

**21st
Annual Report
2011-12**



INTEGRATED FINANCIAL SERVICES LTD.

Integrated Financial Services Ltd.

Board of Directors	:	Sh. S. C. Khaneja, Chairman Smt. Rajni Khaneja, Wholetime Director Sh. Virender Khaneja, Director Smt. Rachna Batra, Director Sh. Sunil Sobti, Director Sh. S. P. Oberoi, Director
Registered Office	:	303-304, 3 rd Floor, New Delhi House, 27, Barakhamba Road, New Delhi-110001.
Bankers	:	The Royal Bank of Scotland HDFC Bank Ltd.
Auditors	:	M/s. Dua & Kumar, Chartered Accountants P-1, Piplanji, Sarojni Nagar, New Delhi- 110023.

NOTICE

NOTICE is hereby given that Twenty First Annual General Meeting of INTEGRATED FINANCIAL SERVICES LTD will be held on Saturday, 29th day of September, 2012 at 10.00 A.M. at 303-304, 3rd Floor, New Delhi House, 27, Barakhamba Road, New Delhi-110001 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012, the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2012.
3. To appoint a Director in place of Ms. Rachna Batra who retires by rotation and being eligible offers herself for the reappointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of Board of Directors

Sd/-

S.C. Khaneja

Director

Place : New Delhi

Date : 25.05.2012

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on a poll on his/her behalf and such proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited at the registered office of the company not less than 48 hours before the commencement of this Annual General Meeting.
2. The Register of Members and the Share transfer books of the Company will remain closed from Saturday, 22nd September 2012 to Saturday, 29th September 2012 (both days inclusive).
3. The disclosures required under clause 49 of the listing agreement in respect of the directors being appointed/reappointed at this Annual General Meeting are given in the annexure to this Notice.
4. Members holding shares in physical mode are requested to intimate any change in their address immediately. Members/Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting.
5. Those members who are still holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants registered with SEBI.
6. Members who hold shares in dematerialized form are requested to bring their Client-ID and DP-ID for easy identification of attendance at the meeting.

By order of Board of Directors

Sd/-

S.C. Khaneja

Director

Place: New Delhi

Date : 25.05.2012

DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March, 2012.

FINANCIAL RESULTS

	Rs. In Lakhs	
	YEAR ENDED 31ST MARCH, 2012	YEAR ENDED 31ST MARCH, 2011
Income from Operation	223.32	454.11
Profit before Depreciation and Tax	192.32	424.75
Depreciation	2.88	3.96
Profit before Tax	189.44	420.79
Provision for Tax	31.08	81.88
Profit After Tax	158.36	338.91
Proposed Dividend	24.00	54.00
Tax on Dividend	3.90	8.97
Transfer to General Reserve	130.53	276.58

OPERATIONS

The year under review witnessed a revival of real economy and financial markets across the globe, more particularly in India. On a Consolidated basis, the Income from Operations of the Company for the financial year 2011-2012 stood at Rs. 223.32 Laacs against of Rs. 454.11 Laacs in the previous year. The profit after tax stood at Rs. 158.36 Laacs during the year under review against Rs. 338.91 Laacs during the previous year.

DEPOSITS

The company has neither accepted nor invited any fixed deposit within the meaning of Companies (Acceptance of Deposits) Rules' 1975 from the public, during the year.

DIVIDEND

The Directors are pleased to recommend the payment of dividend of 4% (Paise Forty per share) for the year under review. The dividend, if declared, at the ensuing Annual General Meeting, will be paid to those members whose name appears in the Register of Members on 21st September 2012. In respect of the shares held in electronic form, the dividend will be paid to those persons whose names shall appear as beneficial owners at the close of the business hours on Friday, 21st September 2012 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. The Payment of dividend will entail an outlay of Rs. 24 Lacs. The Company will also have to bear the distribution tax of Rs. 3.90 Lacs.

DIRECTORS

In accordance with the provisions in section 256 of the Companies Act, 1956 and the Articles of Association of the company, Ms. Rachna Batra Director retire by rotation and being eligible offer herself for the reappointment.

Brief resume of the Directors proposed to be reappointed, nature of their experience in specific functional areas and names of the Companies in which they hold directorships and memberships/chairmanships of Board/ Committees, as stipulated under Clause 49 of Listing Agreement with Bombay Stock Exchange Limited, are provided in the Report on Corporate Governance forming part of this Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of section 217(2AA) of the Companies Act, 1956, your Directors wish to state that:

1. in the preparation of the annual accounts, for the year ended 2011-2012, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of your company for that period;
3. they 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;
4. they had prepared the Annual Accounts of the Company on a 'Going Concern' basis.

CORPORATE GOVERNANCE

During the Financial Year 2011-12, the company has complied with all the norms of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

A detailed report on Corporate Governance forms part of the Annual Report of the company. A certificate from the Auditors of the company confirming compliance with the requirements of Corporate Governance Clause of the Listing Agreement is annexed to the Report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management Discussion and Analysis report also accompanies this report.

LISTING OF SHARES

Presently, the shares of the company are listed at the Bombay Stock Exchange Limited, Mumbai. The company has paid the Annual Listing fee for the year under review to the stock exchange.

AUDITORS

M/s. DUA & KUMAR, Chartered Accountants, New Delhi, retire at the conclusion of the ensuing Annual General Meeting and bring eligible offer themselves for re-appointment.

AUDITORS REMARKS

The observations made by the Auditors with reference to notes on the accounts for the year under report are self-explanatory and need no further comments from the directors.

PARTICULARS OF EMPLOYEES

There is no eligible employee whose particulars under section 217(2A) of the Companies Act, 1956 are called for.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

Information under Section 217(1)(c) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Director) Rules, 1988, is not being furnished, as the same is not applicable. No particulars are furnished on conservation of energy and technology absorption. There was no foreign exchange earning or outgo during the year under review.

ACKNOWLEDGEMENTS

The directors place on record their appreciation of the excellent performance and hard work put in by the employees at all levels in the company's growth and development. The Directors also convey their grateful thanks to the esteemed shareholders for their continued cooperation, support and the confidence reposed by them in the company.

By order of Board of Directors

Sd/-

S.C. Khaneja

CHAIRMAN

Place : New Delhi

Date : 25.05.2012

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW: The Current macro-economic environment is passing through a severe slowdown led by weakening in investment activity. Indeed, GDP is tepid around 6.5% in Financial Year 2011-12, compared to a healthy 8.4% in Financial Year 2010-11.

While the fall in consumption also played a part in slowdown, the investment decline was much more pronounced. Worryingly, this trend of disproportionate decline in investment is being witnessed for the last 3-4 years (post-Lehman crisis)

INDUSTRY OVERVIEW: As you know that our Company is an investment oriented Company. We depend on the market sentiments. As compared to last year, the market sentiments are healthy for investment and market experts feel that the sensex will perform better in the current year as compared to the last year.

