative provisions made against Non Performing Assets and depreciation on investments works out to Rs. 22.41 crores.

Financial Results

[Rs.in lakhs]

| Particulars | Year ended | Year ended |
|--|------------|------------|
| | 31.03.2009 | 31.03.2008 |
| Gross Income | 285.98 | 265.86 |
| Interest | 691.47 | 698.88 |
| Other expenses | 47.27 | 80.50 |
| Provision for contingencies | - 176.01 | - 158.98 |
| Loss before depreciation and tax | 276.75 | 354.54 |
| Depreciation | 1.94 | 2.20 |
| Provision for Fringe Benefit Tax | 0.19 | 0.13 |
| Loss after depreciation and tax | 278.88 | 356.87 |
| Prior period adjustments | 0.03 | 0.03 |
| Profit/Loss after adjustments | 278.91 | 356.90 |
| Balance brought forward from previous year | 6960.81 | 6603.91 |
| Balance carried over to balance sheet | 7239.72 | 6960.81 |

OUTLOOK

Since the notification of your company under the Securitisation Act, 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 year 2007-08 and substantial amount in 2008-09 also. 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, 2009, 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 31.03.2009 and that there are no share transfers pending as at the year end as stated under Serial No. 8 of the Company's 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 Company's 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 M/s L U KRISHNAN & Co.,
Chartered Accountants

Place : Chennai
Date : 7th May 2009

(L.U.KRISHNAN)
Partner

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 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 note (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 has not been provided in the accounts by the company as the same is pending before Hon'ble High Court, Chennai (refer note No. h)**
4. Further to our comments in the Annexure referred to above, 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 purposes 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c. 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;
 - d. 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;
 - e. 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:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009,
 - ii. in the case of the Profit and Loss Account, of the loss for the year ended on that date and
 - iii. in the case of Cash Flow Statement, of the cash flow for the year ended on that date
5. On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M/s L U KRISHNAN & Co.,
Chartered Accountants

Place : Chennai
Date : 7th May 2009

(L.U.KRISHNAN)
Partner



ANNEXURE TO THE AUDITORS' REPORT

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

- (1) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets have been physically verified by the management during the year. No discrepancies were noticed on such physical verification.
- (2) 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.
- (3) 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.
- (4) 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 deposits accepted from public, except to the extent of Rs.26.20 lacs, which represents the deposits matured but not claimed, for which the company has deposited a sum of Rs.30 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 applicable to this company. No major undisputed amounts payable in respect of investor Education and Protection Fund **except Rs.6.96 lacs being the deposits matured and unclaimed for more than 7 years were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.**
- (b) **An amount of Rs.30,900/- on account of TDS on rent is outstanding for more than 6 months as on 31.03.2009.**
- (c) According to the information and explanations given to us the following disputed taxes (excluding interest) have not been deposited by the company.

| Nature | Amount Rs in lacs | Forum |
|----------------------------------|----------------------|----------------------------|
| Income Tax disputed in appeal | 431.12 | Hon'ble High Cour, 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 | 3331.53 | July 99 | TL |
| 2. | Indian Bank – TL IV | 3258.29 | Loan availed in June 04 | - do - |

- (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 others from banks or 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 M/s L U KRISHNAN & Co.,
Chartered Accountants

Place : Chennai

Date : 7th May 2009

(L.U.KRISHNAN)
Partner

**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 31ST MARCH, 2009**

The preparation of financial statements of **Indbank Housing Limited** for the year ended 31 March 2009 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 7 May 2009.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of **Indbank Housing Limited** for the year ended 31 March 2009. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

Place : Chennai

Date : 16.06.2009

(SHANKAR NARAYAN)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER AUDIT BOARD

