

ANNUAL REPORT
10th 2004-2005

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INDO-ASIAN HOUSING CORPORATION LIMITED

Registered Office : Flat No. 507, Bharadwaja Complex. 16-11-577,
Dilshuknagar, Hyderabad - 500 060.

INDO-ASIAN HOUSING CORPORATION LIMITED

BOARD OF DIRECTORS :

SHRI. P. SREENIVASA IYYENGAR
SHRI. DR. D. RANGA PRASAD
SHRI. D. SURENDRA RAO
SHRI. V. GOPALAKRISHNAN
SHRI. N.V.K. GOPALAKRISHNA MURTHY

MANAGING DIRECTOR
JT. MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

AUDITORS :

M/S S. RAMESH BABU & CO.
CHARTERED ACCOUNTANTS
SECUNDERABAD.

BANKERS :

PUNJAB & SIND BANK
ICICI BANK

SHARE TRANSFER AGENTS :

M/S VENTURE CAPITAL AND
CORPORATE INVESTMENTS LTD.
6-2-913/914, 3rd Floor,
Progressive Towers, Khairatabad,
Hyderabad - 500 004.

ADMN. & REGISTERED OFFICE :

Flat No. 507, Bharadwaja Complex,
16 11-577, Dilshuknagar,
Hyderabad - 500 060.

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INDO-ASIAN HOUSING CORPORATION LIMITED

NOTICE

Notice is hereby given that the Tenth Annual General meeting of the members of INDO-ASIAN HOUSING CORPORATION. LTD., will be held on Friday, the 30th September, 2005 at 10.00 A.M. at Sri Thyagaraya Gana Sabha, Chikkadapally, Hyderabad - 500 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31-03-2005 and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. D. Ranga Prasad who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. D. Surendra Rao who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. S. Ramesh Babu & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of section 198, 269, 309 and other applicable provisions if any of the Companies Act, 1956, read with schedule XIII, consent of the Company be and is hereby accorded for the reappointment of Sri P. Sreenivasa Iyyengar as Managing Director of the Company for a period of 5 years with effect from 3rd October, 2005, not liable to retire by rotation on the terms and conditions as to the remuneration and perquisites specified below:

Salary Rs. 40,000/- per month in the scale of Rs. 40000-Rs.50000-Rs.60000/-.

PERQUISITES:

1. **Housing:**
 - a) The expenditure incurred by the Company on hiring accommodation for the appointee shall be subject to a ceiling of 60% of Salary (over and above 10% payable by himself)
 - b) Where accommodation in company owned house is provided the appointee shall pay 10% of salary to the Company by way of rent.
 - c) Where the Company does not provide accommodation to the Managing Director, House rent allowance may be paid by the Company in accordance with (a) above.
2. The expenditure incurred by the Company on Gas, Electricity, Water and furnishings will be valued as per Income tax rules, 1963, which however is subject to a ceiling of 10% of Salary of the appointee.
3. Medical reimbursement, expenses incurred for self and family subject to a ceiling of one month salary per year or three months salary in a period of 3 years.
4. Leave travel concession, for self and family once in a year in accordance with any rules specified by the Company.
5. Club fees: Fees of clubs subject to a maximum of two clubs, admission and life membership fees are not allowed.
6. Personal Accident Insurance: For an amount the annual premium of which does not exceed Rs. 4000/-
7. Company's contribution towards Provident Fund as per the rules in force.
8. Company contribution towards Pension/Superannuation fund, such contribution together with the contribution to the Provident Fund shall not exceed 25% of salary.
9. Gratuity payable in accordance with any approved scheme and shall not exceed one half month salary for each completed year of service.
10. Free use of company's car on company business.
11. Residential telephone shall be provided. All long distance personal calls shall be duly logged and paid by the appointee.
12. Earned/Privilege leave on full pay and allowances as per rules of the Company. Leave accumulated but not availed during his tenure may be allowed to be encashed as per the rules of the Company.
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution.
"RESOLVED THAT pursuant to the provisions of section 198, 289, 309 and other applicable provisions if any of the Companies Act, 1956 read with schedule XIII, consent of the Company be and is hereby accorded for the reappointment of Dr. D. Ranga Prasad as Jt. Managing Director of the Company for a period of 5 years with effect from 3rd October, 2005, liable to retire by rotation on the terms and conditions as to the remuneration and perquisites specified below:

Salary Rs. 25,000/- per month in the scale of 25000 - 3000 - 40000.