OPPORTUNITIES AND THREATS: The Company as a NBFC is engaged predominantly in the business of investment. The future business prospects are closely linked and influenced by global events and hence there is an amount of uncertainty in the near term outlook of the stock market. The Company is mainly exposed to market risk (including liquidity risk), interest risk and credit risk.

However prudent business and risk management practices followed by the Company over the years helped it to mitigate the normal industry risk factors, which inter-alia include economic/business cycle, fluctuation in the stock prices in the market, besides the interest rate volatility. And credit risk. Improved sentiments in the secondary markets will also enhance the participation of investors across segments thereby helping the prospects of equity brokerage business.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

Your Company is mainly engaged in investment activities, which is the only business segment. Segment-wise reporting is not applicable to your company.

OUTLOOK: Your Company is mainly engaged in investment of shares and of other companies. It has 49% equity stake in Integrated Master Securities (P) Ltd., which is a member of National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd., The Delhi Stock Exchange Association Ltd., The Ludhiana Stock Exchange Association Ltd., The Vadodara Stock Exchange Ltd., MCX-SX Stock Exchange and Depository Participant of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL).

RISK AND CONCERNS: The Company's operation involves inbuilt risk due to uncertain economic condition and unforeseen events beyond the Company's control.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY: The Company has an adequate and effective system of internal controls for business processes, with regard to operations, financial reporting, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibility for managerial positions gives strength to the internal control system of the organization. The Company believes that transparency of policies and operation and systems and control are keys to the success of any organization.

Additionally, we have set up adequate internal controls and systems to ensure that the Company is functioning in a balanced way and that any conflicting occurrences are taken care of. Regular Internal Audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors always look into core areas where there are deficiencies to be addresses and areas of improvement and submit their suggestions to the Audit Committee of Board of Directors on a quarterly basis or earlier, if so required.

HUMAN RESOURCES

Success of every business depends on proper human resource planning. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development. The company places significant importance to its human capital. The Company believes in sharing the growth and prosperity based on performance and potential. The Company has adequate and experiences professionals having varied experience related to the Industry to carry out its various operation.

The Company has been paying special attention to improve the skill set of the employees through various training programs. All employees are encouraged and incentivised to get themselves certified in relevant industry standard certifications.

CORPORATE GOVERNANCE REPORT:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The basic philosophy of the Company on Corporate Governance is to achieve business excellence and to create and enhance the value for its Stakeholders. Corporate Governance deals with conducting the affairs of the Company in such a manner as to ensure that there is fairness to all the stakeholders and action benefit the greatest number of stakeholder.

Our policies and practices are framed keeping in view long term shareholder values without compromising on the ethical standards and corporate responsibilities. We uphold the core values of integrity, transparency and accountability which form the foundation upon which our business is built.

BOARD OF DIRECTORS:

- a) **Composition:** The composition of the Board is governed by the Companies Act, 1956, the Listing Agreement and Article of Association of the company. The Board comprises of a Non-executive Chairman and five directors. Out of total strength of six directors, three directors are promoter directors and three are non-promoter directors. One of the directors is Executive Director and remaining five directors are Non-executive Directors out of which three are independent directors. There are no nominee directors and institutional directors on the Board of the Company.
- b) **Board Meetings:** The Board meets at least once a quarter and the time gap between two Board Meetings is not more than four calendar months. During the financial year 2011-2012, the Board of Directors met five times on 28th May 2011, 09th August, 2011, 30 September, 2011, 12th November 2011 and 10th February, 2012.

The information regarding the meetings attended by the Directors is given below: -

Name of Director	Category of Director	No. of meetings attended/Attendance of Board Meetings.	Total No. of other Directorship in public Ltd. Companies	Attendance at last AGM	Committee Membership	Committee Chairmanship
Sh S.C.Khaneja	Chairman, Promoter, Non-Executive	5	1	Yes	1	----
Smt Rajni Khaneja	Promoter, Executive	5	Nil	Yes	----	----
Sh Virender Khaneja	Promoter, Non-Executive	5	Nil	Yes	----	----
Ms. Rachna Batra	Independent, Non-Executive	4	1	Yes	2	2
Sh Sunil Sobti	Independent, Non-Executive	5	Nil	Yes	2	----
Sh. S. P. Oberoi	Independent, Non-Executive	5	Nil	Yes	----	----

Ms. Rachna Batra, Director of the Company, retires by rotation at the ensuing Annual General Meeting and offers herself for reappointment. Ms. Rachna Batra by qualification is B.COM (H) and fellow member of Institute of Company Secretaries of India (FCS). She has a rich experience of over 14 years in the financial and capital market.

Relationship of Directors with other Directors

Name of Director	Relationship	Other Director Name
Sh. S. C. Khaneja	Husband	Smt. Rajni Khaneja
Sh. S. C. Khaneja	Brother	Sh. Virender Khaneja

Other directors are not related to each other.



- c) **Periodic review of compliances of all applicable laws:** The Company has adopted a system whereby all the Acts, legislations, rules and regulations applicable to the company have been identified and compliance with such Legislations, rules and regulations is monitored by the compliance officer on a regular basis.

COMMITTEES OF THE BOARD:

AUDIT COMMITTEE

The Audit Committee of the company comprises of 3 directors i.e. Shri S.C.Khaneja, Ms. Rachna Batra and Sh. Sunil Sobti, all being Non-executive directors. Ms. Rachna Batra and Mr. Sunil Sobti are independent directors. Ms. Rachna Batra is heading the Committee. All the members have requisite financial and management expertise. The terms of reference of the Audit Committee are as contained in Section 292A of the Companies Act, 1956 and also as contained in Corporate Governance Clause of the Listing Agreement.

The Audit Committee met Five times during the year. The attendance of the members of the Committee during the financial year 2011-2012 is given as below:

Committee Member	Category	No. of Meetings Attended
Ms. Rachna Batra	Member, Chairperson	4
Mr. S.C. Khaneja	Member, Director	5
Mr. Sunil Sobti	Member, Director	5

REMUNERATION COMMITTEE:

None of the Managerial Personnel have received or drawn any remuneration during the year under report. Therefore, the constitution of Remuneration committee will not serve any purpose in view of the limited staff, present operations and activities of the company

Mrs. Rajni Khaneja, Executive Director has drawn a remuneration of Rs. 20000/- (Rupees Twenty Thousand) per month from the company subject to TDS. Non-Executive directors do not draw any remuneration from the company except sitting fees of Rs. 2500/- per meeting.

SHAREHOLDERS/ INVESTOR GRIEVANCE COMMITTEE:

As a measure of good Corporate Governance and to focus on the shareholders' grievances and towards strengthening investor relations, Shareholders/Investors Grievance Committee has been constituted as a Committee of the Board.

CONSTITUTION AND COMPOSITION.

The Shareholders / Investors Grievance Committee comprises of two non-executive (all being independent) directors as members namely Ms. Rachna Batra and Mr. Sunil Sobti. The details of the composition of the Audit Committee are given below.