BALANCE SHEET AS ON 31.03.2009

| | Schedule No | As on 31.03.2009 Rs. | As on 31.03.2008 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 | 658,981,545 | 659,833,621 |
| Unsecured Loans | D | <u>1,275,753</u> | <u>23,01,273</u> |
| | | 660,257,298 | 662,134,894 |
| TOTAL | | <u>818,574,071</u> | <u>820,451,667</u> |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| Gross Block | E | 2,750,272 | 2,753,846 |
| less: Depreciation | | <u>-1,944,525</u> | <u>1,827,118</u> |
| Net Block | | 805,747 | 926,728 |
| INVESTMENTS | F | 714,805 | 945,522 |
| HOUSING LOANS | G | 88,884,524 | 111,963,725 |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| Interest accrued on investments | H | 39,173 | 91,353 |
| Cash and Bank balance | | 9,627,413 | 7,752,492 |
| Loans & Advances | | <u>32,656,795</u> | <u>33,996,785</u> |
| | | 42,323,381 | 41,840,630 |
| less: Current liabilities & Provisions | I | | |
| Current Liabilities | | 38,079,644 | 31,280,955 |
| Provisions | | <u>46,425</u> | <u>24,790</u> |
| | | 38,126,069 | 31,305,745 |
| NET CURRENT ASSETS | | 4,197,312 | 10,532,250 |
| PROFIT & LOSS ACCOUNT | | 723,971,683 | 696,080,807 |
| TOTAL | | <u>818,574,071</u> | <u>820,451,667</u> |
| Accounting Policies | P | | |
| Notes on Accounts | Q | | |

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

For M/s LU KRISHNAN & CO.,
CHARTERED ACCOUNTANTS

(A SUBRAMANIAN)
CHAIRMAN

(SRI RAMANAN)
DIRECTOR

PARTNER

(K SUBRAMANIAN)
DIRECTOR

(M JAMODARAN)
DIRECTOR

PLACE: Chennai
 DATE: 07.05.2009

(P N PATEL)
MANAGING DIRECTOR

(S SELVARAJ)
COMPANY SECRETARY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2009

| | Schedule No | For the year ended 31.03.2009 Rs. | For the year ended 31.03.2008 Rs. |
|--|-------------|--------------------------------------|--------------------------------------|
| EARNINGS | | | |
| Operating Income | J | 26,730,242 | 26,073,736 |
| Other Income | K | 1,867,711 | 512,688 |
| TOTAL | | 28,597,953 | 26,586,424 |
| EXPENSES | | | |
| Finance Charges | L | 69,147,441 | 69,887,556 |
| Personnel Expenses | M | 3,175,093 | 3,211,079 |
| Administrative & Other expenses | N | 1,551,511 | 1,864,066 |
| Bad debts written off | | 0 | 2,975,102 |
| TOTAL | | 73,874,045 | 77,937,803 |
| Loss before depreciation and tax | | 45,276,092 | 51,351,379 |
| Add: Depreciation | | 194,386 | 220,148 |
| Provision for Fringe Benefit Tax | | 19,000 | 13,096 |
| Profit/(Loss) after depreciation and tax | | | |
| before provisions and contingency | | 45,489,478 | 51,584,623 |
| Less: Withdrawal of Provision & Contingency no longer required | O | 17,601,237 | 15,898,392 |
| Add: Prior period expenses | | 2,635 | 3,626 |
| Profit/(Loss) after adjustments | | (27,890,876) | (35,689,857) |
| Add: balance of loss brought forward from previous year | | 696,080,807 | 660,390,950 |
| Balance of Loss carried over to balance sheet | | 723,971,683 | 696,080,807 |
| Accounting Policies | P | | |
| Notes on Accounts | Q | | |

(Schedules J to O and schedules P & Q form an integral part of the profit and loss account)

| | | |
|--|------------|------------|
| Earnings per share (Basic) | (2.79) | (3.69) |
| Earnings per share (Diluted) | (2.79) | (3.69) |
| No. of shares reckoned for calculating EPS | 10,000,000 | 10,000,000 |

