



# ISF LIMITED

(Formerly Inter State Finance Limited)

Regd Office : 111, Dayanand Marg, Darya Ganj, NEW DELHI- 110002

## NOTICE 22ND ANNUAL GENERAL MEETING

NOTICE is hereby given that 22nd Annual General Meeting of the members of M/S. ISF Limited will be held on 17th September 2010 at Institute Hall, K-Block, R.K. Puram, New Delhi-110022 at 11.30 a.m. to transact the following business :-

### **ORDINARY BUSINESS:-**

1. To consider and adopt the Audited Balance Sheet as on March 31, 2010 and Profit & Loss Account for the year ended on that date together with Auditors' and Directors' Report thereon.
2. To consider and to appoint a Director in place of Mr. Harish Chandra Gandhi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint and fix remuneration of M/s. JAGDISH SAPRA & CO., CHARTERED ACCOUNTANTS, New Delhi who retires at the conclusion of the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment.

### **SPECIAL BUSINESS:-**

4. To Consider, and if, thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 81 and all other applicable provisions of the Companies Act, 1956 (including any modifications or re-enactments thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the stock exchanges where the Company's shares are listed and subject to any necessary approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India and/or any other appropriate regulatory authorities, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, or sanction, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard), the Company be and is hereby authorized to issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more domestic (Rights Issue) or international offering(s) with or without Green Shoe option, including by way of a qualified institutional placement under Chapter XIII A of the Securities and Exchange Board of India ( Issue of Capital and Disclosure requirements) Guidelines, 2009 ("SEBI Guidelines"), to eligible investors (whether or not such investors are members of the Company, or whether or not such investors are Indian or foreign, including qualified institutional buyers such as public financial institutions, scheduled commercial banks, mutual funds, foreign institutional investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, state industrial development corporations, insurance companies, pension funds and provident funds), whether by way of a public offering or by way of a private placement and whether by way of circulation of an offering circular or placement document or otherwise, securities including equity shares and/or instruments or securities convertible into equity shares of the Company such as Global Depository Receipts and/or American Depository Receipts and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and/or optionally, fully and/or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable/non-detachable warrants and/or warrants with a right exercisable by the warrant holder to subscribe for equity shares, or by anyone or more or a combination of the above model/methods or otherwise, resulting in the issue of up to Rs 23,75,00,000 /- (Rupees Twenty Three Crore Seventy Five Lacs only) equity shares having face value of Rs.1/- each (hereinafter referred to as ("Securities"), amounting to an increase in the paid-up equity share capital of the Company by up to Rs. 33,25,00,000 /- (Rupees Thirty Three Crore Twenty Five Lacs only) to be denominated in Indian rupees or foreign currency, as the case may be, which, at the option of the Company or the holders of the Securities may be surrendered for

the purpose of cancellation against receipt of corresponding number of underlying equity shares of the Company, as the case may be, and such issue and allotment to be made in one or more tranche or tranches, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any terms or combination of terms as are provided in issue of securities of such nature internationally including terms relating to surrender of the Securities for the purposes of cancellation against receipt of the corresponding number of underlying equity shares and the Company be and is hereby authorized to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities in one or more stock exchanges outside India and the listing of equity Shares underlying the Securities in one or more stock exchanges in India."

5. To consider, and if, thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. Ved Prakash Ahuja, who was appointed as an Additional Director under Section 260 of the Act at the meeting of the Board of Directors of the Company held on 11.11.2009, and whose term expires at the ensuing Annual General Meeting of the company on 17th September, 2010, and who has given a notice to the company along with a cash of Rs. 500/- towards deposit signifying his intention to offer his candidature for the appointment as Director of the company at the ensuing Annual General Meeting, be and is hereby appointed as Director 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 Mr. Udayjit Singh, who was appointed as an Additional Director under Section 260 of the Act at the meeting of the Board of Directors of the Company held on 17.03.2010, and whose term expires at the ensuing Annual General Meeting of the company on 17th September, 2010, and who has given a notice to the company along with a cash of Rs. 500/- towards deposit signifying his intention to offer his candidature for the appointment as Director of the company at the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company."

7. To consider, and if, thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the appointment and remuneration of Mr. Udayjit Singh, as Managing Director of the company for a term of five years w.e.f. 17th March, 2010 till 16th March, 2015 at a remuneration as contained hereunder subject to the approval of the Members of the company."

I. **Basic Salary:** Rs. 80,000/- with an increment of 10% of basic salary per annum

II. **Perquisites & Allowances:** Rs. 20,000/-

In addition to the above salary, Mr. Udayjit Singh shall be entitled to the following perquisites:

#### Part-A

Monthly Allowance:-

- |     |                         |   |                               |
|-----|-------------------------|---|-------------------------------|
| (a) | Telephone Allowance     | : | For office use only           |
| (b) | Conveyance allowance    | : | For office use only           |
| (c) | Actual Medical Expenses | : | Upto 3 months of Gross Salary |

Note : For the purpose of perquisites, stated herein above, 'Family' means spouse, the dependent children and dependent parents of the appointee.

**Part B**

Provision of car and telephone at the residence will not be considered as perquisites.

FURTHER RESOLVED THAT the aggregate amount of remuneration payable to Mr. Udayjit Singh in any one financial year will not exceed to Rs 16,00,000/- (Rupees Sixteen lacs only) in any financial year during the above said terms of his appointment and subject to overall ceiling limit laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT Mr. Rajiv Mehta, Company Secretary of the company be and is hereby authorized to take all necessary steps including to sign and execute the papers, documents to be filed in this regard and to do all such acts, deeds, things etc. as he may deem fit to give effect to this resolution."

**By Order of the Board of Directors**

**PLACE: NEW DELHI**  
**DATED: 19.08.2010**

**RAJIV MEHTA**  
**Company Secretary**

**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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTYEIGHT HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the company will remain closed from 15th September, 2010 to 17th September, 2010 (both days inclusive).
3. All documents referred to in the accompanying notice are open for inspection at the registered office of the company during office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
4. All members are requested to make their correspondence relating to the shares in physical and demat to our Share Transfer Agent i.e. Skyline Financial Services Pvt. Ltd. at its office at D-153/A, 1st Floor, Okhla Industrial Area Ph-1, New Delhi - 110020 as and when required.
5. The explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item No. 4, 5 and 6 are annexed herewith.

**Item No. 4.**

The Company is presently engaged in the business of Non Banking Finance Company. The company is now planning to diversify and expand its activities in the field of Infrastructure, Real Estate and Hospitality business which requires long terms funds. In order to meet the funds requirement for execution of the diversification and expansion plan of the company and to strengthen the financial position of the Company by augmenting its long-term resources. It is therefore, proposed to issue such securities resulting in the issue of up to 23,75,00,000 /- (Rupees Twenty Three Crore Seventy Five Lacs only) equity shares on rights basis having face value of Rs.1/- each, amounting to an increase in the paid up capital of the Company by up to Rs. 33,25,00,000 /- (Rupees Thirty Three Crore Twenty Five Lacs only) to be determined by the Board on such terms, in such manner, at such price or prices and at such times as may be considered appropriate by the Board in accordance with SEBI Guidelines and the provisions of the Articles of Association of the Company and the provisions of the Companies Act, 1956.

Section 81 of the Companies Act, 1956 ("the Act") provides, inter alia, that whenever a public company proposes to increase its subscribed capital by further issue/ offer and allotment of shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise by a special resolution. Accordingly, the consent of the members is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Act, authorizing the Board to issue Securities, as stated in the Resolution, which may result in issuance of rights shares of the Company to persons other than the existing members of the Company.



The Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of Securities issued/allotted to them or to the companies/institutions in which any of them is a director or member, if any.

Therefore, the Board of Directors recommends this resolution to be passed by members of the Company as Special Resolution at ensuing AGM.

Item No. 5.