Committee Member	Category
Mrs. Rachna Batra	Member, Chairperson
Mr. Sunil Sobti	Member, Director

Mr. S.C.Khaneja, Chairman being a qualified Company Secretary (FCS) is the Compliance Officer of the company.

No complaint has been received from the shareholders during the year. No share transfers were pending as on 31st March 2012. No dematerialization requests were pending as on 31st March 2012.

POSTAL BALLOT

None of the special resolutions were passed through postal ballot during the last year.

GENERAL BODY MEETINGS:

Detail of last three Annual General Meetings is as follows:-

Year	Venue	Date	Time	No. of Special Resolution
				Passed at AGM
2010-2011	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	30.09.2011	10.00 A.M	None
2009-2010	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	29.09.2010	10.00 A.M	None
2008-2009	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	30.09.2009	10.00 A.M	None

DISCLOSURES:

During the year, there was no material/significant transaction with the directors or the management, their relatives, etc. that have any potential conflict with interest of the Company at large. Related party disclosures are provided in

Integrated Financial Service Ltd.

Notes to the accounts forming part of the accounts in accordance with the provisions of Accounting Standard-18 Related Party Disclosures issued by the Institute of Chartered Accountants of India.

There is no deviation in following the treatments prescribed in any Accounting Standard (AS) in the preparation of the financial statements of the Company.

The Company has laid down procedures for risk management, assessment and its minimization. The management team places an update on risk management to the Board at its meetings.

The Stock Exchanges, RBI, SEBI or any other Statutory Authority has not imposed any penalty or strictures during the last three years.

The Board of Directors has adopted the code of conduct for Board Members and the senior management personnel. The said code has been communicated to the Directors and Members of the senior management, and they have affirmed their compliance with the said record.

The Company has duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

MEANS OF COMMUNICATION

- **Quarterly Disclosures:** The quarterly/half yearly results of the company are published in "Money Maker" (English Edition), "Dainik Mahalakshmi" (Hindi Edition).
- **Website:** There is no Website of the company. Financial results/Shareholding Pattern/Important announcements are being sent to the Bombay Stock Exchange Limited where the shares of the company are listed, for putting in their website.
- **News Release, Presentation etc.:** The Company has not made any official Bulletin for circulation so far. There are no institutional investors in the company and no presentations are being made to analysts.
- **Designated Exclusive E-MAIL ID:** The Company has designated an e-mail ID called 'investorrelations@rediffmail.com' exclusively for redressal of shareholders/complaints/grievance. For any query please write us at investorrelations@rediffmail.com.

GENERAL SHAREHOLDERS INFORMATION:

(a) Date, Time and Venue of Annual General Meeting:

TIME	10:00 a.m.
DAY	Saturday
DATE	29 th September, 2012
VENUE	303-304, 3 rd Floor, New Delhi House, 27, Barakhamba Road, New Delhi – 110 001

(b) Financial Calendar 2011-2012 (Tentative) :

Schedule Financial Reporting	Tentative Date
For the quarter ending June 2012	Mid of Aug. 2012
For the quarter ending September 2012	Mid of Nov. 2012

For the quarter ending December 2012	Mid of Feb. 2013
Annual Result for the year March 2013	End of May 2013

(c) Dates of Book Closure:

The Share transfer books of the company will remain closed from 22nd September 2012 to 29th September, 2012 (both days inclusive) for the purpose of AGM.

(d) Dividend Payment Date:

The Dividend if declared at the AGM, shall be paid to those shareholders whose name appears on the Register of members as on 22nd September, 2012 and in respect of Shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners at the close of the business hours on 21st September, 2012.

(e) Listing:

The Securities of the Company are listed on: Bombay Stock Exchange Limited (BSE),
P. J. Towers, Dalal Street, Fort,
Mumbai – 400 001.

Annual Listing fee for the year 2012-13, has been paid by the Company to BSE.

(f) Stock Code:

Bombay Stock Exchange Limited : 500212
ISIN for Equity Shares : INE898B01017

(g) Registrar & Transfer Agent:

The Company has appointed Bectal Financial & Computer Services Pvt. Ltd., 99, Bectal House, Malangir, New Delhi-110062, as Physical and Electronic Registrar through which the shares of the Company are available for transfer as well as dematerialization.

(h) Share Transfer System:

Shares lodged for transfer are normally processed within 15 days from the date of lodgment, if the documents are clear and in order in all respects. The shares of the Company are traded on the Bombay Stock Exchange Limited compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) is INE898B01017.

(i) Distribution of shareholding: As on 31st March 2012

	Category	No. of Shares held	% age of Shareholding
A.	Promoter's Holding		
1.	Indian Promoters	4474192	74.57
	Foreign Promoters	Nil	Nil
	Sub- Total	4474192	74.57
B.	Non-Promoters Holding		
a.	Institutional Investors	Nil	Nil
b.	Mutual Funds and UTI	Nil	Nil
c.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non- government Institutions)	Nil	Nil
d.	FII's	Nil	Nil
	Sub-Total	NIL	NIL
C.	Others		
a.	Private Corporate Bodies	271543	4.53
b.	Individual	1237537	20.62
c.	Other		
	i. Non- Resident Indian	127	0.00
	ii. Clearing Member	0	0.00
	iii HUF	16601	0.28
	Sub-Total	1525808	25.43
	Grand Total	60,00,000	100.00

- (j) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity The company has not, as of now, issued any GDRs/ADRs/Warrants or any Convertible Instruments.

(k) Dematerialization of shares:

As on 31st March 2012, 85.47% of the capital comprising 51, 28,402 shares was dematerialized with Depository Participants.

(l) Address for correspondence:

Registered Office : 303-304, III Floor, New Delhi House, 27, Barakhamba Road, New Delhi 110001.

Telephone Nos. : 4307 4307 (30 Lines)

Fax : 4307 4315

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP).

(m) Stock Market Data:

The Stock Market Data of the company at BSE is furnished hereunder:

Month	High (Rs.)	Low (Rs.)
April, 2011	26.25	23.05
May, 2011	25.25	22.00
June, 2011	26.85	22.05
July, 2011	26.25	21.85
August, 2011	26.15	19.05
September, 2011	23.00	18.85
October, 2011	24.90	18.50
November, 2011	-	-
December, 2011	20.60	19.65
January, 2012	20.15	16.70
February, 2012	22.50	17.80
March, 2012	20.05	17.50

Compliance with Non Mandatory Requirements

- The company has not fixed the tenure for the Independent Directors on the Board of the Company.
- The Board has not set up the Remuneration Committee.
- The company has not yet adopted any training program for the members of the Board.
- The company has not adopted any Whistle Blower Policy.

Declaration of compliance with code of conduct

It is hereby affirmed that all the directors and the senior management personnel have complied with the Code of Conduct framed by the company and a confirmation to that effect has been obtained from the directors and senior management.

CEO/CFO Certification

A certificate from the Chairman as per the requirement of paragraph V of the revised Clause of the Listing Agreement was place before the Table.