PERQUISITES:

1. **Housing:**
 - a) The expenditure incurred by the Company on hiring accommodation for the appointee shall be subject to a ceiling of 60% of Salary (over and above 10% payable by himself).
 - b) Where accommodation in company owned house is provided the appointee shall pay 10% of salary to the Company by way of rent.
 - c) Where the Company does not provide accommodation to the Jt. Managing Director, House rent allowance may be paid by the Company in accordance with (a) above.
2. The expenditure incurred by the Company on Gas, Electricity, Water and furnishings will be valued as per Income tax rules, 1963, which however is subject to a ceiling of 10% of Salary of the appointee.

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10. Free use of Company's car on Company business.
11. Residential telephone shall be provided. All long distance personal calls shall be duly logged and paid by the appointee.
12. Earned/Privilege leave on full pay and allowances as per rules of the Company. Leave accumulated but not availed during his tenure may be allowed to be encashed as per the rules of the Company.

//BY ORDER OF THE BOARD//
for INDO-ASIAN HOUSING CORPN. LTD.

Place: Hyderabad
Date : 30-08-2005

Sd/-xx xx xx.,
(P.SREENIVASA IYYENGAR)
Managing Director.

NOTES:-

1. A Member entitled to attend and vote at the 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. Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for holding the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2005 to 30th September, 2005 (both days inclusive).
3. The Company has entered into necessary arrangements with National Securities Depository Limited (NSDL), and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholding in the Company, for which they may contact the depository participants of either of the Depositories. It may be noted that the shares of the Company have been included in the list of securities for compulsory trading in dematerialized form for all investors. Shareholders are, therefore, advised to dematerialize their shareholding to avoid inconvenience in future.
4. Members are requested to notify the change of address, if any, to the Company/Share Transfer Agents quoting Register Folio number.
5. Under Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.28 in duplicate (which will be made available on request) to M/s. Venture Capital and Corporate Investments Ltd.
6. Members desiring to seek any information on the annual accounts are requested to write to the Company at least seven days in advance of the meeting so that the information can be made readily available at the meeting.
7. All communications relating to shares may be addressed to Company's Share Transfer Agents (Physical and Electronic) at the following address. M/s. Venture Capital and Corporate Investments Ltd., 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, HYDERABAD-500 004.
8. Corporate Members are requested to send a duly certified, copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
9. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting as the same will not be distributed at the meeting hall.
10. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956. For Item Nos. 5 & 6 of the above Notice.

Sri P. Sreenivasa Iyyengar and Dr. D. Ranga Prasad are the promoters and First Directors of the Company and appointed as Managing Director and Jt. Managing Director of the Company respectively w.e.f. 3rd October, 1995 for a period of 5 years and the same was renewed for a further period of 5 years w.e.f. 3rd October, 2000 at the Board Meeting held on 30th September, 2000. Now the Board renewed their appointments for a further period of 5 years w.e.f. 3rd October, 2005 at the Board Meeting held on 30th August, 2005. The consent of the Members are required for their reappointment and hence the above Resolutions are recommended by the board. None of the directors are interested in the above Resolutions except the concerned Directors in respect of their appointments.

BY ORDER OF THE BOARD
For INDO-ASIAN HOUSING CORPN. LTD.

Place: Hyderabad
Date : 30-08-2005

Sd/-
(P.SREENIVASA IYYENGAR)
Managing Director.