Mr. Ved Prakash Ahuja was appointed as Additional Directors of the company pursuant to Section 260 of the Companies Act, 1956 and whose term of office will be only up to the date of ensuing AGM. He is a Science Graduate, and has overall business experience of 43 years and is eligible to be re-appointed as Director of the company. He has signified his intention under section 257 of the Companies Act, 1956 for his re-appointment as Director of the Company with a cash of Rs. 500/-. His association and continuation as Director of the company would be worthwhile for the organization.

Further, keeping in view his qualifications, experience and expertise, the Board of Directors have decided to recommend his name for re-appointment as Director of the Company at ensuing Annual General Meeting. None of the Directors of your Company is interested in the proposed appointment.

**Item No. 6.**

Mr. Udayjit Singh was appointed as Additional Director of the company pursuant to Section 260 of the Companies Act, 1956 and whose terms of office will be only up to the date of ensuing AGM. He is a MBA from the Wharton Management School, University of Pennsylvania, USA and has 10 years of experience in the Finance and Management and is eligible to be re-appointed as Director of the company. He has signified his intention under section 257 of the Companies Act, 1956 for his re-appointment as Director of the Company with a cash of Rs. 500/-. His association and continuation as Director of the company would be beneficial for the organization.

Further, keeping in view his qualifications, experience and expertise, the Board of Directors have decided to recommend his name for re-appointment as Director of the Company at ensuing Annual General Meeting. Mr. Udayjit Singh is the nephew of Lt. Gen K.C.Taneja PVSM ( Retd.), Director of the company.

**Item No. 7.**

Pursuant to section 269 of the Companies Act, 1956, your company needs to have a whole time director by the name of Managing Director or Manager or Whole Time Director of the Company. The Board, subject to the approval of shareholders in the General Meeting, appointed Mr. Udayjit Singh as Managing Director of the Company effective 17th March, 2010 till 16th March, 2015, for a term of five years on terms and conditions set out in the Resolution. He is an Additional Director in ISF Limited and his association and continuation as a Managing Director of the company would be worthwhile for the organization. He is a MBA from the Wharton Management School, University of Pennsylvania, USA and has an experience of 10 years in the field of Finance & Management and has widely travelled all over the world with a good exposure of international business deals.

The remuneration as set out in the resolution is in accordance with the provisions of Schedule XIII to the Companies Act, 1956. Further, keeping in view his qualifications, experience and expertise, the Board of Directors has decided to appoint him as the Managing Director of the Company for a period of five years subject to the approval of members of the Company in the general meeting at remuneration mentioned in the resolution. Therefore, the Board of Directors recommends this resolution to be passed by members of the Company as Special Resolution at ensuing AGM.

The Board recommends the resolution for approval of Members.

Mr. Udayjit Singh is the nephew of Lt. Gen. K.C.Taneja PVSM (Retd.), Director of the Company.

**By Order of the Board of Directors**

**PLACE: New Delhi**  
**DATED: 19.08.2010**

**RAJIV MEHTA**  
**Company Secretary**

## DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting 22nd Annual Report of the Company alongwith Audited Statement of your accounts for the year ended March 31, 2010.

### FINANCIAL RESULTS

The working results of your company for the year under review may be summarised as under:-

	Year ended 31.03.2010	Year Ended 31.03.2009
		<i>(Rs. In Lacs)</i>
Income	172	192
Profit before depreciation	9	21
Less: Depreciation	7	11
Profit before taxation	2	10
Less: Provision for Taxation Current	1	4
Fringe benefit Tax	0	2
Deferred Tax	0	4
Profit after tax	1	0
Your Directors have made the following appropriations		
To Reserve Fund	0	0
Leaving available	1	0

### DIVIDENDS

Keeping in view uncertain business prospects, the Board of Directors of your Company do not recommend payment of any dividend for the year. The net profit for the year along with brought forward from the previous years of Rs. 234 lacs, is being carried forward to the Balance Sheet.

### REVIEW AND PROSPECTS

During the year under Report, there was slight fall in business resulting in lower Profitability.

The Recovery of loans given for Commercial Vehicles has become increasingly difficult on account of very stringent conditions imposed by the Courts and Reserve Bank of India on the use of Recovery Agencies. NO alternative method has been provided to NBFC's, as in the case of Banks who have been given protection under Securitisation Act, 2002. Therefore, your Company is looking to diversify its business into other areas, such as Hospitality Industry, Infrastructure and Real Estate and Manufacturing. For this purpose the main object clause has been changed to include infrastructure, Hospitality and real Estate

and manufacturing. In order to meet the funds requirement for execution of the aforesaid diversification and expansion plan of the Company, your company is proposing to raise more resources through "Rights Issue." The object clause has been changed and in keeping with the changes of the object clause the name of the company has been changed to ISF Ltd. Your Company will be seeking permission of SEBI to make the "Rights Issue" in the coming year.

## **DEPOSITS**

Your Company decided to repay all the Public Deposits during the year 2009-2010 and took permission of Reserve Bank of India to surrender the License to Accept Public Deposits. All Public Deposits were paid back with Interest by 31.03.2010. The deposits of Rs. 206 Lacs now held as on 31.03.2010 are those of Directors and their relatives.

## **DIRECTORS**

During the year under report, Mr. Amarjit Singh & Mr Vineet Wadhwa, have resigned from the Directorship of Company w.e.f. 17.03.2010 & 11.11.2009 respectively. The Board of Directors have placed on record their contribution towards the progress of the company.

MR. Harish Chandra Gandhi Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Harish Chandra Gandhi is 77 years and he is a Mechanical Engineer. He has an overall experience of about 38 years. In 1993 he retired as Chairman of Public Enterprises Selection Board. Prior to this he was the Secretary and Director General Technical Development, Government of India. He has also served as Chairman and Managing Director of BYS Limited, a holding company of Six public sector engineering companies. He advises us on strategies of managing business operations.

Mr Ved Ahuja and Mr Udayjit Singh appointed as Additional Directors of the Company on 11.11.2009 & 17.03.2010 respectively and whose term is up-to the date of ensuing AGM only, have offered themselves to be re-appointed as Directors of the Company at ensuing AGM. Mr Udayjit Singh is MBA from The Wharton Management School, University of Pennsylvania, USA. He is young and dynamic. He has 10 years of experience in Finance & Management. His association as director of the company would be in the best interest of the company. Mr Ved Ahuja is a popular Public figure in Jaipur and a leading businessman. Therefore, the Board of Directors hereby recommend the re-appointment of Mr Udayjit Singh and Mr Ved Ahuja as Directors.

## **CORPORATE GOVERNANCE REPORT**

Detailed Corporate Governance Report is attached

## **AUDITORS & AUDITOR'S REPORT**

M/s. Jagdish Sapra & Co., Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from the statutory Auditors to the effect that their re-appointment, if made at the ensuing Annual General Meeting, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956

## **PARTICULARS OF EMPLOYEES**

None of the employees is getting remuneration in excess of Rs.24,00,000/- p.a. if employed through out the year or Rs. 2,00,000 p.m., if employed for part of the year.

The Company has nothing to report in respect of Conservation of Energy and Technology Absorption as provided by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1995. Since company is not carrying on any manufacturing activities or having use of energy in substantial quantity.

The company has not earned any foreign exchange during the year.

## **DIRECTORS RESPONSIBILITY STATEMENT IN TERMS OF SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

The Board of Directors of the Company state:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures.
- (ii) That we had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year ended 31.3.2010.
- (iii) That we had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
- (iv) That we had prepared the annual accounts on a going concern basis.

## **ACKNOWLEDGEMENTS**

The Directors acknowledge the continued support and assistance extended by the Banks, Depositors, Automobile Dealers, Hirers and Lessees. The Directors also thank the shareholders for their continued confidence in the company.

Your Directors place on record their appreciation for the dedication and hard work put in by the personnel of the company, whose devotion to duty has been commendable.

**FOR AND ON BEHALF OF THE BOARD**

**PLACE: NEW DELHI  
DATED: 15.07.2010**

**CHAIRMAN**

## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below for the financial year 2009-10.