On behalf of Board of Directors

Sd/-

S.C. Khaneja

Chairman

Auditors' Certificate on Compliance of Corporate Governance Under Corporate Governance Clause of the Listing Agreement

To,

The Members of
Integrated Financial Services Limited,

We have examined the compliance of conditions of Corporate Governance procedures by **Integrated Financial Services Limited** during the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of Investor grievances received during the year ended 31st March, 2012, no investor grievances are pending against the company for a period exceeding one month as on 31st March, 2012, as per the records maintained by the company and presented to Investors' /Shareholders' Grievance Committee.

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

Place : New Delhi
Date : 25.05.2012

For Dua & Kumar
Chartered Accountants
Sd/-
(Mahesh Kumar)
Proprietor
Membership No.: 85757

AUDITORS' REPORT

To
The Members of Integrated Financial Services Limited

We have audited the attached Balance Sheet of Integrated Financial Services Limited, as at 31st March, 2012 and also the Profit and Loss Account and Cash Flow Statement 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 required 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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 the Companies (Auditor's Report) Order, 2003 issued by 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 paragraph 4 and 5 of the said order.
- 2) Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
 - ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required read together with other notes given in Schedule 10, gives a true and fair view in conformity with the accounting principle generally accepted in India:
 - a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
 - b) In the case of Profit & Loss Account of the profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Place : New Delhi
Date : 25.05.2012

For Dua & Kumar
Chartered Accountants
Sd/-
(Mahesh Kumar)
Proprietor
Membership No. 85757

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (1) of our report of even date to the member of the Integrated Financial Services Limited on the accounts for the year ended 31st March, 2012.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the management during the year and there is also a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets have been disposed off during the year.
2. The company does not have any inventory during the year.
3. (a) The company has given loans to the companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has not taken any loans, secured or unsecured from the companies, firms and 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 with regard to purchases of inventory, fixed assets and with regard to the sales of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of section 58A and 58 AA of the Companies Act, 1956.
7. In our opinion, the company has internal audit system commensurate with the size and nature of the business.
8. As explained to us the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in the case of the company.
9. (a) The company is not covered under Provident Fund and the ESI Act.
- (b) According to information and explanations given to us, no undisputed amounts is payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were in arrears, as at 31.3.2012 for a period of six months from the date they became payable.

10. There are no accumulated losses at the end of financial year. The company has also not incurred cash losses during the financial year covered by our audit and preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
12. According to information & explanations given to us, the company has not given any loan and advances on the basis of security by way of pledge of shares, debentures and other securities
13. The Company is not a chit fund. Therefore, the provisions of clause 4 (xiii) of Companies (Auditor Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments. And timely entries have been made therein. All shares and debentures and other investments have been held by the company in its name.
15. According to information & explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not raised any term loan during the year
17. According to the information and explanations given to us and on an overall examination of the company, we report that the no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets.
18. According to the information and explanation given to us, the company has not made preferential allotment of share to parties and companies during the year, covered in the register maintained under section 301 of the Act.
19. The Company has not issued debentures during the year.
20. The Company has not raised any money through public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported in the course of our audit.

Place : New Delhi
Date : 25.05.2012

For Dua & Kumar
Chartered Accountants
Sd/-
(Mahesh Kumar)
Proprietor
Membership No. 85757

Balance Sheet as at 31st March 2012

(Currency : Indian Rupees)	Note	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2.1	60,000,000.00	60,000,000.00
(b) Reserves and Surplus	2.2	203,976,716.13	190,923,734.75
Shareholder's Funds		263,976,716.13	250,923,734.75
Non-Current liabilities			
(a) Long term provisions	2.3	277,626.00	313,359.00
		277,626.00	313,359.00
Current Liabilities			
(a) Other current liabilities	2.4	194,860.94	217,892.94
(b) Short term provisions	2.5	5,936,825.00	14,524,836.00
		6,131,685.94	14,742,728.94
TOTAL		270,386,028.07	265,979,822.69
ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	2.6	677,489.00	2,431,772.00
		677,489.00	2,431,772.00
Current assets			
(a) Current Investments	2.7	164,103,139.48	193,086,752.23
(b) Cash and bank balances	2.8	7,114,901.77	939,511.56
(c) Short-term loans and advances	2.9	4,734,655.00	8,701,793.00
(d) Other current assets	2.10	93,755,842.82	60,819,993.90
		269,708,539.07	263,548,050.69
TOTAL		270,386,028.07	265,979,822.69
Significant accounting policies and notes to the financial statements			
	1.2 &3		

As per our report of even date attached
For Dua & Kumar

Chartered Accountants
(Mahesh Kumar)

Membership No :- 85757
Date : 25.05.2012
Place : New Delhi

For and on behalf of the Board of
Directors

S.C. Khaneja
Director

Rajni Khaneja
Director

Statement of Profit and Loss for the year ended 31 March 2012

(Currency : Indian Rupees)	Note	For the year ended 31st March 2012	For the year ended 31st March 2011
Revenue from operations			
Interest income	3.1	10,451,512.64	13,611,454.73
Income From Operation	3.2	9,469,101.45	30,900,286.70
Other income	3.3	2,411,592.00	900,000.00
Total revenue		22,332,206.09	45,411,741.43
Expenses			
Employee benefit expenses	3.4	1,120,600.00	1,059,601.00
Depreciation and amortization expenses	2.6	288,375.00	395,737.00
Other expenses	3.5	1,979,358.71	1,876,620.15
Total expenses		3,388,333.71	3,331,958.15
Profit before tax		18,943,872.38	42,079,783.28
Tax expense:			
Income tax		3,101,371.00	8,125,082.00
Profit for the year		15,842,501.38	33,954,701.28
Share of minority interest in profit for the year		-	-
Profit for the year after minority interest		15,842,501.38	33,954,701.28
Earnings per share (Rs.) (Face value Rs.10/- each)			
- Basic		2.64	5.64
- Diluted		2.64	5.64
Significant accounting policies and notes to the financial Statements	1, 2 & 3		

As per our report of even date attached.