For M/s LU KRISHNAN & CO.,
CHARTERED ACCOUNTANTS

(A SUBRAMANIAN)
CHAIRMAN

(SRI RAMANAN)
DIRECTOR

PARTNER

(K SUBRAMANIAN)
DIRECTOR

(A DAMODARAN)
DIRECTOR

PLACE: Chennai

DATE: 07.05.2009

(P N PATEL)
MANAGING DIRECTOR

(S SELVARAJ)
COMPANY SECRETARY

SCHEDULES FORMING PART OF THE BALANCE SHEET

| | 31.03.2009 Rs. | 31.03.2008 Rs. |
|--|---------------------------|---------------------------|
| SCHEDULE A | | |
| SHARE CAPITAL | | |
| <i>Authorised Capital</i> | | |
| 5,00,00,000 Equity Shares of Rs.10 each | <u>500,000,000</u> | <u>500,000,000</u> |
| <i>Issued, Subscribed and paid up</i> | | |
| 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 | <u>100,000,000</u> | <u>100,000,000</u> |
| SCHEDULE B | | |
| Special Reserve | | |
| In terms of section 36 (1)(viii) of the Income Tax Act 1961 | | |
| Balance as per last year | <u>58,316,773</u> | <u>58,316,773</u> |
| General Reserve | <u>Nil</u> | <u>Nil</u> |
| TOTAL | <u>58,316,773</u> | <u>58,316,773</u> |
| SCHEDULE C | | |
| SECURED LOANS | | |
| Term Loan – III | <u>278,382,921</u> | <u>278,382,921</u> |
| Interest accrued and due | <u>54,769,632</u> | <u>20,512,263</u> |
| Secured by 1st charge over inter corporate deposits - Sub Total (a) | <u>333,152,553</u> | <u>298,895,184</u> |
| see point no. m in Notes on Accounts | | |
| Term Loan – IV (availed to repay NHB refinance) | <u>275,000,000</u> | <u>275,000,000</u> |
| Interest accrued and due | <u>50,828,992</u> | <u>85,938,437</u> |
| Secured by hypothecation of all housing loan receivables Sub Total (b) | <u>325,828,992</u> | <u>360,938,437</u> |
| TOTAL (A AND B) | <u>658,981,545</u> | <u>659,833,621</u> |
| SCHEDULE D | | |
| UNSECURED LOANS | | |
| Deposits matured but not claimed | <u>1,275,753</u> | <u>2,301,273</u> |
| TOTAL | <u>1,275,753</u> | <u>2,301,273</u> |

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE E

Fixed Assets

Amount in Rupees

| Particulars | Assets | | | | Depreciation | | | | Written Down Value | |
|----------------------|------------------|----------------|----------------|------------------|------------------|----------------|----------------|------------------|--------------------|------------------|
| | Opening | Addition | Deletion | Total | Opening | For the year | Adjustments | Total | As on 31.03.2008 | As on 31.03.2009 |
| Furniture & Fixtures | 778,163 | 0 | 19,221 | 758,942 | 296,655 | 87,114 | 18,864 | 364,905 | 481,508 | 394,037 |
| Office Equipments | 588,351 | 0 | 46,850 | 541,501 | 512,318 | 10,791 | 42,810 | 480,299 | 76,033 | 61,202 |
| Vehicles | 55,154 | 0 | 0 | 55,154 | 54,482 | 174 | 0 | 54,656 | 672 | 498 |
| Electrical Equipment | 332,182 | 0 | 17,853 | 314,329 | 80,484 | 34,803 | 15,305 | 99,982 | 251,698 | 214,347 |
| Computers | 999,996 | 80,350 | 0 | 1,080,346 | 883,179 | 61,504 | 0 | 944,683 | 116,817 | 135,663 |
| Total | 2,753,846 | 80,350 | 83,924 | 2,750,272 | 1,827,118 | 194,386 | 76,979 | 1,944,525 | 926,728 | 805,747 |
| <i>Previous year</i> | <i>2,044,172</i> | <i>911,019</i> | <i>201,345</i> | <i>2,753,846</i> | <i>1,793,571</i> | <i>220,148</i> | <i>186,601</i> | <i>1,827,118</i> | <i>250,601</i> | <i>926,728</i> |

SCHEDULES FORMING PART OF THE BALANCE SHEET

31.03.2009 31.03.2008
Rs. Rs.