### 1) Company's Philosophy on code of Corporate Governance

Corporate Governance refer to a combination of regulations, procedures and voluntary practices that enable companies to maximize shareholder's value by attracting financial & human capital and efficient performance.

As a responsible corporate citizen, it is the earnest endeavour of the company to improve its focus on Corporate Governance by increasing accountability & transparency to shareholders, bankers, customers etc.

The Company has complied with the guidelines on Corporate Governance as laid down by the Stock Exchanges.

### 2) Board of Directors

#### Composition

The Board of Directors of the Company has an optimum combination of executive, non-executive and independent directors. The Board comprises of four directors, headed by a non-executive Chairman.

The Company is managed by the Managing Director and three other non-executive directors. The Board of Director approves and reviews strategy and oversees the actions and results of management to ensure that the long term objectives of maximizing profit and enhancing shareholders value are achieved.

The composition and category of directors as on 31.3.2010 is as follows:

Name of the Directors/ Designation	Position	Board Meetings held during the period of Directorship	Board Meetings attended	Whether attended Meetings last AGM	No. of Directorship held in other public limited companies incorporated in India
Mr. Udayjit Singh	Managing Director	1	1	No	NIL
Mr. H.C. Gandhi	Director	6	6	Yes	2
Lt. Gen, K.C. Taneja PVSM (Retd.)	Director	6	6	Yes	NIL
Mr VED AHUJA	Director	2	2	No	NIL

None of the Director is a member of more than ten Board-level committees, or a Chairman of more than five such committees, as required under clause 49 of the Listing Agreement.



## Meetings & Attendance

During the last financial year, the Board of Directors of your Company met at six meetings on April 29 2009, June 29, 2009, July 31, 2009, October 15, 2009 , January 28, 2010 and March 17,2010 Agenda papers alongwith explanatory notes were circulated to the Directors well in advance for each of these meetings. All relevant informations, as per Clause 49 of the Listing Agreement were placed before the Board from time to time.

Remuneration of Directors: Sitting Fees, Salary, Perquisites and Commission.

Name of the Director	Relationship with other Directors	Sitting Fee	Commission on profits	Salary	Perquisites & Allowances	Total
Mr. UDAYJIT SINGH	Nephew of Lt. Gen.K.C. Taneja PVSM (Retd.)	NA	NIL	50000/-	NIL	50000/-
Mr. H.C. Gandhi	None	24,000/-	NIL	NA	NA	24,000/-
Mr. VED AHUJA	None	0		NIL	NA	NA
Lt. Gen. K.C. Taneja PVSM (Retd.)	Uncle of Mr. Udayjit Singh	24,000/-	NIL	NA	NA	24,000/-

Mr. Amarjit Singh who resigned as Managing Director of the Company w.e.f. 17.03.2010 was paid salary / allowances of Rs. 1280647/- during the year

### 33) Committees of the Board

#### Audit Committee

The Audit Committee of the Board of Directors has been constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Committee comprises of three directors, all being non-executive directors. Five Audit Committee Meetings were held during the year on April 29, 2009, June 29, 2009, July 31, 2009, October 15, 2009, and January 28, 2010

Composition of the Audit Committee is as follows:

Name of the Director	Position held in Committee
Mr. H.C. Gandhi	Chairman
Lt. Gen. K.C. Taneja PVSM (Retd.)	Member
Mr. V.P. Ahuja	Member

The Audit Committee of ISF Limited (formerly Inter State Finance Limited) performs the following function:

Oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Reviewing with management the annual financial statement before submission to the Board focusing primarily on:

- Any change in accounting policies and practices.
- Major accounting entries based on exercise of Judgement by management.
- Qualification in draft audit report
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Any related party transaction i.e. transactions with promoters/management their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- Reviewing the adequacy of internal control systems with management, external and internal auditors.
- Reviewing the adequacy of internal audit function and reporting the matter to the Board.
- Reviewing the Company's financial risk management policies.
- Reviewing the findings of internal investigation on suspected fraud or irregularities of failure of internal control systems.

#### **Shareholders' / Investors' Grievance Committee**

The composition of Shareholders' / Investors' Grievance Committee is as follows:-

<b>Name of the Director/ Sr. Executive</b>	<b>Position held in Committee</b>
Lt.Gen. K.C. Taneja PVSM (Retd.)	Chairman
Mr. H.C. Gandhi	Member
Mr. V.P. Ahuja	Member

Share transfer requests received by the Company or by its Registrar and Share Transfer Agents are registered within a period of 30 days from the receipt, if the transfer documents are complete in all respects. The demat requests are normally confirmed within 15 days from the date of receipt.

#### **Remuneration Committee**

The Committee determines Company's Policy on specific remuneration package for executive directors. The Composition of the Committee is as follows:-

<b>Name of the Director</b>	<b>Position held in Committee</b>
Mr. H.C. Gandhi	Chairman
Lt. Gen. K.C. Taneja PVSM (Retd.)	Member
Mr. V.P. Ahuja	Member

#### **4) Management discussion and analysis**

The Annual Report contains matter on management discussion and analysis.

**5) Compliance Officer**

The Board has designated Mr. K.S. Rajput, General Manager as Compliance Officer.

**6) Details of shareholders' complaints received & attended during the year**

Subject	Complaints		
	Received	Attended	Pending
Investors's Complaints	21	21	NIL
<b>TOTAL</b>	<b>21</b>	<b>21</b>	<b>NIL</b>

**7) General Body Meetings**

The last three Annual General Meeting of your Company were held at Institute Hall, K-Block, Som Vihar, R.K. Puram, New Delhi-110 022, as per the following schedule:

Financial Year	Date	Time
2008-09	07.09.2009	10.00 a.m.
2007-08	19.07.2008	11.00 a.m.
2006-07	27.09.2007	11.00 a.m.

**8) Disclosures**
**a) Details of material financial and commercial transactions with related parties**

For detail please refer to the Note No. 13 (b) in schedule 15. Notes to the Accounts are forming part of the Balance Sheet and Profit & Loss Account.

**b) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

There is no material non-compliance or penalties or strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

**c) Disclosures regarding appointment or re-appointment of directors**

According to the Articles of Association of ISF LTD ( Formerly Inter State Finance Limited ), one third of the rotational directors retire by rotation at every annual general meeting of the company. Mr. H.C GANDHI retires at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

Brief particulars of the directors seeking re-appointment are given below:-

Mr. H.C. Gandhi is 77 Years and he is a Mechanical Engineer, He Has an over all experience of about 38 years. In 1993, he retired as Chairman of Public enterprises selection Board. Prior to this he was Secretary and Director General Technical Development, Government of India. He has also served as Chairman and Managing Director of BYS Limited, a holding Company of six public sector engineering Companies. He advises us on strategies of managing business operations.

All the details relating to financial and commercial transactions where directors may have a potential interest are provided to the Board and the interested directors neither participate in the discussions nor do they vote on such matters.

## 9) Means of Communication

### Financial Results

All financial results of the Company are forthwith communicated to all stock exchanges after they are approved and taken on record by the Board of Directors of the Company. Further, the results are published in leading English Dailies like Pioneer and in the regional newspapers.

## 10) Insider Trading Rules

In terms of the provisions of SEBI (Prevention of Insider Trading Regulations) 2002, as amended, the Company has formulated a 'Code of Internal Procedure & Conduct' for prevention of insider trading in shares of the Company. The Code lays down guidelines and advises the designated employees on procedures to be followed and disclosures to be made, while dealing in the shares of ISF LTD (formerly Inter State Finance Limited).

