



ISF LIMITED

K-10, Som Vihar, R.K. Puram, New Delhi - 110022

NOTICE 23rd ANNUAL GENERAL MEETING

NOTICE is hereby given that 23rd Annual General Meeting of the members of M/s. ISF Limited will be held on 26th September 2011 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, 2011 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 Lt. Gen. K. C. Taneja, PVSM (Retd.), 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 an Ordinary Resolution:-

"RESOLVED THAT Mr. Amarjit 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 08.08.2011, and whose term expires at the ensuing Annual General Meeting of the company on 26th September, 2011, 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."

"FURTHER RESOLVED THAT Mr. Udayjit Singh, Managing Director of the Company Mr. Ved Prakash Ahuja, Director of the Company be and are hereby authorized jointly or severally to execute all necessary documents, file Form No. 32 and other necessary forms relating to the appointment of Mr. Amarjit Singh as a Directors with the Registrar of Companies, NCT of Delhi & Haryana."

FURTHER RESOLVED THAT CS. K. K. Singh, Managing Partner of M/s. K. K. Singh & Associates, Company Secretaries, be and is hereby authorised to do all the acts, to prepare any sort of documents, filling, filing and precertification of the relevant forms with the Registrar of Companies, NCT of Delhi & Haryana to ensure the compliance of the same."

By Order of the Board of Directors

PLACE: NEW DELHI
DATED: 20.08.2011

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 23rd September, 2011 to 26th September, 2011 (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-153A, Okhla Industrial Area, Phase-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 is annexed herewith.

Explanatory Statement as per the Section 173 of The Companies Act , 1956

Item No. 4.

Mr. Amarjit Singh was appointed as Additional Directors 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 Graduate, has 45 years of Experience in the Financial Sector, 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 has 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.

By Order of the Board of Directors

PLACE: New Delhi
DATED: 20.08.2011

RAJIV MEHTA
Company Secretary

DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting 23rd Annual Report of the Company alongwith Audited Statement of your accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

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

(Rs. In Lacs)

	Year ended 31.03.2011	Year Ended 31.03.2010
Income	141	172
Profit before depreciation	9	9
Less: Depreciation	7	7
Profit before taxation	2	2
Less: Provision for Taxation Current	1	1
Fringe benefit Tax	0	0
Deferred Tax	1	0
Profit after tax	1	1
Your Directors have made the following appropriations		
To Reserve Fund	0	0
Leaving available	1	1

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 has discontinued financing of commercial vehicles. Your Company is in the process of approaching Banks for Credit Facilities to lend

against gold. With our excellent track record with the Banks, we are hopeful of getting reasonable credit facilities from Banks to undertake lending against gold and gold ornaments.

DEPOSITS

The deposits of Rs. 158 Lacs held as on 31.03.2011 are those of Directors and their relatives only.

DIRECTORS

Lt. Gen. K. C. Taneja PVSM (Retd.), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Lt. Gen. Taneja retired from the Army after 40 years of meritorious service and is a highly decorated soldier. His association as Director of the Company would be in the best interest of the Company.

Mr. Amarjit Singh, was appointed as Additional Director of the Company on 08.08.2011, and whose term is up to the date of the ensuing AGM only. He has offered to be reappointed as Director of the Company at the ensuing AGM. Mr. Singh, who is 70 years old, has 45 years of experience in the Financial sector. His association as Director of the Company would be in the best interest of the Company

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 Sector 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 31.3.2011.
- (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 : 08.08.2011**

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 2010-11..

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 endeavor 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 31.3.2011 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	5	5	Yes	1
Lt. Gen. K.C. Taneja (PVSM (Retd.))	Director	5	5	Yes	NIL
Mr. H.C. Gandhi PVSM (Retd.)	Director	5	5	Yes	2
Mr VED AHUJA	Director	5	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 five meetings on April 20 2010, July 15, 2010, September 17, 2010, November 09, 2010 ,and February 10,2011. 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	12,00,000/-	NIL	12,00,000/-
Mr. H.C. Gandhi	None	16,000/-	NIL	NA	NA	16,000/-
Mr. VED AHUJA	None	8000/-		NIL	NA	8000/-
Lt. Gen. K.C. Taneja PVSM (Retd.)	Uncle of Mr. Udayjit Singh	16,000/-	NIL	NA	NA	16,000/-

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.

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. Four Audit Committee Meetings were held during the year on April 20,2010, July 15, 2010, November 09, 2010 and February 09, 2011.

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 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 of 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:-

Name of the Director/ Sr. Executive	Position held in Committee
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:-

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

4) Management discussion and analysis

The Annual Report contains matter on management discussion and analysis.

5) Compliance Officer

The Board has designated Mr. Rajiv Mehta Company Secretary as Compliance Officer

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

Subject	Complaints		
	Received	Attended	Pending
Investors's Complaints	18	18	NIL
TOTAL	18	18	NIL

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
2009-10	27.09.2010	10.30 a.m.
2008-09	07.09.2009	10.00 a.m.
2007-08	19.07.2008	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 one third of the rotational directors retire by rotation at every annual general meeting of the company. Lt. Gen. K. C. Taneja PVSM (Retd.), 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:-

Lt. Gen. Taneja retired from the Army after 40 years of meritorious service and is a highly decorated soldier.