SCHEDULE F
INVESTMENTS (AT COST) - LONG TERM
A. QUOTED

| | | |
|--|------------------|------------------|
| Government Securities | 541,500 | 541,500 |
| Shares | 1,660,668 | 1,660,668 |
| TOTAL | 2,202,168 | 2,202,168 |
| Less: provision for diminution in value of investments | (1,487,363) | (1,256,646) |
| TOTAL | 714,805 | 945,522 |

A. 1. INVESTMENTS IN GOVERNMENT SECURITIES (QUOTED)

| Particulars | Cost as on 31.03.2009 Rs. | Cost as on 31.03.2008 Rs. |
|--|---------------------------------|---------------------------------|
| Government Securities – 12.40% GOI 2013 Bonds (Market value as on 31.03.2009 Rs.618250) | 541,500 | 541,500 |
| | 541,500 | 541,500 |

A. 2. INVESTMENTS IN SHARES OF LIMITED COMPANIES (QUOTED)

| Particulars | No of share | Face Value | Paid up Value | Cost as on 31.03.2009 Rs. | Cost as on 31.03.2008 Rs. |
|---|----------------|---------------|------------------|---------------------------------|---------------------------------|
| Lakshmi Precision Screws Ltd (Market value as on 31.03.09 Rs.107,911) (Market value as on 31.03.08 Rs. 258,110) | 5833 | 10 | 10 | 495,881 | 495,881 |
| Jayaswals Neco Ltd (Market value as on 31.03.09 Rs.33,145) (Market value as on 31.03.08 Rs. 112,175) | 3500 | 10 | 10 | 482,750 | 482,750 |
| Hindustan Alloys Manufacturing Co Ltd (Market value as on 31.03.09 Nil) (Market value as on 31.03.08 Nil) | 5000 | 10 | 10 | 407,050 | 407,050 |
| Kabra Extrusions Technic Ltd (Market value as on 31.03.09 Rs.32,250) (Market value as on 31.03.08 Rs. 49,500) | 500 | 10 | 10 | 33,737 | 33,737 |
| Rajasthan Petro Synthetics Ltd (Market value as on 31.03.09 Nil) (Market value as on 31.03.08 Nil) | 5000 | 10 | 10 | 241,250 | 241,250 |
| TOTAL | | | | 1,660,668 | 1,660,668 |