INDO-ASIAN HOUSING CORPORATION LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Tenth Annual Report together with the Audited Accounts for the year ended 31.03.2005.

1. Performance and Future outlook:

- a. During this year under review the Company has completed the Radha Madhav Nivas Project, situated at Kachiguda, Hyderabad in respect of which 70% of the work was completed during last year.
- b. In respect of its Farm land project, the Company could not Progress well in this direction by virtue of the regulations of the Government by which the lands are covered under the draft Notification of Hyderabad Airport Development Authority (HADA). As such the Company kept the proposal in abeyance for time being.
- c. During the year under review the Company has made a cash profit of Rs. 4.98 lakhs before depreciation and preliminary and pre operative expenses.
- d. Considering market conditions and financial resources, your Company is steadily moving ahead in achieving its goals and expect to have better results in coming years.

2. Financial results:

The financial results of the Company for the year are as under:

(Rs. In lacs)

	31-03-2005	31-03-2004
Profit before depreciation and Amortisation of preliminary and Public issue expenses.	4.98	(11.35)
Depreciation written off	0.38	0.45
Operating Profit	4.60	(11.80)
Preliminary & Public issue expenses Written off.	4.22	4.22
Profit / Loss before adjustments	0.38	(16.02)
Adjustments - Deferred tax asset	0.01	0.15
Net Profit / Loss	0.39	(15.87)
Loss Brought forward from previous year	(57.00)	(41.13)
Net loss carried to Balance Sheet	(56.61)	(57.00)

3. Fixed Deposits:

The company has not accepted any deposits during the year under the provisions of Section 58A of the Companies Act 1956, and read with the Company (Acceptance of deposits) rules 1975 as amended from time to time.

4. Personnel:

Particulars of employees as required under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) rules 1975 are NIL. The employee relations during the period under review were cordial and harmonial.

5. Directors:

Dr. D. Ranga Prasad and Sri D. Surendra Rao the Directors of the Company retires at the Annual General Meeting by rotation and being eligible offer themselves for re-appointment. Smt. P. Vijayasri resigned from the Directorship of the Company w.e.f. 30th August, 2005 due to her pre occupations. The Directors place on record their appreciation for the services rendered by her during her tenure as the Director of the Company.

6. Directors Responsibility Statement:

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities statement it is hereby confirmed.

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- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2005 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- (iii) That the directors had taken proper and sufficient care 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.
- (iv) That the directors had prepared the accounts for the financial year ended 31st March, 2005 on a 'going concern' basis.

7. Conservation of energy and technology absorption:

As the Company is engaged in Housing Development and Farmlands Development Activity, the operations of the Company involve only low energy consumption. However all possible measures have been taken to reduce energy consumption. The Company has also taken up adequate measures for the innovation, adoption and absorption of technology in construction and developmental activities. The provisions of section 217 (1) (e) of the Companies Act, 1956 are not applicable.

8. Foreign Exchange:

There are no earnings and out go of foreign exchange.

9. Corporate Governance:

Pursuance to clause 49 of the listing agreement, a report on corporate governance is given as annexure to this report. The certificate of the Company's Auditors, M/s. S. Ramesh Babu & Co, Chartered Accountants, confirming compliance of conditions of corporate governance as stipulated under clause 49 of the listing agreement with the Stock Exchanges in India, is annexed to the report on corporate governance.

10. Auditors:

The Auditors M/s. S. Ramesh Babu & Co., Chartered Accountants retire at the Annual General Meeting and they are eligible for reappointment.

11. Acknowledgement:

Your Directors are grateful to the financial institutions for the valuable support extended by them and wish to thank all the members of the Company and place on record their appreciation and of the continued support from all the employees of the Company.

By and on behalf of the Board

Place:Hyderabad
Date :30-08-2005

Sd/-x xx xx.,
(P.SREENIVASA IYYENGAR)
Chairman