Mr. Amarjit Singh, was appointed as Additional Director of the Company on 08.08.2011, and whose term is up to the date of the ensuing AGM only. He has offered to be reappointed as Director of the Company at the ensuing AGM. Mr. Singh, who is 70 years old, has 45 years of experience in the Financial sector.

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 voted 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.

11) General Shareholders Information

Annual General Meeting

Date and Time : September 26, 2011 at 11.30 a.m.
 Venue : Institute Hall, K-Block,
 R.K. Puram New Delhi-110 022

Financial Calender (tentative)

Financial Year : April - March - 2011-12
 Results for the First Quarter : Mid of August, 2011
 Results for the Second Quarter : Mid of November, 2011
 Results for the Third Quarter : Mid of February, 2012
 Annual Results : End May, 2012

Date of Book Closure : September 23, 2011 to
 September 26, 2011
 (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 August 01, 2011 is Re 0.68/-.

Registrar and Share Transfer Agents :

Skyline Financial Services Pvt. Ltd.
 246 1st floor, Sant Nagar East of Kailash
 New Delhi-110065
 Ph. : 011-26292680
 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	396	8.93%	89903	0.09%
501-1000	693	15.63%	682995	0.72%
1001-2000	1499	33.81%	2947567	3.10%
2001-3000	415	9.36%	1211785	1.28%
3001-4000	374	8.44%	1487093	1.57%
4001-5000	319	7.19%	1589629	1.67%
5001-10000	413	9.31%	3389257	3.57%
10001 & above	302	6.81%	48378135	50.92%
100001& above	23	.052%	35223636	37.08%
TOTAL	4434	100.00%	95,000,000	100.00%

Category of Shareholders as on March 31, 2010.

Categories	No. of Shares held	Percentage of Shareholding
Promoter's Holding		
1. Indian Promoters, Directors & Relatives :	37074415	39.03
Foreign Promoters :	3690000	3.88
2. Persons acting in concert	NIL	NIL
Sub-Total	40764415	42.91
B. Non-Promoters Holding	NIL	NIL
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. FIs	NIL	NIL
Sub-Total	NIL	NIL
4. Others	NIL	NIL
a. Private Corporate Bodies	28998469	30.53
b. Indian Public	20237116	21.30
c. NRIs/OCBs	5000000	5.26
Sub-Total	54235585	57.09
Grand-Total	95000000	100.00

Shareholders/Investors : Skyline Financial Services Pvt. Ltd.
Correspondence : 246 1st floor, Sant Nagar East of Kailash, New Delhi-110065

Practicing Company Secretary's Certificate on Corporate Governance as required under Clause 49 of the Listing Agreement of Inter State Finance Limited with Stock Exchanges.

The Members

ISF LIMITED

We have examined the compliance of conditions of Corporate Governance by Inter State Finance Limited, for the year ended March 31, 2011, 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, 2011, 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

We have audited the attached Balance Sheet of ISF Limited as at 31st March, 2011, 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; 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 at 31st March, 2011
 - 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
FIRM REGISTRATION NO.001378N
CHARTERED ACCOUNTANTS

NEW DELHI.
DATED : 30-05-2010

(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 two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2535684/- and balance of Rs. 2535684/- 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, twenty seven 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. 5,87,25,000/- and balance of Rs. 1,32,60,000/- 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, as the company does not hold any deposits other than from directors and relatives of directors, the provisions of Sections 58A and 58AA of the Companies Act, 1956, other relevant provisions of the Act and the Rules framed thereunder in respect thereof are not applicable to the company as the company does not hold any deposits other than from directors and relatives of directors.
- 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 & COMPANY
FIRM REGISTRATION NO.001378N
CHARTERED ACCOUNTANTS**

**NEW DELHI.
DATED : 30-05-2010**

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



ISF LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

<u>SOURCES OF FUNDS</u>	SCHEDULE	AS AT	AS AT
		31-03-2011	31-03-2010
		Rs.	Rs.
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	95,000,000	95,000,000
b) Reserves & Surplus	2	31,911,473	31,858,975
2. LOAN FUNDS			
a) Secured Loans	3	30,076,753	42,019,334
b) Unsecured Loans	4	15,760,000	37,972,000
TOTAL		172,748,226	206,850,309
APPLICATION OF FUNDS			
1. FIXED ASSETS	5		
a) Gross Block		41,363,331	40,186,802
b) Less: Depreciation		33,241,990	32,554,927
		8,121,341	7,631,875
c) Add: Lease Equalisation Reserve		3,032,216	3,521,606
d) Net Block		11,153,557	11,153,481
2. INVESTMENTS	6	-	1,848,772
3. CURRENT ASSETS, LOANS & ADVANCES	7		
a) Interest accrued on Investments		-	39,428
b) Stock on Hire		78,270,271	115,482,453
c) Sundry Debtors		7,216,480	8,586,910
d) Cash & Bank Balances		1,187,455	2,790,618
e) Loans & Advances		93,044,509	91,325,282
		179,718,715	218,224,691
LESS: CURRENT LIABILITIES & PROVISIONS	8		
a) Current Liabilities		20,684,748	26,402,606
b) Provisions		295,038	892,404
Net Current Assets		158,738,929	190,929,681
4 DEFERRED TAX ASSETS (NET) (Refer Note No 8 Schedule 14)	9	2,855,739	2,918,375
TOTAL		172,748,226	206,850,309
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 : 30-05-2011