SCHEDULES FORMING PART OF THE BALANCE SHEET

| | 31.03.2009 Rs. | 31.03.2008 Rs. |
|--|--------------------|--------------------|
| SCHEDULE G | | |
| HOUSING LOANS | | |
| Individuals | 34,197,318 | 43,330,313 |
| Corporate Bodies | 110,871,220 | 135,817,155 |
| Others | 0 | 6,123,041 |
| | <u>145,068,538</u> | <u>185,270,509</u> |
| Less: Provision for NPAs | (56,184,014) | (73,306,784) |
| TOTAL | <u>88,884,524</u> | <u>111,963,725</u> |
| SCHEDULE H | | |
| CURRENT ASSETS, LOANS & ADVANCES | | |
| Interest Accrued on Investments | 39,173 | 91,353 |
| Cash and Bank Balance | | |
| Cash & Stamps (including cheques on hand) | 10,474 | 165,282 |
| Balance with scheduled banks | | |
| In Current Account | 907,976 | 1,535,082 |
| In Term Deposit | 8,708,963 | 6,052,128 |
| | <u>9,627,413</u> | <u>7,752,492</u> |
| OTHER CURRENT ASSETS | | |
| Interest Accrued on ICDs | 58,811,257 | 59,084,464 |
| Less: Provision for contingencies | 58,811,257 | 59,084,464 |
| TOTAL | <u>0</u> | <u>0</u> |
| LOANS & ADVANCES | | |
| Loans: | | |
| Installments due from borrowers (secured considered good) | 310,287 | 229,030 |
| Inter Corporate Deposit (unsecured doubtful) | 105,886,172 | 105,779,546 |
| Advances recoverable in cash or in kind or for value to be received (includes law charges on ICD Rs1,700,011/- which is classified as doubtful and provided for) | 34,046,519 | 36,010,369 |
| | <u>140,242,978</u> | <u>142,018,945</u> |
| Less: Provision for contingencies | 107,586,183 | 108,022,160 |
| TOTAL | <u>32,656,795</u> | <u>33,996,785</u> |
| SCHEDULE I | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| Current Liabilities : | | |
| Creditor for Expenses | 24,330,012 | 22,693,005 |
| Advance EMI recd | 3,600 | 0 |
| Amount received under SARFAESI action | 6,941,410 | 0 |
| Unclaimed matured public deposits | 1,344,180 | 1,151,105 |
| Other Liabilities | 5,460,442 | 7,436,845 |
| Total (a) | <u>38,079,644</u> | <u>31,280,955</u> |
| Provisions: | | |
| Provision for Fringe Benefit Tax | 46,425 | 24,790 |
| Total (b) | <u>46,425</u> | <u>24,790</u> |
| Total | <u>38,126,069</u> | <u>31,305,745</u> |

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

| | 31.03.2009 Rs. | 31.03.2008 Rs. |
|---|-------------------|-------------------|
| SCHEDULE J | | |
| EARNINGS | | |
| OPERATING INCOME | | |
| Interest on Housing Loans | | |
| Individual | 9,287,234 | 13,369,900 |
| Corporate Bodies | 16,656,582 | 11,671,852 |
| Others | 543,166 | 1,031,984 |
| | <u>26,486,982</u> | <u>26,073,736</u> |
| Interest on ICD | 243,260 | 0 |
| | <u>26,730,242</u> | <u>26,073,736</u> |
| SCHEDULE K | | |
| OTHER INCOME | | |
| Other Interest income (TDS Rs.96848/- previous year Rs.80039) | 482,313 | 451,211 |
| Dividend on shares | 10,000 | 12,749 |
| Profit on sale of assets | 11,077 | 14,831 |
| Interest on Income Tax Refund | 1,326,046 | 0 |
| Misc income | 38,275 | 33,897 |
| Other income | 1,867,711 | 512,688 |
| SCHEDULE L | | |
| FINANCE CHARGES | | |
| Interest on Deposits | 0 | 10,063 |
| Interest on Bank Borrowings | 69,147,441 | 69,877,493 |
| TOTAL | <u>69,147,441</u> | <u>69,887,556</u> |
| SCHEDULE M | | |
| PERSONNEL EXPENSES | | |
| Salaries & Wages | 2,920,762 | 2,969,425 |
| PF & Other Contribution | 137,029 | 120,769 |
| Staff Training & Welfare | 117,302 | 120,885 |
| Total | <u>3,175,093</u> | <u>3,211,079</u> |
| SCHEDULE N | | |
| Administration and Other Expenses | | |
| Rent, Rates and Taxes | 395,000 | 388,500 |
| Insurance | 11,680 | 7,325 |
| Postage & Telephone | 102,261 | 110,168 |
| Printing, Stationery, books & periodicals | 63,393 | 59,838 |
| Traveling & Conveyance | 267,783 | 192,954 |
| Repairs and Maintenance | 0 | 238,330 |
| Other Expenses | 661,759 | 833,111 |
| | <u>1,501,876</u> | <u>1,830,226</u> |
| Auditor's remuneration | | |
| Statutory Audit Fee (including service tax) | 33,090 | 33,708 |
| Tax Audit fee (including service tax) | 16,545 | 16,854 |
| Total | <u>1,551,511</u> | <u>1,880,788</u> |
| SCHEDULE - O | | |
| PROVISION AND CONTINGENCIES | | |
| Withdrawal of provisions made | | |
| Housing loans | 17,122,770 | 10,099,512 |
| Inter corporate deposits | 435,977 | 0 |
| Interest accrued on inter corporate deposits | 273,207 | 5,893,033 |
| Investments | | 0 |
| Total | <u>17,831,954</u> | <u>15,992,545</u> |
| Additional provision for Investments | 230,717 | 94,153 |
| Net withdrawal | <u>17,601,237</u> | <u>15,898,392</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.144,460,710/- and loans amounting to Rs.607,828/- are unsecured as on 31.03.2009. Classification of housing loans and provisions made for Non Performing assets are given below.