## 11) General Shareholders Information

### Annual General Meeting

Date and Time	:	September 17, 2010 at 11.30 a.m.
Venue	:	Institute Hall, K-Block, R.K. Puram New Delhi-110 022
Financial Calender (tentative)		
Financial Year	:	April - March - 2010-11
Results for the First Quarter	:	End of July, 2010
Results for the Second Quarter	:	End of October, 2010
Results for the Third Quarter	:	End of January, 2011
Annual Results	:	End May, 2011
Date of Book Closure	:	September 15, 2010 to September 17, 2010 (both days inclusive)
Dividend on equity shares	:	NIL
Share Details :-		
Listed at	:	Mumbai & Delhi & Calcutta Stock Exchanges.
Stock Code	:	526859 (Mumbai)
International Security Identification No.	:	INE 973B01018

### Stock Market Data

Last rate quoted on July 14, 2010 is Re 0.65/-.

### Registrar and Share Transfer Agents :

Skyline Financial Services Pvt. Ltd.  
D-153/A, 1st Floor, Okhla Industrial Area Ph-1, New Delhi - 110020  
Ph. : 011-26292680, 82, 83, 84  
Fax : 011-26292681, E-mail : snag@del6.vsnl.in

**Distribution of Shareholdings as on March 31, 2010**

No. of Equity Shares held	No. of Shareholders	%age of	No. of Shares shareholders	%age of shareholding
Upto 500	331	7.57%	84670	0.09%
501-1000	667	15.26%	659062	0.69%
1001-2000	1504	34.40%	2965368	3.12%
2001-3000	426	9.74%	1248546	1.31%
3001-4000	378	8.65%	1503552	1.58%
4001-5000	325	7.43%	1616635	1.70%
5001-10000	423	9.68%	3475526	3.66%
10001-100000	281	6.42%	7158008	7.53%
100001& above	37	0.85%	76288633	80.35%
<b>TOTAL</b>	<b>4372</b>	<b>100.00%</b>	<b>95,000,000</b>	<b>100.00%</b>

**Category of Shareholders as on March 31, 2010.**

Categories	No. of Shares held	Percentage of Shareholding
<b>Promoter's Holding</b>		
1. Indian Promoters, Directors & Relatives :	37074415	39.03
Foreign Promoters :	3690000	3.88
2. Persons acting in concert	NIL	NIL
<b>Sub-Total</b>	40764415	42.91
<b>B. Non-Promoters Holding</b>		
3. Institutional Investors	NIL	NIL
a. Mutual Funds and UTI	NIL	NIL
b. Banking, Financial Institutions/Insurance Companies (Central/State Govt. Institutions Non-government Institutions)	NIL	NIL
c. FII's	NIL	NIL
<b>Sub-Total</b>	NIL	NIL
4. Others	NIL	NIL
a. Private Corporate Bodies	28633134	30.14
b. Indian Public	20602451	21.69
c. NRIs/OCBs	5000000	5.26
<b>Sub-Total</b>	<b>54235585</b>	57.09
<b>Grand-Total</b>	<b>95000000</b>	100.00

Shareholders/Investors : Skyline Financial Services Pvt. Ltd.

Correspondence : D-153/A, 1st Floor, Okhla Industrial Area Ph-1, New Delhi - 110020

**Practicing Chartered Accountant's Certificate on Corporate Governance as required under Clause 49 of the Listing Agreement of ISF Limited (formerly Inter State Finance Limited) with Stock Exchanges.**

The Members

ISF LIMITED (formerly Inter State Finance Limited) ,

We have examined the compliance of conditions of Corporate Governance by ISF Limited (formerly Inter State Finance Limited), for the year ended March 31, 2010, 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 the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of 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 and representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month as at March 31, 2010, against the Company as per the records maintained by the Company.

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

**For JAGDISH SAPRA & CO.  
Chartered Accountants**

**Vipal Kalra  
Chartered Accountant**

**AUDITORS' REPORT**

To the Members,  
ISF LIMITED  
(Formerly Inter State Finance Ltd)

We have audited the attached Balance Sheet of Interstate Finance Limited as at 31st March, 2010, the Profit and Loss Account and the 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 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.

As required by the 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.

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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; on the said date,
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes and Significant Accounting Policies 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 :
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as 31st March, 2010
  - b) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

**For JAGDISH SAPRA & COMPANY  
CHARTERED ACCOUNTANTS**

**PLACE : NEW DELHI  
DATED : 20.04.2010**

**(VIPAL KALRA)  
PARTNER  
M.NO.084583**

**ANNEXURE**

(Referred to in paragraph 3 of Auditors' Report of even date)

- i.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Fixed Assets except those on Lease have been physically verified by the management at the end of the year which in our opinion is reasonable having regard to the size of the Company and the nature of assets. No material discrepancies were noticed on such verification.
  - c) No assets were disposed off during the year. Hence the provision of paragraph 4(i)(c) of the Order are not applicable.
- ii.) As per information and explanations given to us and taking into consideration the nature of business, clauses (ii) (a) regarding physical verification of inventories and its frequency, (ii) (b) regarding procedures of physical verification of inventories and (ii) (c) regarding maintenance of records of inventory and discrepancies noticed on verification between physical stocks and book records are not applicable to the Company.
- iii.
  - a) The company has granted unsecured loans to three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 8842724/- and balance of Rs. 1634191/- was outstanding at the year end.
  - b) In our opinion, the rate of interest and other terms and conditions on which the loans were given to the parties are not prima facie prejudicial to the interest of the company.
  - c) The parties are repaying the principal amount as stipulated and have been regular in repayment of interest.
  - d) There is no overdue amount of loans granted to the companies listed in the Register maintained under section 301 of the Companies Act, 1956.
  - e) The company has taken unsecured loans from a director, thirty four relatives and from two companies covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 65925192/- and balance of Rs. 37972000/- was outstanding at the year end.
  - f) In our opinion, the rate of interest and other terms & conditions of loans taken by the company are not prima facie prejudicial to the interest of the company.
  - g) The company is regular in repayment of principal amount and interest on the above loans.
  - h) There is no overdue amount of loans taken from companies listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of fixed assets. The Company does not undertake any purchases of inventory, sale of goods and services. During the course of our audit we have not come across any continuing failure to correct major weaknesses in internal controls.



- v. a) According to the information & explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that Section.
- b) In our opinion and according to the information and explanations given to us, the loan transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at interest rates which are reasonable having regard to prevailing market rates at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve bank of India, provisions of sections 58A and 58AA of the Companies Act, 1956, relevant provisions of the Act and the Rules framed thereunder in respect of deposits accepted from the public except that liquid assets required to be maintained on the basis of public deposits outstanding on 30.09.2009 for the quarter ended march 2010 were short by Rs 857021/. No order has been passed by the Company Law Board or National Company Law Tribunal or any Court or any other Tribunal.
- vii. In our opinion, the Internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management has been commensurate with the size of the company and nature of its business.
- viii. The provisions of clause (viii) of the Order regarding maintenance of cost records under clause (d) of Sub-Section (1) of Section 209 of the Companies Act, 1956 are not applicable to the Company.
- ix. a) According to the information and explanations given to us and the records of the company examined by us, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax and other material Statutory dues applicable to it. However, according to the information & explanations given to us, the provisions of Employees State Insurance, Sales Tax, Custom Duty & Excise Duty are not applicable to the Company in view of its nature of business.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues applicable to the company as stated above were in arrears as at the last day of the financial year for a period of more than six months from the date they became payable.
- c) According to the books of account and records as produced and examined by us in accordance with the generally accepted auditing practices in India and information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- x. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not obtained any borrowings from any financial institutions or by way of debentures.
- xii. Based on our examination of documents and records and as per information & explanations given to

us, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii. In our opinion the company is not a chit fund or nidhi/mutual benefit fund/society and hence clause (xiii) of the Order is not applicable to the company.
- xiv. In our opinion, the Company has kept proper records of transactions and contracts of dealing or trading in shares and timely entries have been made therein. The shares and other investments have been held by the Company in its own name.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii. According to the information & explanations given to us, no preferential allotment of shares has been made by the company to parties and companies covered in the Register maintained under Section 301 of the Companies Act.
- xix. According to the information & explanations given to us, no debentures have been issued by the company during the year.
- xx. Based on our examination of books and records of the company, no public issue was made by the company during the year.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.