For Dua & Kumar

Chartered Accountants

(Mahesh Kumar)

Membership No. -85757

Date: 25.05.2012

Place : New Delhi

For and on behalf of the Board of Directors

S.C. Khaneja

Director

Rajni Khaneja

Director

Cash Flow Statement for the year ended 31st March 2012

(Currency : Indian Rupees)	For the year ended 31st March 2012	For the year ended 31 st March 2011
A. Cash flow from operating activities		
Profit before tax	18,943,872.00	42,079,783.00
<i>Adjustments for</i>		
Depreciation and amortization expenses	288,375.00	395,737.00
Interest	(10,451,513.00)	(13,611,455.00)
Rent	(600,000.00)	(900,000.00)
Profit on Sale of Fixed Assets	(1,811,592.00)	
Operating cash flow before working capital changes	6,369,142.00	27,964,065.00
<i>Adjustments for</i>		
Trade Payables	(23,032.00)	(7,874.00)
Investment (Net)	28,983,613.00	(8,029,760.00)
Tax Paid (Net)	(4,444,111.00)	(6,136,744.00)
Cash Generated From Operations	24,516,470.00	(14,174,378.00)
Net cash Used in Operating Activities - A	30,885,612.00	13,789,687.00
B. Cash flow from investing activities		
Rent From Property	600,000.00	900,000.00
Interest Income	10,451,513.00	13,611,455.00
Other Assets	(32,935,849.00)	(26,915,473.00)
Loans And Advances	193,500.00	(200,010.00)
Sale of Fixed Assets	3,277,500.00	
Dividend on investments		
Net cash used in investing activities - B	(18,413,336.00)	(12,604,028.00)
C. Cash flow from financing activities		
Dividend	(5,400,000.00)	(3,600,000.00)
Dividend Tax Paid	(896,886.00)	(611,820.00)
Net cash generated from financing activities - C	(6,296,886.00)	(4,211,820.00)
Net decrease in cash and cash equivalents (A+B+C)	6,175,390.00	(3,026,161.00)
Cash and cash equivalents as at the beginning of the year	939,512.00	3,965,673.00
Cash and cash equivalents as at the end of the year	7,114,902.00	939,512.00

Note: Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For Dua & Kumar

Chartered Accountants

(Mahesh Kumar)

Membership No. -85757

Dated : 25.05.2012

Place : New Delhi

For and on behalf of the Board of Directors

S.C. Khaneja

Director

Rajni Khaneja

Director

INTEGRATED FINANCIAL SERVICES LIMITED

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS AS AT 31.3.2012

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Method of Accounting

The financial statements have been prepared with generally accepted accounting principles as well as the requirements of the Companies Act 1956. The accounts have been prepared under the historic convention and accrual basis.

1.2.1 Incomes

- (1) All Incomes are accounted on accrual basis.
- (2) Dividend declared within the close of the Accounting year are accounted for in respect of the shares and securities held by the company.

1.2.2 All expenses are accounted on accrual basis.

1.3.1 Depreciation

Depreciation on fixed assets has been charged on Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

1.4 Fixed Assets

The fixed assets at stated at cost of their acquisition less depreciation.

1.5 Taxes on Income

Current Tax is the amount of tax on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax Liability/Asset is recognized subject to the consideration of prudence on timing difference, being the difference between taxable income and accounting income that originate in one period and/or capable of reversal in one or more subsequent periods.

1.6 Foreign Currency Transactions

NIL

NOTES TO ACCOUNTS

1.7 Contingent Liabilities

Contingent Liabilities outstanding as on 31.3.2012 are Nil

1.8 Current Assets

In the opinion of the Board of Directors the realizable values of "Current Assets, Loans & Advances" in the ordinary course of business is at least equal to the amount stated in the balance sheet.

1.9 There is no employee in the company who is covered under the provisions of Section 217(2A) of the Companies Act, 1956.

- 1.10 In accordance with 'Accounting Standard 22', the Company has recognized a deferred tax asset of Rs. 35733/- for the year 31st March, 2012 as a charge to the Profit & Loss Account.

	31.03.2012	31.03.2011
Depreciation as per Companies Act, 1956	288375.00	395737.00
Depreciation as per Income Tax Act, 1961	178239.00	209639.00
Difference	110136.00	- 186098.00
Deffered Tax Asset (Liability)	35733.00	63087.00

1.11 Related Parties Disclosures

A. Key Management Personnel, their relatives and their enterprises where transactions have taken place

1. Mrs. Rajni Khaneja - Director
2. Sh. S.C. Khaneja - Director
3. Sh. Virender Khaneja - Director
4. Mrs. Rachna Batra - Director
5. Mr. Sunil Sobti - Director
6. Mr. Surya Prakash Oberoi - Director
7. S.C. Khaneja & Son (HUF)

B. Other Related Parties

Integrated Master Securities (P) Limited

(Related party relationship on the basis of requirements of Accounting Standard 18 (AS-18) is identified by the company and relied upon by the Auditors).

1.12 Transactions carried out with related parties

Nature of Transactions	(Rs. in lacs)	
	Related Parties	
	Referred in Clause e(a)	Referred in Clause e(b)
<u>Expenses</u>		
Director Remuneration	2.60	Nil
Sitting Fee	0.60	Nil
Interest Received	Nil	103.42
Investments	Nil	450.00*
Rent Received	Nil	6.00
Loans and Advances	Nil	420.00

*All Investments in securities and sale thereof
Is done through Integrated Master Securities (P) Ltd.

(Outstanding as on 31/03/2012)

1.13 Basic and Diluted Earning Per Share

Earning per share pursuant to Accounting Standard (AS-20) 'Earning per share' issued by the Institute of

Integrated Financial Services Ltd.



Chartered Accountants of India.

Particulars	Current Year	(Rs. in lacs) Previous Year
Net Profit for the year as per Profit & Loss Account	158.35	338.92
No. of Shares	60,00,000	60,00,000
Earning per share	2.64	5.64

1.14 Previous years figures have been re-grouped/ rearranged wherever considered necessary

1.15 Additional Information pursuant to Part IV of Schedule VI of the Companies Act, 1956 is annexed.

As per our report of even date attached

For DUA & KUMAR
Chartered Accountants

Sd/-
(Mahesh Kumar)
Proprietor
Membership No. 85757

On behalf of the Board

Sd/-
(S.C.Khaneja)
Director

Sd/-
(Rajni Khaneja)
Director

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2012	As at 31 March 2011
2.1 Share Capital		
Authorised:		
60,00,000 equity Shares of Rs. 10/- each	60,000,000.00	60,000,000.00
(Previous year: 60,00,000 equity Shares of Rs. 10/- each)		
Issued, Subscribed and Paid up:		
60,00,000 equity Shares of Rs. 10/- each	60,000,000.00	60,000,000.00
(Previous year: 60,00,000 equity Shares of Rs. 10/- each)		

Movement in share capital

	31 st March 2012		31 st March 2011	
	Number of Shares	Amount	Number of Shares	Amount
Outstanding at the beginning of the year	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00
Issued during the year (excluding bonus shares)	0.00	0.00	0.00	0.00
Bonus shares issued during the year	0.00	0.00	0.00	0.00
Outstanding at the end of the year	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00

Rights of equity shareholders

The Company has issued only one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

	31 st March 2012		31 st March 2011	
	Number of Shares	Percentage Shareholding	Number of Share	Percentage Shareholding
Mr. Subhash Chander Khaneja	2258213	37.64	2258213	37.64
Mrs. Rajni Khaneja	895800	14.93	895800	14.93
Mr. Santal Khaneja & Sons (HUF)	303350	5.06	303350	5.06