| Particulars | Standard | Sub standard | Doubtful | Total |
|------------------|-------------------|------------------|--------------------|--------------------|
| Individual Loans | 14,067,926 | 1,172,021 | 18,957,371 | 34,197,318 |
| Corporate Bodies | 18,560,296 | 0 | 92,310,924 | 110,871,220 |
| TOTAL | 32,628,222 | 1,172,021 | 111,268,295 | 145,068,538 |

| Provisions | Standard | Sub standard | Doubtful | Total |
|-------------------------------|-------------------|----------------|-------------------|-------------------|
| As on 31.03.2008 | -- | 375,830 | 72,930,954 | 73,306,784 |
| Provided during the year | -- | -22,127 | -17,100,643 | -17,122,770 |
| Total as on 31.03.2009 | -- | 353,703 | 55,830,311 | 56,184,014 |
| Balance less provision | 32,628,222 | 818,318 | 55,437,984 | 88,884,524 |

- 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 | 3,000,000 |

- Amount received under SARFAESI action kept in no lien account as per the orders of DRAT, Chennai by way of short term deposits Rs.57,08,963/-

- 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, 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.2.79 crores.
- j) Company's obligation towards Gratuity Fund and details of actuarial valuation:

| | Rs |
|--|------------------|
| i Total past service gratuity | 726,862 |
| ii Actuarial value past service gratuity | 726,862 |
| iii Gratuity Fund with LIC | 680,793 |
| iv Contribution payable to LIC | 46,069 |
| v Contribution paid during the year | 46,069 |
| vi Balance payable | Nil |
| vii Risk premium and service tax paid | 2,969 |
| 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 |
|---|---|--|---|---|---|---|---|

| | |
|---|---|
| 1 | 8 |
|---|---|

 Balance Sheet Date

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 0 | 3 |
|---|---|

| | | | |
|---|---|---|---|
| 2 | 0 | 0 | 9 |
|---|---|---|---|

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

Public Issue

| | | | | | | | | | |
|--|--|--|---|---|---|--|--|--|--|
| | | | N | I | L | | | | |
|--|--|--|---|---|---|--|--|--|--|

Right Issue

| | | | | | | | | | |
|--|--|--|---|---|---|--|--|--|--|
| | | | N | I | L | | | | |
|--|--|--|---|---|---|--|--|--|--|

Bonus Issue

| | | | | | | | | | |
|--|--|--|---|---|---|--|--|--|--|
| | | | N | I | L | | | | |
|--|--|--|---|---|---|--|--|--|--|

Private / Preferential Offer

| | | | | | | | | | |
|--|--|--|---|---|---|--|--|--|--|
| | | | N | I | L | | | | |
|--|--|--|---|---|---|--|--|--|--|

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

Total Liabilities

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 8 | 1 | 8 | 5 | 7 | 4 |
|--|--|---|---|---|---|---|---|

Total Assets

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 8 | 1 | 8 | 5 | 7 | 4 |
|--|--|---|---|---|---|---|---|