**For JAGDISH SAPRA & CO.  
CHARTERED  
ACCOUNTANTS**

**PLACE : NEW DELHI  
DATED : 20.04.2010**

**(VIPAL KALRA)  
PARTNER  
M.NO.084583**

**ISF LIMITED**  
(Formerly Inter State Finance Limited)  
**BALANCE SHEET AS AT MARCH 31, 2010**

<u>SOURCES OF FUNDS</u>	SCHEDULE	<u>AS AT</u> 31-03-2010 Rs.	<u>AS AT</u> 31-03-2009 Rs.
<b>1. SHAREHOLDERS' FUNDS</b>			
a) Share Capital	1	<b>95,000,000</b>	95,000,000
b) Reserves & Surplus	2	<b>31,858,975</b>	31,808,869
<b>2. LOAN FUNDS</b>			
a) Secured Loans	3	<b>42,019,334</b>	21,351,680
b) Unsecured Loans	4	<b>37,972,000</b>	46,613,000
<b>TOTAL</b>		<b><u>206,850,309</u></b>	<b><u>194,773,549</u></b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>1. FIXED ASSETS</b>	5		
a) Gross Block		<b>40,186,802</b>	39,862,626
b) Less: Depreciation		<b>32,554,927</b>	31,866,476
		<b>7,631,875</b>	7,996,150
c) Add: Lease Equalisation Reserve		<b>3,521,606</b>	3,944,096
d) Net Block		<b>11,153,481</b>	11,940,246
<b>2. INVESTMENTS</b>	6	<b>1,848,772</b>	3,172,600
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>	7		
a) Interest accrued on Investments		<b>39,428</b>	152,710
b) Stock on Hire		<b>115,482,453</b>	127,526,173
c) Sundry Debtors		<b>8,586,910</b>	9,853,530
d) Cash & Bank Balances		<b>2,790,618</b>	11,099,446
e) Loans & Advances		<b>91,325,282</b>	66,064,601
		<b>218,224,691</b>	214,696,460
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	8		
a) Current Liabilities		<b>26,402,606</b>	36,958,319
b) Provisions		<b>892,404</b>	982,500
Net Current Assets		<b>190,929,681</b>	176,755,642
<b>4 DEFERRED TAX ASSETS (NET)</b> (Refer Note No 8 Schedule 14 )	9	<b>2,918,375</b>	2,905,061
<b>TOTAL</b>		<b><u>206,850,309</u></b>	<b><u>194,773,549</u></b>
Notes to the Accounts	14		

**As per our Report of even date  
for JAGDISH SAPRA & CO.  
CHARTERED ACCOUNTANTS**

**PARTNER**

**MANAGING DIRECTOR**

**DIRECTOR**

**COMPANY SECRETARY**

**PLACE : NEW DELHI**

**DATED : 20.04.2010**

**ISF LIMITED**  
**(Formerly Inter State Finance Limited)**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

	SCHEDULE	Year Ended 31-03-2010	Year Ended 31-03-2009
		Rs.	Rs.
<b><u>INCOME</u></b>			
From Financing Operations	10	16686036	19147910
Other Income	11	480119	19599
		17166154	19167510
 <b><u>EXPENDITURE</u></b>			
Personnel, Administration & other Expenses	12	8751364	9694657
Interest & Finance Charges	13	7530678	7392351
Depreciation		688451	1051641
		16970493	18138649
Profit before Tax		195662	1028861
<b>Less : Provision for Taxation</b>			
Current Tax		141000	378000
Deferred tax		(13314)	402341
Fringe Benefit Tax		0	201000
Tax adjustments for earlier years		17870	30680
Profit after Tax		50106	16840
Add : Balance Brought forward		23341369	23328029
Profit available for Appropriation		23391475	23344869
<b><u>APPROPRIATIONS</u></b>			
Transfer to Reserve Fund		10500	3500
Surplus Carried to Balance Sheet		23380975	23341369
		23391475	23344869
Earnings Per Share-Basic and Diluted (Refer Note No 14 Schedule 14)		0.0005	0.0002
Notes to the Accounts	14		

As per our Report of even date  
for JAGDISH SAPRA & CO.  
**CHARTERED ACCOUNTANTS**

**PARTNER**
**MANAGING DIRECTOR**
**DIRECTOR**
**COMPANY SECRETARY**
**PLACE : NEW DELHI**
**DATED : 20.04.2010**

**ISF LIMITED**  
**(Formerly Inter State Finance Limited)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31.03.2010</b>	<b>31.03.2009</b>
Net Profit before tax and Extraordinary items	195662	1028861
Adjustments for :		
Interest paid	<b>6878200</b>	7166398
Interest Received	<b>(5737334)</b>	(6130714)
Depreciation & Lease Equalisation	<b>1110941</b>	1084672
Loss on sale of Long Term Investments	<b>216620</b>	85000
Operating Profit before working capital changes	<b>2664089</b>	<b>3234217</b>
Adjustments for :		
Trade and Other Receivables	<b>(11850373)</b>	(25380953)
Trade Payables	<b>(10645809)</b>	4585937
Interest Paid	<b>(6878200)</b>	(7166398)
Interest Received	<b>5737334</b>	6130714
Direct Tax Paid	<b>(145556)</b>	(1012021)
Net Cash from Operating Activities	<b>A (21118515)</b>	<b>(19608504)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets including capital work in progress	<b>(324176)</b>	(2856788)
Sale of Investments	<b>1107209</b>	990000
Net Cash used in Investing Activities	<b>B 783033</b>	<b>(1866788)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Long Term Borrowings	<b>0</b>	(71424)
Proceeds from Issue of Shares	<b>0</b>	20000000
Net Proceeds of Short Term Borrowings	<b>12026654</b>	3367591
<b>Net Cash flow from Financing Activities</b>	<b>C 12026654</b>	<b>23296167</b>
Net Increase in Cash or Cash Equivalents (A+B+C)	<b>(8308828)</b>	1820875
Cash and Cash Equivalents as at 1st April	<b>11099446</b>	9278571
Cash and Cash Equivalents as at 31st March	<b>2790618</b>	11099446

Notes :

- 1) The above cash flow statement has been prepared under the indirect method as set out in Accounting standard-3 (AS-3) on cash flow statement issued by the Institute of Chartered Accountants of India.
- 2) Figures in brackets represents outflow.

**As per our Report of even date  
for JAGDISH SAPRA & CO.  
CHARTERED ACCOUNTANTS**

**PARTNER**

**MANAGING DIRECTOR**

**DIRECTOR**

**COMPANY SECRETARY**

**PLACE : NEW DELHI**

**DATED : 20.04.2010**

**ISF LIMITED**  
(Formerly Inter State Finance Limited)  
**SCHEDULE TO THE ACCOUNTS**

<b><u>SCHEDULES TO THE ACCOUNTS</u></b>	<b><u>AS AT</u></b> <b><u>31.03.2010</u></b>	<b><u>AS AT</u></b> <b><u>31.03.2009</u></b>
	Rs.	Rs.
<b><u>SCHEDULE 1 : SHARE CAPITAL</u></b>		
<b><u>AUTHORISED</u></b>		
350000000( 300000000) Equity Shares of Re 1/- each	<b><u>350000000</u></b>	<u>300000000</u>
<b><u>ISSUED, SUBSCRIBED &amp; PAID-UP</u></b>		
950,00,000 Equity Shares of Re 1/- each fully paid up in cash.	<b>95000000</b>	95000000
	<b><u>95000000</u></b>	<u>95000000</u>
<b><u>SCHEDULE 2 : RESERVES &amp; SURPLUS</u></b>		
<b>1. GENERAL RESERVE</b>		
As per Last Balance Sheet	<b>1891000</b>	1891000
<b>2. RESERVE FUND</b>		
As per Last Balance Sheet	<b>6576500</b>	6573000
Transferred from Profit & Loss Account	<b>10500</b>	3500
	<b><u>6587000</u></b>	<u>6576500</u>
<b>3. SURPLUS</b>		
As per Profit & Loss Account	<b>23380975</b>	23341369
Annexed	<b>31858975</b>	31808869
<b><u>SCHEDULE : 3- SECURED LOANS</u></b>		
<b><u>CASH CREDIT LOANS</u></b>		
From a scheduled bank- secured by assignment of Lease and Hire Purchase Agreements etc. & guaranteed by some of the Directors in their personal capacities.	<b>42019334</b>	21351680
	<b><u>42019334</u></b>	<u>21351680</u>
<b><u>SCHEDULE : 4- UNSECURED LOANS</u></b>		
<b><u>FIXED DEPOSITS</u></b>		
From Directors	<b>29000</b>	47000
*From Public	<b>20570000</b>	46566000
From a Company	<b>17373000</b>	0
	<b><u>37972000</u></b>	<u>46613000</u>