	As at 31 March 2012	As at 31 March 2011
2.2 Reserves and Surplus		
General Reserve		
Opening Balance	190,923,734.75	163,265,919.47
Add: Additions during the year	13,052,981.38	27,657,815.28
	<u>203,976,716.13</u>	<u>190,923,734.75</u>
2.3 Long-term provisions		
Deferred Tax Liability	277,626.00	313,359.00
	<u>277,626.00</u>	<u>313,359.00</u>
2.4 Other Current liabilities		
Trade Payable	194,860.94	217,892.94
	<u>194,860.94</u>	<u>217,892.94</u>
2.5 Short-term provisions		
Others		
Proposed dividend	2,400,000.00	5,400,000.00
Dividend distribution	389,520.00	896,886.00
Provision for Income tax	3,107,524.00	8,188,169.00
Income tax for Previous years	39,781.00	39,781.00
	<u>5,936,825.00</u>	<u>14,524,836.00</u>

Notes to the financial statements (Continued)
(Currency : Indian Rupees)

2.6

FIXED ASSETS AS AT 31ST MARCH, 2012

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 01.04.2011	Additions During the Year	Sale During the Year	Total as on 31.03.2012	Upto 31.03.2011	Adjustment during the year	Total upto 31.03.2012	W.D.V. as on 31.3.2012	W.D.V. as on 31.3.2011
1	2	3	4	5	6	7	8	9	10
Office Premises	3,350,500.00	-	3,350,500.00	-	1,830,669.00	53,923.00	1,884,592.00	-	1,519,831.00
Car	1,296,325.00	-	-	1,296,325.00	399,674.00	232,143.00	631,817.00	664,508.00	896,651.00
Typewriter	25,400.00	-	-	25,400.00	23,720.00	234.00	23,954.00	1,446.00	1,680.00
Fan	7,050.00	-	-	7,050.00	6,658.00	55.00	6,713.00	337.00	392.00
Refrigerator	12,475.00	-	-	12,475.00	11,802.00	94.00	11,896.00	579.00	673.00
Computer	280,923.00	-	-	280,923.00	280,855.00	27.00	280,882.00	41.00	68.00
Furniture & Fixture	49,656.00	-	-	49,656.00	45,776.00	702.00	46,478.00	3,178.00	3,880.00
Fax Machine	60,000.00	-	-	60,000.00	54,940.00	704.00	55,644.00	4,356.00	5,060.00
Intercom	12,720.00	-	-	12,720.00	11,602.00	156.00	11,758.00	962.00	1,118.00
Filing Cabinet	14,291.00	-	-	14,291.00	12,803.00	207.00	13,010.00	1,281.00	1,488.00
Water Filter	9,980.00	-	-	9,980.00	9,049.00	130.00	9,179.00	801.00	931.00
TOTAL :	5,119,320.00	-	-	1,768,820.00	2,687,548.00	288,375.00	1,884,592.00	677,489.00	2,431,772.00
Previous Year :	5,119,320.00	-	-	5,119,320.00	2,291,811.00	395,737.00	2,687,548.00	-	2,431,772.00

Notes to the financial statements (Continued)
 (Currency: Indian Rupees)

Current Investments

INVESTMENTS-AT COST	As on 31.03.2012		As on 31.03.2012	
	Qty.	Amount (Rupees)	Qty.	Amount (Rupees)
QUOTED SHARES:				
AMFORGE INDUSTRIES LTD	-	-	25000	111,500.00
ARVIND MILLS LTD	34000	675,580.00	55000	1,092,850.00
AMBICA AGARBATI	36500	314,265.00	36500	314,265.00
ANDHRA PETROCHEMICAL	3000	83,075.98	5000	106,897.13
ANDHRA CEMENT LTD	42168	462,476.34	20000	222,600.00
ANSAL HOUSING & CONSTRUCTION	6500	366,340.00	6500	366,340.00
ARAVALI SECURITIES & FIN	15000	198,900.00	15000	198,900.00
AUSTIN ENGG	6000	421,560.00	6000	421,560.00
BAHARAT BHUSHAN SHARES & SEC	30000	262,800.00	30000	262,800.00
BANK OF MAHARASTRA	10000	231,350.00	10000	231,350.00
BELCERAMIC	15052	326,832.94	15052	326,832.94
BHARTIYA INTERNATIONAL (BIL)	-	-	4000	184,689.14
BINANI CEMENT LTD	-	-	10500	891,030.00
BIHAR SPONGE IRON LIMITED	18000	140,580.00	18000	140,580.00
CANFIN HOMES LTD	29000	1,362,581.09	29000	1,362,581.09
CHAMAN LAL SETIA EXPORTERS	10500	343,640.55	10500	343,640.55
CHAMBAL FERTILIZERS	32000	2,260,041.33	34000	2,394,000.42
COSMO FERTILISERS LTD	54000	506,305.94	54000	506,305.94
COSMO FILMS LTD	-	-	2000	169,776.51
COUNTRY CLUB	25000	217,000.00	-	-
CIL SECURITIES LTD	60000	917,416.37	60000	917,416.37
CREATIVE EYE LTD	17000	103,020.00	17000	103,020.00
DATAMATICS GLOBAL SERVICES	10000	150,100.00	10000	150,100.00
DOLPHIN MEDICAL SERVICES	-	-	110000	354,200.00
DEVELOPMENT CREDIT BANK	31000	1,193,499.20	31000	1,193,499.20
DIGJAM LTD	11000	60,060.00	11000	60,060.00
DIVSHKTI LTD	5200	132,602.00	-	-
ESCORTS LTD	3700	213,762.00	3700	213,762.00
ESSAROIL	25000	1,631,191.95	5000	635,748.00
ELECTROSTEEL CASTINGS LTD	20000	553,281.50	20000	553,281.50