Sources of Funds

Paid-Up Capital

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 1 | 0 | 0 | 0 | 0 | 0 |
|--|--|---|---|---|---|---|---|

Reserves & Surplus

| | | | | | | |
|--|--|---|---|---|---|---|
| | | 5 | 8 | 3 | 1 | 7 |
|--|--|---|---|---|---|---|

Unsecured Loans

| | | | | | | |
|--|--|--|---|---|---|---|
| | | | 1 | 2 | 7 | 6 |
|--|--|--|---|---|---|---|

Secured Loans

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 6 | 5 | 8 | 9 | 8 | 1 |
|--|--|---|---|---|---|---|---|

Application of Funds

Net Fixed Assets

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | 8 | 0 | 6 |
|--|--|--|--|--|---|---|---|

Investments

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | 7 | 1 | 5 |
|--|--|--|--|--|---|---|---|

Net Current Assets

| | | | | | | |
|--|--|--|---|---|---|---|
| | | | 4 | 1 | 9 | 7 |
|--|--|--|---|---|---|---|

Housing Loan

| | | | | | | | |
|--|--|--|---|---|---|---|---|
| | | | 8 | 8 | 8 | 8 | 5 |
|--|--|--|---|---|---|---|---|

Miscellaneous Expenditure Losses

| | | | | | | | | | |
|--|--|--|---|---|---|--|--|--|--|
| | | | N | I | L | | | | |
|--|--|--|---|---|---|--|--|--|--|

Accumulated

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 7 | 2 | 3 | 9 | 7 | 2 |
|--|--|--|---|---|---|---|---|---|

IV Performances of Company (Amount in Rs. Thousands)

Turnover

| | | | | | | | |
|--|--|--|---|---|---|---|---|
| | | | 2 | 8 | 5 | 9 | 8 |
|--|--|--|---|---|---|---|---|

Total Expenditure

| | | | | | | | |
|--|--|--|---|---|---|---|---|
| | | | 5 | 6 | 4 | 8 | 6 |
|--|--|--|---|---|---|---|---|

+/- Profit / Loss before Tax

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | - | 2 | 7 | 8 | 7 | 2 |
|--|--|--|---|---|---|---|---|---|

+/- Profit / Loss after Tax

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | - | 2 | 7 | 8 | 9 | 1 |
|--|--|--|---|---|---|---|---|---|

Earnings Per Share Rs.

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | - | V | E |
|--|--|--|--|--|---|---|---|

Dividend Rate %

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

V Generic Names of Three Principal productions / service of Company

 Item Code No.

| | | | | | | |
|--|--|--|--|---|--|---|
| | | | | N | | A |
|--|--|--|--|---|--|---|

 Product Description

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

For M/s LU KRISHNAN & CO.,
 CHARTERED ACCOUNTANTS

(A SUBRAMANIAN)
 CHAIRMAN

(SRI RAMANAN)
 DIRECTOR

 PARTNER
 PLACE: Chennai
 DATE: 07.05.2009

(K SUBRAMANIAN)
 DIRECTOR

(P N PATEL)
 MANAGING DIRECTOR

(A DAMODARAN)
 DIRECTOR

(S SELVARAJ)
 COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR 2008 - 2009