\*(including Rs.20570000/- from relatives of directors)  
(Previous year Rs. 18406000/-)

**SCHEDULE - 5 : FIXED ASSETS**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		Lease Equilisation Reserve
	As at 01-04-2009	Additions during the year	Sales/Adjustments	As at 31-03-2010	Upto 31.03.2009	For the year	Sales/Adjustments	Upto 31-03-2010	As at 03-2010	As at 31.03.2009	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>ASSETS ON LEASE</b>											
Vehicles	19324171	0	0	19324171	18372318	0	0	18372318	951853	951853	(3988318)
Computers	3080584	0	0	3080584	212606	0	0	212606	2867978	2867978	466711
<b>Total A</b>	<b>22404755</b>	<b>0</b>	<b>0</b>	<b>22404755</b>	<b>18584924</b>	<b>0</b>	<b>0</b>	<b>18584924</b>	<b>3819831</b>	<b>3819831</b>	<b>(3521607)</b>
<b>OTHER ASSETS</b>											
Vehicles	6570656	320776	0	6891432	5323770	310402	0	5634172	1257260	1246886	
Office Equipments	2341704	3400	0	2345104	1259490	110368	0	1369858	975246	1082214	
Furniture & Fixtures	3805950	0	0	3805950	2810244	233931	0	3044175	761775	995706	
Fiat & covered Parking	795616	0	0	795616	173015	12969	0	185984	609632	622601	
Data Processing Equipments	3943945	0	0	3943945	3715033	20781	0	3735814	208131	228912	
<b>Total B</b>	<b>17457871</b>	<b>324176</b>	<b>0</b>	<b>17782047</b>	<b>13281552</b>	<b>688451</b>	<b>0</b>	<b>13970003</b>	<b>3812044</b>	<b>4176319</b>	
<b>Total A+ B</b>	<b>39862626</b>	<b>324176</b>	<b>0</b>	<b>40186802</b>	<b>31866476</b>	<b>688451</b>	<b>0</b>	<b>32554927</b>	<b>7631875</b>	<b>7996150</b>	<b>(3521607)</b>
Previous year	37005838	2856788	0	39862626	30814835	1051641	0	31866476	7996150		(3944096)

	<u>AS AT</u> <u>31-03-2010</u>	<u>AS AT</u> <u>31-03-2009</u>
	Rs.	Rs.
<b><u>SCHEDULE-6: INVESTMENTS -LONG TERM (AT COST)</u></b>		
<b>I) IN GOVT. SECURITIES (Non Trade)</b>		
QUOTED	<u>1848772</u>	<u>3,172,600</u>
	<u>1848772</u>	<u>3,172,600</u>
Aggregate value of Quoted Investments- Market value Rs 1581237 (previous year Rs 2767830)		
<b><u>SCHEDULE-7 : CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>		
<b>A. CURRENT ASSETS</b>		
1) Interest accrued on Investments	<u>39428</u>	<u>152,710</u>
2) Stock on Hire under Hire Purchase Agreements (including unmatured finance charges as per contra)	<u>115482453</u>	<u>127,526,173</u>
3) DEBTORS (Secured- considered good unless otherwise stated)		
<b>(a) Debt outstanding for a period exceeding six months</b>		
Hire Purchase receivables	126700	174,498
<b>(b) Other Debts</b>		
Hire Purchase receivables	8460210	9,192,816
Lease Rent receivables	<u>0</u>	<u>486216</u>
	<u>8586910</u>	<u>9853530</u>
<b>4) CASH &amp; BANK BALANCES ETC.</b>		
(a) Cash/cheques in hand (as certified)	2502426	3,601,076
(b) Balances with scheduled banks		
i) In Fixed Deposits( including Interest accrued )	0	1,857,559
ii) In Current Accounts	<u>288192</u>	<u>5,640,811</u>
	<u>2790618</u>	<u>11099446</u>



	<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
	Rs.	Rs.
<b>B. LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Loans (Including interest accrued)		
Secured	186283	1168055
Unsecured	55137176	44948265
Advances recoverable in cash or in kind or for value to be received and/or adjusted (unsecured)	26984194	10972342
Incidental advances to customers related to hire purchase/Lease	6249880	6249880
Prepaid Expenses	18104	14732
Security Deposits	1281930	1281930
Advance Tax & Tax deducted at Source (Net of provision)	1467715	1429397
	<u>91325282</u>	<u>66064601</u>

**SCHEDULE-8 : CURRENT LIABILITIES AND PROVISIONS**
**CURRENT LIABILITIES**

*Sundry Creditors & Liabilities for Expenses	1554360	1747250
Lease Security Deposits	5353157	5353157
Interest accrued but not due on Loans	978393	1932440
Unmatured Hire Purchase Charges	17332865	27904160
Sundry Advances	1183831	21312
	<u>26402606</u>	<u>36958319</u>

**PROVISIONS**

Fringe Benefit Tax	0	201000
Gratuity	892404	781500
	<u>892404</u>	<u>982500</u>
	<u>27295010</u>	<u>37940819</u>

\* including Rs 4165 ( previous year Rs 555500) due to managing director

**SCHEDULE-9 :DEFERRED TAX ASSETS (Net)**

As per last balance sheet	2905061	3307402
Add/(Less): adjustment for the year	13314	(402341)
	<u>2918375</u>	<u>2905061</u>

	<u>YEAR ENDED</u> <u>31-03-2010</u>	<u>YEAR ENDED</u> <u>31-03-2009</u>
	Rs.	Rs.
<b><u>SCHEDULE-10 : INCOME FROM FINANCING OPERATIONS</u></b>		
<b>A. <u>LEASE INCOME</u></b>		
Lease Rentals (Net of lease equalisation adjustment Rs 422490 ) ( Previous year Rs 33031)	<b>377406</b>	453185
<b>B. <u>HIRE PURCHASE INCOME</u></b>		
Finance Charges	<b>10571295</b>	12228211
<b>C. <u>INTEREST RECEIVED</u></b>		
*Interest Received ( Including Rs195559)/-(Previous year Rs 207408/-on long term investments )	<b>5737334</b>	6130714
Compensation charges lease/ hire purchase	<b>0</b>	335800
	<b><u>16686036</u></b>	<u>19147910</u>
<b><u>SCHEDULE-11 : OTHER INCOME</u></b>		
Profit on sale of Current Investments	<b>0</b>	7468
Exchange Rate Difference	<b>446900</b>	0
Miscellaneous Income	<b>33219</b>	12131
	<b><u>480119</u></b>	<u>19599</u>

\* Income Tax deducted at source Rs 79318/- ( Previous year Rs 280288/-)