FORTIS HEALTH CARE LTD	17000	1,237,855.60	17000	1,237,855.60
FINOLEX INDUSTRIES LTD	8000	694,066.67	8000	694,066.67
GARDEN SILK MILLS LTD	5000	321,559.70	-	-
GHCL LTD	30000	1,158,200.00	30000	1,158,200.00
GNFC	11000	969,706.85	-	-
GOLDEN TOBACCO	25000	881,053.55	20089	1,900,324.33
GOLDIAM INTERNATIONAL	10000	337,096.00	10000	337,096.00
GRAUER & WEIL (INDIA) LTD	161000	10,933,960.00	161000	10,933,960.00
GUJARAT HOTELS LTD	8500	146,365.28	10000	172,194.45
GUJARAT SIDHEE CEMENT LTD	26000	387,779.18	26000	387,779.18
GUJARAT INDUS POWER	5000	335,136.50	-	-
GVK POWER INF	50000	535,000.00	-	-
HELIOS & MATHESON	30000	1,056,597.22	10000	483,612.02
HFCL INFOTECH	10000	115,333.20	25000	294,083.34
HINDUSTAN COPPER LTD	5000	278,669.15	5000	278,669.15
HOTEL LEELAVENTURE LTD	10000	192,791.45	10000	192,791.45
3I INFOTECH	25000	435,255.00	20000	916,380.80
IDBI BANK LTD	32000	2,734,529.99	50000	4,651,825.44
INDO RAMA SYNTHETICS (I) LTD	29000	686,140.00	29000	686,140.00
IDEA CELLULAR LTD	10000	584,100.00	10000	584,100.00
IFCI LTD	50000	1,149,094.00	40000	2,106,789.95
INFRASTRUCTURE DEVELOPMENT	5000	266,200.00	5000	266,200.00
INDRAPRASTHA MD CORP LTD	92100	3,141,906.42	62000	2,051,278.47
INDIABULLS SECURITIES LTD	50000	329,500.00	50000	917,025.00
INDIA HOTELS LTD	7500	498,250.00	-	-
ISMT LTD	15000	590,558.35	15000	590,558.35
ISPAT INDUSTRIES LTD	-	-	20000	293,600.00
IKM FINANCE LTD	5000	78,800.00	5000	78,800.00
IL&FS GR & VAL FU	5000	324,473.13	-	-
JAGATJIT INDUSTRIES LTD	6200	243,853.62	6200	243,853.62
JAMINA AUTO INDUSTRIES LTD	-	-	-	-
JASCH INDUSTRIES LTD	15000	92,400.00	15000	92,400.00
JAIPRAKASH ASSOCIATES	18000	756,770.00	2000	146,020.00
JCT LTD	-	-	100000	372,950.00
JK PAPER LTD	4105	91,993.05	66000	1,479,060.00
JK TYRE INDUSTRIES	10000	784,578.18	-	-
JK LAKSHMI	25000	1,136,500.00	25000	1,136,500.00
JP HYDROPOWER	-	-	13000	428,920.00
JSW ENERGY	17000	668,245.00	11500	942,478.40
JSW ISPAT STEEL LTD	50000	579,200.00	-	-
JUPITER BIOS	10000	202,600.00	5000	117,800.00
KARNATAKA BANK LTD	6000	619,298.48	3500	404,538.80

KAJARIA CERAMICS LTD			350000	24,184,838.30
KINGFISHER AIRLINES LTD	10000	460,175.00	10000	460,175.00
LLOYDSTEEL	80000	694,497.30	-	-
LAHOT OVERSEAS LTD	45000	335,542.45	45000	335,542.45
LAXMI PRECISION	12000	288,120.00	12000	288,120.00
MAJESTIC AUTO LTD	44500	1,515,938.33	44500	1,515,938.33
MALAR HOSPITALS	25500	797,615.50	25000	783,965.50
MANGLORE REF & PETRO LTD	20000	1,093,931.10	20000	1,093,931.10
MARAL OVERSEAS LTD	50000	323,000.00	50000	323,000.00
MIC ELECTRONICS	28000	162,960.00	27500	724,939.00
MICRO FORGE (INDIA) LTD	60000	205,850.00	60000	205,850.00
MOUNT EVEREST MINERAL LTD	2000	103,620.21	5000	347,268.20
MUNJAL AUTO INDUSTRIES	64500	1,142,814.25	24000	2,117,600.00
MUNJAL SHOWA LTD	15000	734,161.95	15000	734,161.95
NAGARJUNA FERTILISERS LTD	170000	2,869,578.00	150000	2,390,128.00
NEYVELI LINITE CORPORATION	2500	166,433.05	2500	166,433.05
NELCO LTD	10000	344,760.35	10000	344,760.35
NCL INDUSTRIES LTD	15000	629,050.00	15000	629,050.00
N G INDUSTRIES LTD	3240	142,352.13	3240	142,353.13
NHPC LTD	150000	3,164,000.00	126000	3,093,410.00
NOIDA TOL BRIDGE	43000	997,735.00	35000	973,350.00
NOVA IRON & STEEL	73183	496,615.40	72000	592,073.16
NTPC LTD	55000	9,699,200.00	55000	9,699,200.00
NUCHEM	12000	853,035.80	72000	439,920.00
OCL IRON & STEEL LTD	10000	400,100.00	-	-
OMAX AUTOS LTD	65143	2,475,608.43	56000	2,887,286.65
OSWAL CHEMICAL & FERTILIZER LTD	-	-	17000	110,840.00
PRSAVNATH DEVELOPERS LTD	11000	293,755.00	11000	293,755.00
PETRONET LNG LTD	29000	1,269,462.22	29000	1,269,462.22
PITTI LAMNIA	-	-	20000	849,249.76
PNB GILTS LTD	39000	1,017,090.00	39000	1,017,090.00
PRAKASH INDUSTRIES LTD	20000	518,895.57	20000	518,895.57
PRECISION CONTAINERS LTD	-	-	20000	48,800.00
PRISMCEMENT	5000	288,384.35	5000	288,384.35
PUNJAB ALKALIES AND CHEMICALS	53500	940,926.85	50000	1,622,378.10
RAJASTHAN SPINNING	15500	1,336,219.58	15500	1,336,219.58
RAMA PAPER MILLS	-	-	10000	133,100.00
RAUBAQ AUTOMOBILES	36000	585,360.00	36000	585,360.00
RASHTRIYA CHEMICAL	16000	929,878.90	-	-
ROYAL ORCHID HOTELS LTD	9000	638,769.10	9000	638,769.10
RICO AUTO INDUSTRIES LTD	27000	274,550.00	25000	625,477.47
RELIANCE INDUSTRIES LTD	2150	1,555,230.42	1900	1,937,529.80

RELIANCE POWER LTD	30000	2,176,206.15	25000	3,097,421.50
SAHARA HOUSINGFINA CO	2800	265,458.00	2800	265,458.00
SAFARI INDUSTRIES	3701	567,801.37	-	-
SAMTEX FASHION	30300	773,753.00	30000	765,800.00
SESAGAO	2500	488,150.00	-	-
SHIVAM AUTOTECH LTD	4500	199,575.00	4500	199,575.00
SHIPPING CORPORATION	3000	204,505.00	-	-
SHREE RAYALASEEMA ALKALIES	7000	105,595.00	7000	105,595.00
SJVN LTD	100000	2,035,350.00	100000	2,035,350.00
SHREE RAYALSEEMA HITECH	6500	85,912.35	6500	85,912.35
STERLITE	6500	748,190.00	-	-
STEEL AUTHORITY OF INDIA LTD	21000	1,658,406.30	17000	2,780,665.00
SONA KOYA STEERING SYSTEM	11000	146,300.00	11000	146,300.00
THE SOUTH INDIAN BANK LTD	200000	640,000.00	200000	640,000.00
SPENTA INTERNATIONAL LTD	9600	98,496.20	9600	98,496.20
SPENTEX INDUSTRIES LTD	100000	643,369.60	100000	643,369.60
SUMEDH FISCAL SERVICE	5000	67,491.72	5000	67,491.72
TATA STEEL	13000	4,624,919.38	8500	5,298,975.00
TAMILNADU PETRO PRODUCTS LTD	30000	348,300.00	30000	348,300.00
TERA SOFTWARE LTD	5500	226,080.00	10000	390,600.00
TULSYAN	20000	300,000.00	9000	429,840.00
USHER AGRO	10000	436,500.00	-	-
VALSON INDUSTRIES LTD	12000	333,120.00	12000	333,120.00
VARDHAMAN ACRYLICS LTD	175000	666,750.00	175000	666,750.00
VARDHAMAN POLYTEX LIMITED	-	-	7000	196,369.88
VARUN SHIPPING COMPANY	43000	788,504.90	40000	1,142,475.00
VIDEOCON INDUSTRIES LTD	2000	434,249.25	1700	384,098.25
VIJAYA BANK LTD	9000	558,540.00	9000	558,540.00
VJAY SHANTI BUILDERS	31000	685,410.00	31000	685,410.00
VIPUL LTD	70000	732,041.26	69000	949,527.50
WALL STREET FINANCIAL LTD	16000	397,760.00	16000	397,760.00
ZENITH FIBRES LTD	85000	2,067,510.80	85000	2,067,510.80