| | 2008-09 | 2007-08 |
|--|--|---|
| A. CASH FLOW OPERATING ACTIVITIES | | |
| Profit before tax | -27,890,876 | -35,689,857 |
| Adjustment for | | |
| Depreciation | 194,386 | 220,148 |
| Interest charged on Term loan | 69,147,441 | 69,877,493 |
| Profit on sale of assets | -11077 | -14,831 |
| Dividend on investments | -10000 | -12,749 |
| Provision for contingencies | -17,601,237 | -15,898,392 |
| | 51,719,513 | 54,171,669 |
| Trade Receivable | 2,101,354 | 5,685,622 |
| Trade Payable | 6,820,324 | 8,921,678 |
| Cash Generated from Operations | 32,750,315 | 30,553,311 |
| Taxes Paid/Refund | | |
| Net Cash from Operations (A) | <u>32,750,315</u> | <u>30,553,311</u> |
| B. CASH FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | -80,350 | -911,019 |
| Sale of Fixed Assets | 18,022 | 29,575 |
| Housing Loans | 40,201,971 | 32,632,040 |
| Dividend on Shares | 10,000 | 12,749 |
| Net Cash Flow from Investing Activities(B) | <u>40,149,643</u> | <u>31,763,345</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Secured Loans | -69,999,517 | -63,500,000 |
| Unsecured Loans | -1,025,520 | -1,827,791 |
| Cash Flow from Financing Activities (C) | <u>-71,025,037</u> | <u>-65,327,791</u> |
| Net Increase/Decrease in Cash & Cash equivalent (A+B+C) | 1,874,921 | -3,011,135 |
| Cash & Cash equivalents - Opening | <u>7,752,492</u> | <u>10,763,627</u> |
| Cash & Cash equivalents - closing | 9,627,413 | 7,752,492 |
| For M/s LU KRISHNAN & CO., CHARTERED ACCOUNTANTS | (A SUBRAMANIAN) CHAIRMAN | (SRI RAMANAN) DIRECTOR |
| PARTNER | (K SUBRAMANIAN) DIRECTOR | (A DAMODARAN) DIRECTOR |
| PLACE: Chennai DATE: 07.05.2009 | (P N PATEL) MANAGING DIRECTOR | (S SELVARAJ) COMPANY SECRETARY |



IND BANK HOUSING LTD

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

| | |
|---------------|--|
| DP ID No. | |
| Client ID No. | |

PROXY FORM

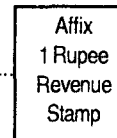
| | |
|--------------------|--|
| Folio No. | |
| No. of shares held | |

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 Eighteenth Annual General Meeting of the Company to be held on the 20th August, 2009 at 3.30 p.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 2009.

- 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 a 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 Eighteenth Annual General Meeting of the Company being held at Indian Bank Management Academy of Growth & Excellence (IMAGE), MRC Nagar, Raja Annamalaipuram, Chennai 600 028, on Thursday, the 20th August, 2009 at 3.30 p.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

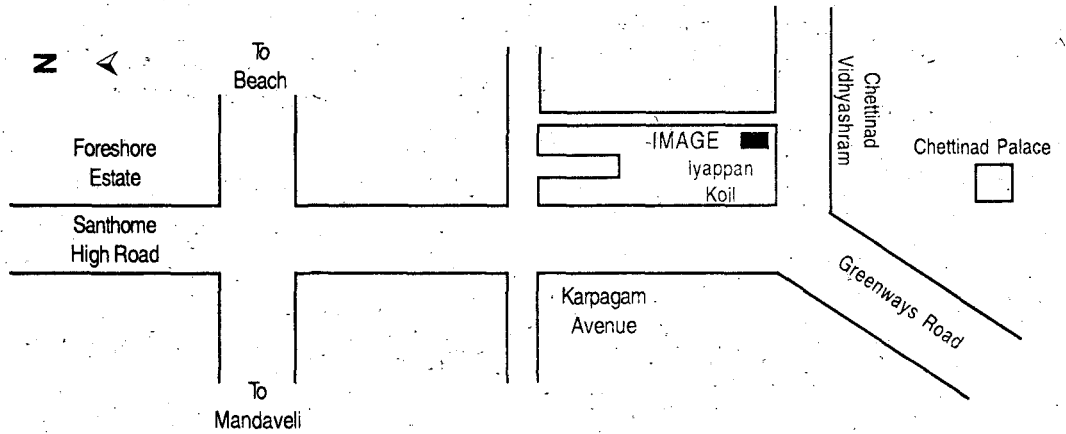


EIGHTEENTH ANNUAL GENERAL MEETING

Thursday 20th August, 2009

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.