	<u>YEAR ENDED</u> <u>31-03-2010</u>	<u>YEAR ENDED</u> <u>31-03-2009</u>
	Rs	Rs
<b><u>SCHEDULE-12 : PERSONNEL ADMINISTRATION &amp; OTHER EXPENSES</u></b>		
Salaries & Bonus	2102835	2183667
Employer's contribution to provident fund	36115	37833
Welfare Expenses	156305	142009
Gratuity	174289	89538
Travelling & Conveyance	298783	742330
Rent	167168	118099
Rates & Taxes	0	14000
Vehicle Upkeep	369325	490914
Miscellaneous Expenses	778068	1995280
Communication Expenses	127524	270889
Electricity Expenses	68406	64174
Insurance	1008439	1014438
Brokerage on deposits	69620	358880
Legal & Professional Charges	682920	1075464
Entertainment	188945	670811
Auditors Remuneration	78556	78556
Directors Sitting Fee	84000	80000
Exchange rate difference	0	142900
Loss on Sale of Long Term Investments	216620	85000
Bad Debts & Miscellaneous Balances Written Off	2117150	0
Repairs & Maintenance - Others	26296	39875
	<u>8751364</u>	<u>9694657</u>
<b><u>SCHEDULE - 13 : INTEREST &amp; FINANCE CHARGES</u></b>		
Bank Charges (net)	652478	225953
<b><u>Interest</u></b>		
On term loans	0	740
On Fixed Deposits	4404106	4921447
On other Loans	2474094	2244211
	<u>7530678</u>	<u>7392351</u>

**SCHEDULE-14 : NOTES TO THE ACCOUNTS****(1) Statement of significant Accounting Policies****a. Basis of Preparation of Financial Statements**

The Financial Statements are prepared under historical cost convention and comply in all material aspects with the applicable accounting principles in India , Accounting Standards notified under Sub Section 3 (C) of Section 211 of the Companies Act 1956 and other relevant provisions of the Companies Act , 1956.

**b. Revenue Recognition**

Revenue is recognised when there is reasonable certainty of its ultimate realization/collection. Prudential norms prescribed by Reserve Bank of India for revenue recognition are followed.

**i) Lease Rentals**

Lease rentals received/receivable under lease agreements are accounted as income net of Lease Equalisation to ensure recognition of Net Income at a constant periodic rate of return on the Net Investment outstanding in the lease as per (AS)-19 on leases. Against the lease rentals a matching annual charge (which represents recovery of the net investment in the leased assets over the lease term) is made to the Profit and Loss Account.

**ii) Hire-Purchase**

Income from Hire Purchase financing is recognised on equated instalment basis.

iii) Dividend Income is accounted when the right to receive the same is established.

iv) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**c. Fixed Assets**

The fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets includes taxes and other identifiable direct expenses.

**d. Depreciation**

Depreciation on Fixed Assets is provided on Straight line Method at the rates and in the manner given in Schedule-XIV (as amended by the Department of Companies Affairs, Government of India on December 16, 1993) to the Companies Act, 1956. In respect of Fixed Assets acquired prior to December 16, 1993 depreciation is provided at the rates applicable prior to the amendment. Assets costing upto Rs. 5000/- each are depreciated fully in the year of purchase. In respect of assets given on lease the company has followed the recommendations of the Institute of Chartered Accountants of India on accounting for leases. No depreciation is provided in respect of assets leased after 01.04.2001 as per Accounting Standard-19 on "Leases".

**e. Stock on Hire**

Stock on hire is valued at cost plus total finance charges and is reduced by the instalments which have matured during the relevant period.

**f. Investments**

Investments are classified into current and long term investments. Long Term Investments are valued at cost. Current Investments are valued at lower of cost and fair value. However, diminution other than temporary is provided. The Profit/Loss arising on account of Sales is recognised in the Profit & Loss Account.

**g. Employee Benefits**

Contribution to Defined Contribution Schemes such as Provident Fund is charged to Profit & Loss Account. Gratuity liability for employees who have completed five years of service is provided for on the basis of actual liability determined by the company. Liability on account of short term employee benefits such as bonus is recognized on an undiscounted accrual basis.

**h. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, if any, are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**i. Taxation**

Provision for current tax is made based on the liability computed in accordance with relevant tax rates and tax laws. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**j. Foreign currency Transactions**

- (a) Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- (b) Loans denominated in foreign currencies at the year end are translated at the rates prevailing as on the date of Balance Sheet and resultant exchange loss/gain, if any, is dealt in the Profit & Loss Account.
- (c) In respect of transactions covered by forward exchange contracts, the difference between exchange rate on the date of the contract and the year end rate/settlement rate is recognized in the profit & loss account. Any premium/discount on forward contract is amortised over the life of the contract. Any profit/loss arising on cancellation or renewal of such a contract is recognized as income or expense for the period.

**k. Provisions & Contingent Liabilities**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation.

A contingent Liability is disclosed after a careful evaluation of the facts and legal aspects of the matter involved where the possibility of an outflow of resources embodying the economic benefits is remote.

**l. Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment of assets. If any such indication exists , impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in books of accounts. In case there is any indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased , the recoverable value is reassessed and the reversal of impairment loss is recognised as income in the profit and loss account

**m. Other Accounting Policies**

These are consistent with generally accepted accounting practices.

**(2) NOTES TO THE ACCOUNTS:**

1. a) Contingent Liabilities for :  
Claims against the company not acknowledged as debts Rs 760550 (Rs 760550 ) (Net of Advances) (Being contested by the company).
- b) In the opinion of the Board, all the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.
2. Loans given, some of the Current Liabilities, Sundry Debtors and Advances are subject to confirmation/reconciliation.

**3. Payment to Auditors:**

	Year Ended 31.03.2010	Year Ended 31.03.2009
	Rs.	Rs.
a) Audit Fee	30,000	30,000
b) Tax Audit Fee	10,000	10,000
c) Limited Audit Review	15,000	15,000
d) Certification & Others	16,220	16,220
e) Service Tax	7,336	8,803

4. The company has created a Reserve Fund of Rs-10500/(previous year Rs.3500) as required under the provisions of Reserve Bank of India (Amendment) Act, 1997.
5. Since the company does not have a substantial number of employees, gratuity liability for eligible employees is provided for on actual basis and not actuarial valuation.

6. A Statement of Investments is detailed below :

	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
<b>A) LONG TERM INVESTMENTS</b>		
In Government Securities (Quoted)-Non Trade		
a) 5000, 7.46% Government of India Securities-2017 (Face Value Rs.100 each)	5,96,500	5,96,500
b) 740 (4500) 7.49% Government of India Securities-2017 (Face Value Rs.100 each) (3760 securities sold during the year)	79,772	4,85,100
c) Nil (2000), 7.39% Government of India Securities-2015 (Face Value Rs.100 each) ( Sold during the year)	0	214300
d) Nil (7000), 6.01% Government of India Securities-2028 (Face Value Rs.100 each) (Sold during the year)	0	704200
e) 10000, 7.37% Government of India Securities-2014 (Face Value Rs.100 each)	1172500	1172500
	<b>1848772</b>	<b>3172600</b>

**7. Details of Managerial Remuneration U/S 198 of the Companies Act, 1956**

	Rs.	Rs.
Salary & Allowances	10,62,000	10,56,000
Gratuity	1,52,885	31,731
Bonus & Ex-gratia	4165	55,000
Monetary Value of perquisites	1,15,762	1,10,687

Note : Telephone facility at residence is not treated as perquisite

**8. Deferred Tax Adjustments**

The break-up of deferred tax (liabilities)/assets into major components as on 31.03.2009 is as under:

<b>Provision for Deferred Tax</b>	As at 01.04.2009 Rs.	Arising during the year Rs.	As at 31.03.2010 Rs.
Timing differences on account of difference between book depreciation/ lease equalisation & depreciation under Income Tax Rules	26,63,578	(20,955)	2642623
Others	2,41,483	34,269	2,75,752
	29,05,061	(10,527)	29,18,375

9. The company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard (AS)-17 dealing with 'Segment Reporting.'

10. The company has assessed its assets for impairment and concluded that there are no impairment losses.

11. Current Assets, Loans & Advances (Schedule-7) include amounts due from :-

	Maximum Balance	As at 31.3.2010
	Rs.	Rs.
i) Private Limited Companies in which the Managing Director of the Company is interested as Director	5846301 (7851001)	5219301 (5044209)

12. As per AS(15) Revised on Employee Benefits details of expenses for the year ended 31.03.2010 are given as under:-

i. Provident Fund (Defined contribution plan) Disclosed in Profit & Loss Account as Employer's contribution to provident Fund	36,115	(37,833)
ii. Gratuity- Non funded	174289	89,538

13. Related Party Disclosures under Accounting Standard (AS)-18

a) List of related Parties (As identified by the Management)

i) Associates : ISF Securities Ltd.,  
Paradigm Sourcing Solutions Pvt. Ltd.

ii) Enterprises owned or significantly influenced by Key Management

Personnel or their relatives : ISF Services Pvt. Ltd.  
ISF Commodity Pvt. Ltd.  
Spice Towers & Resorts Ltd  
Simbal Builders Pvt. Ltd.  
Simka Hotels & Resorts Pvt. Ltd.

iii) Key Management Personnel & their relatives

Managing Director : Mr. Udayjit Singh, w.e.f. 17.03.2010  
Relatives : Mrs. Amarjit Singh till 17.03.2010  
Mrs. Simbal Singh, Mr. R.N. Grover (deceased on 20th  
May 2009) Priya Khanna.