TOTAL OF QUOTED SHARES (A)

111,953,139.28

140,936,752.23

Integrated Financial Services Ltd.



UNQUOTED SHARES:

INTEGRATED MASTER SECURITIES (P) LTD	49,000,000.00	49,000,000.00
INTEGRATED COMMODITIES TRADES (P) LTD	3,150,000.00	3,150,000.00
TOTAL	52,150,000.00	52,150,000.00
GRAND TOTAL (A)+(B)	164,103,139.28	193,086,752.23

As per our report of even date attached.

For Dua & Kumar

Chartered Accountants

(Mahesh Kumar)

Membership No. -85757

Dated : 25.05.2012

Place : New Delhi

For and on behalf of the Board of Directors

S.C. Khaneja

Director

Rajni Khaneja

Director

Notes to the Financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 st March, 2012	As at 31 st March, 2011
2.8 Cash and Bank Balances		
Cash and Cash equivalent		
Balance with Bank		
-in Current accounts	<u>7,114,901.77</u>	<u>939,511.56</u>
	7,114,901.77	939,511.56
2.9 Short Term Loans and Advances		
Unsecured		
Shares Application Money Pending allot	0.00	195,500.00
Loans and Advances to Employees	17,000.00	15,000.00
Income Tax Refund Due (Previous Year)	111,296.00	2,528,538.00
Fringe Benefit Tax Refund (A.Y. 2008-09)	12,198.00	12,198.00
Advance Income Tax (Net of Provision for Tax)	<u>4,594,161.00</u>	<u>5,950,557.00</u>
	4,734,655.00	8,701,793.00
2.10 Other Current Assets		
Integrated Master Securities (P) Limited	42,000,000.00	57,200,000.00
Integrated Commodity Trades (P) Limited	850,000.00	1,000,000.00
Bullion Engg (P) Ltd.	-	2,600,000.00
Manoj Kumar	-	19,993.90
Suresh Kumar Thakur	495,000.00	-
Deposit for Spot Commodity	<u>50,410,842.82</u>	<u>-</u>
	93,755,842.82	60,819,993.90
3.1 Interest Income		
On Loan	<u>10,451,512.64</u>	<u>13,611,454.73</u>
	10,451,512.64	13,611,454.73
3.2 Income From Operations		
Profit on Sale of Shares	3,653,688.09	28,737,022.70
Profit From Spot Commodity	2,403,139.71	-
Dividend Received	<u>3,412,273.65</u>	<u>2,163,264.00</u>
	9,469,101.45	30,900,286.70
3.3 Other Income		
Profit on Sale of Office Premises	1,811,592.00	-
Rent Received	<u>600,000.00</u>	<u>900,000.00</u>
	2,411,592.00	900,000.00

Notes to the Financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 st March, 2012	As at 31 st March, 2011
3.4 Employee Benefit Expenses		
Salaries and Wages	999,813.00	963,278.00
Staff welfare Expenses	120,787.00	96,323.00
	<u>1,120,600.00</u>	<u>1,059,601.00</u>
3.5 Other Expenses		
Advertisement Expenses	21,180.00	15,109.00
Auditor' Remuneration	22,060.00	22,060.00
Computer Expenses	85,496.00	80,395.00
Conveyance	98,522.00	79,197.00
Custody Fee	33,090.00	33,090.00
Fee Registration & Annual Subscription	13,540.00	5,603.00
Festival Expenses	99,217.00	79,789.00
Meeting Expenses	91,801.00	89,458.00
Insurance Charges	13,539.00	15,478.00
Listing Fee	27,575.00	16,845.00
Newspaper & Periodicals	85,316.00	81,974.00
Office Repair & Maintenance Expenses	138,368.00	118,562.00
Postage & Telegram	260,791.00	238,270.00
Printing & Stationary	290,492.50	285,009.15
Professional Charges	25,604.00	22,254.00
Registrar and Transfer Agent Charges	4,136.00	8,273.00
Securities Transaction Tax	165,166.21	3,68,407.00
Sitting Fee	60,000.00	62,500.00
Telephone Expenses	42,987.00	23,230.00
Tour & Travels	250,980.00	104,278.00
Vehicle Maintenance	149,498.00	126,839.00
	<u>1,979,358.71</u>	<u>1,876,620.15</u>



INTEGRATED FINANCIAL SERVICES LTD.

Regd. Office : 303-304, New Delhi House, 27, Barakhamba Road,
New Delhi - 110001.

PROXY FORM

Regd. Folio No. _____

No. of Shares held _____

DP ID _____

Client ID _____

I/We _____ of

above named company hereby appoint _____ of

_____ or failing him/her _____ of

_____ of in as my/our proxy to vote for me/us on my behalf at the 21st Annual General Meeting of the company to be held on Saturday the 29th September, 2012 at 10.00 A.M. at its Registered Office at 303-304, 3rd Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110 001 and at any adjournment thereof.

Signed this _____ day of _____ 2012

Signature _____

Atfix
Re. 1/-
Revenue
Stamp

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



INTEGRATED FINANCIAL SERVICES LTD.

Regd. Office : 303-304, New Delhi House, 27, Barakhamba Road,
New Delhi - 110001.

ATTENDANCE SLIP

21st Annual General Meeting 29th September, 2012

Regd. Folio No. _____

No. of Shares held _____

DP ID _____

Client ID _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 21st Annual General Meeting of the Company at 303-304, 3rd Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110 001 hold on Saturday the 29th September, 2012 at 10.00 A.M. and at adjournment thereof.

Member's Proxy Name
IN BLOCK LETTERS

Member's / Proxy
Signature

Note : Please fill in this attendance slip and hand it over at the Entrance of the Hall.

PRINTED MATTER

BOOK - POST



If Undelivered please return to :

INTEGRATED FINANCIAL SERVICES LTD.

Regd. Office : 303-304, 3rd Floor, New Delhi House,
27, Barakhamba Road, New Delhi-11001