(In Rupees)

Type of Related Party		Description of the nature of the transactions	Volume of transactions for the year ended 31.3.2010	Amount Outstanding as at 31.3.2009	
				Receivable	Payable
Associates	i)	Loans given	0 (273612)	0 (0)	0 (0)
	ii)	Advance given	14400000 (26700000)	0 (0)	0 (0)
	iii)	Fixed Assets Purchased	320776 (0)	0 (0)	0 (0)
	iv)	Interest Income on Loans given	0 (4667)	0 (0)	0 (0)
Enterprises owned or significantly Influenced by Key Management Personnel & their Relatives	v)	Profit/(Loss) on sale of Long Term/current investment/futures	30451 (7468)	0 (0)	0 (0)
	i)	Loans given	570000 (6237412)	1634191 (7299776)	0 (0)
	ii)	Interest Income on Loan given	232092 (740856)	232092 (740856)	0 (0)
	iii)	Loan Taken	46200000 (5000000)	0 (0)	17373000 (0)
Key Management personnel & their relatives	iv)	Advance given	0 (3585110)	3585110 (3585110)	0 (0)
	i)	Interest paid /accrued on deposits	495000 (496980)	0 (0)	0 (37303)
	ii)	Managerial remuneration	As per Note No. 7 above	0 (0)	4165 (555500)
	iii)	Sitting Fees to Directors	84000 (80000)	0 (0)	0 (0)

14. Earning per share (EPS)	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
- Profit after tax as per Profit & Loss Account (A)	50106	16840
- Basic/Weighted Average Number of Equity Shares outstanding (B)	9500000	91767123
- Nominal value of equity shares	Re.1/- each	Re.1/- each
- Basic/Diluted Earnings per share (A)/(B)	0.0005	0.002



**SCHEDULE TO THE BALANCE SHEET OF A  
NON-BANKING FINANCIAL COMPANY**

(As required in terms of paragraph 9BB of Non-Banking Financial Companies  
Prudential Norms (Reserve Bank) Directions, 1998)

**(Rs. In Lakhs)**

**Liabilities side :**

<b>1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid</b>	Amount outstanding	Amount Overdue
(a) Debentures : Secured	NIL	NIL
: Unsecured		
: (Other than falling within the meaning of public deposit)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits	NIL	NIL
(g) Other Loans (specify nature)	NIL	NIL
Please see Note 1 below		
<b>(2) Break-up of (1) (f) above (Outstanding public deposit inclusive of interest accrued thereon but not paid).</b>		
(a) In the form of unsecured debentures	NIL	NIL
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	NIL	NIL
(c) Other Public Deposits	NIL	NIL



2. Unquoted :

(i) Share : (a) Equity	NIL	NIL
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Other (Please specify)	NIL	NIL

Long Term Investments :

1. Quoted :

(i) Share : (a) Equity	NIL	NIL
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	18	NIL
(v) Other (Please specify)	NIL	NIL

2. Unquoted :

(i) Share : (a) Equity	NIL	NIL
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	0	NIL
(v) Other (Please specify)	NIL	NIL

6 Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

Please see note 2 below

Category	Amount net of provision		Total
	Secured	Unsecured	
1. Related Parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL

2.	Other than related parties	1135	622	1757
	Total	1135	622	1757

- (7) Investor group-wise classification of all Investments (current and long term) in Shares and Securities (both quoted and Unquoted) :

Please see note 3 below

	Category	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1.	Related Parties		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties	NIL	NIL
2.	Other than related parties		
	Total	NIL	NIL

As per Accounting Standard of ICAI (Please see Note 3)

- (8) Other Information

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
(ii)	Net Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related Parties	NIL
(iii)	Assets acquired in satisfaction of debt.	NIL

**Note :**

- 1 As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3. All accounting Standards and Guidance Notes issued by ICAI are applicable including for investments and other assets as also assets acquired for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

**BALANCE SHEET ABSTRACT AND COMPANY'S  
GENERAL BUSINESS PROFIT AS PER  
SCHEDULE VI, PART (IV) OF THE COMPANIES ACT. 1956**

<b>1. Registration Details</b>	
Registration No.	76648
State Code	55
Balance Sheet Date	31-03-2010
<b>II. Capital raised during the year</b> (amount Rs. In Thousand)	
Public Issue (Calls in Arrears Recovered)	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III. Position of Mobilisation and Deployment of Funds (amount Rs. in Thousand)</b>	
Total Liabilities	23415
Total Assets	23415
<b>Sources of Funds</b>	
Paid-up Capital	95000
Reserve & Surplus	31859
Secured Loans	42019
Unsecured Loans	37972
<b>Application of Funds</b>	
Net Fixed Assets	11153
Investments	1849
Net Current Assets	190929
Miscellaneous Expenditure	0
Accumulated Losses	NIL
<b>IV. Performance of the Company</b> (Amount Rs. in Thousand)	
Total Income	17166
Total Expenditure	16970
Profit before Tax	196
Profit after Tax	50
Earning per share (Rs.)	0.0005
Divident Rate (%)	NIL
<b>V. General Names of Three Pricipal Products/Services of the Company</b> (as per monetary terms)	N.A.
Item Code No. Leasing and Hire Purchase Finance	

For and on behalf of the board

PLACE : NEW DELHI  
DATED : 20-04-2010

MANAGING DIRECTOR

COMPANY SECRETARY



**ISF LIMITED**

(Formerly Inter State Finance Limited)  
111, Dayanand Road, Darya Ganj, New Delhi - 110002

Regd. Folio No.....



**ATTENDANCE SLIP**

NAME & ADDRESS OF THE MEMBER  
(IN BLOCK LETTERS)

NO. OF SHARES HELD

NAME OF PROXY :  
(If applicable)

I hereby record my presence at the TWENTY TWO ANNUAL GENERAL MEETING of the company being held on Friday, 17 September 2010 at 11.30 A.M. in Institute Hall, K- Block, Som Vihar, R. K. Puram, New Delhi - 110022

Signature of Member/Proxy



**ISF LIMITED**

(Formerly Inter State Finance Limited)  
111, Dayanand Road, Darya Ganj, New Delhi - 110002

**PROXY FORM**

I/We ..... of .....

appoint ..... of .....

or failing him/her ..... of .....

vote for me/us, and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Friday, 17 September 2010.

In WITNESS my/our hand this ..... day of ..... 2010.

Signed by the said

Folio No.....

Signature

Note : This Proxy must be deposited at the Registered Office of the Company 111, Dayanand Road, Daryaganj, New Delhi-110002, not less than 48 hours before the time of holding of the meeting.

MEMBERS' PROXY HOLDERS ATTENDING THE ANNUAL GENERAL MEETING OF THE COMPANY ON FRIDAY, 17TH SEPTEMBER 2010 ARE REQUESTED TO NOTE THAT NO GIFT/COUPONS SHALL BE DISTRIBUTED