ISF LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	SCHEDULE	Year Ended 31-03-2011	Year Ended 31-03-2010
		Rs.	Rs.
<u>INCOME</u>			
From Financing Operations	10	14054423	16686036
Other Income	11	77	480119
		14054500	17166154
<u>EXPENDITURE</u>			
Personnel, Administration & other Expenses	12	6633705	8751364
Interest & Finance Charges	13	6536598	7530678
Depreciation		687063	688451
		13857366	16970493
Profit before Tax		197133	195662
Less : Provision for Taxation			
Current Tax		82000	141000
Deferred tax		62636	(13314)
Tax adjustments for earlier years		0	17870
Profit after Tax		52497	50106
Add : Balance Brought forward		23380975	23341369
Profit available for Appropriation		23433473	23391475
<u>APPROPRIATIONS</u>			
Transfer to Reserve Fund		11000	10500
Surplus Carried to Balance Sheet		23422473	23380975
		23433473	23391475
Earnings Per Share-Basic and Diluted (Refer Note No 14 Schedule 14)		0.0006	0.0005
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 : 30-05-2011

ISF LIMITED

SCHEDULE TO THE ACCOUNTS

<u>SCHEDULES TO THE ACCOUNTS</u>	<u>AS AT</u> <u>31.03.2011</u>	<u>AS AT</u> <u>31.03.2010</u>
<u>SCHEDULE 1 : SHARE CAPITAL</u>	Rs.	Rs.
<u>AUTHORISED</u>		
350000000(350000000) Equity Shares of Re 1/- each	<u>350000000</u>	<u>350000000</u>
<u>ISSUED, SUBSCRIBED & PAID-UP</u>		
950,00,000 Equity Shares of Re 1/- each fully paid up in cash.	<u>95000000</u>	<u>95000000</u>
	<u>95000000</u>	<u>95000000</u>
<u>SCHEDULE 2 : RESERVES & SURPLUS</u>		
1. GENERAL RESERVE		
As per Last Balance Sheet	1891000	1891000
2. RESERVE FUND		
As per Last Balance Sheet	6587000	6576500
Transferred from Profit & Loss Account	11000	10500
	<u>6598000</u>	<u>6587000</u>
3. SURPLUS		
As per Profit & Loss Account	<u>23422473</u>	<u>23380975</u>
Annexed	<u>31911473</u>	<u>31858975</u>
<u>SCHEDULE : 3- SECURED LOANS</u>		
<u>CASH CREDIT LOANS</u>		
From a scheduled bank- secured by assignment of Lease and Hire Purchase Agreements etc. & guaranteed by some of the Directors in their personal capacities.	0	42019334
<u>Term Loans from Banks</u>		
Secured against hypothecation of vehicle	853936	0
Secured by assignment of Lease and Hire Purchase Agreements etc.	29222817	0
	<u>30076753</u>	<u>42019334</u>
<u>SCHEDULE : 4- UNSECURED LOANS</u>		
<u>FIXED DEPOSITS</u>		
From a Director	29000	29000
From Relatives of Directors	13123000	20570000
From Companies	2608000	17373000
	<u>15760000</u>	<u>37972000</u>

ISF LIMITED

SCHEDULE - 5 : FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			Lease Equisation Reserve	
	As at 01-04-2010	Additions during the year	Sales/Adjustments	As at 31-03-2011	Upto 31-03-2010	For the year	Sales/Adjustments	Upto 31-03-2011	As at 31-03-2011		As at 31-03-2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.
<u>ASSETS ON LEASE</u>											
Vehicles	19324171	0	0	19324171	18372318	0	0	18372318	951853	951853	(3988318)
Computers	3080584	0	0	3080584	212606	0	0	212606	2867978	2867978	956102
Total A	22404755	0	0	22404755	18584924	0	0	18584924	3819831	3819831	(3032216)
<u>OTHER ASSETS</u>											
Vehicles	6891432	1176529	0	8067961	5634172	326686	0	5960858	2107103	1257260	
Office Equipments	2345104	0	0	2345104	1369858	106968	0	1476826	868278	975246	
Furniture & Fixtures	3805950	0	0	3805950	3044175	229506	0	3273681	532269	761775	
Flat & covered Parking	795616	0	0	795616	185984	12969	0	198953	596663	609632	
Data Processing Equipments	3943945	0	0	3943945	3735814	10934	0	3746748	197197	208131	
Total B	17782047	1176529	0	18958576	13970003	687063	0	14657066	4301510	3812044	(3032216)
Total A+ B	40186802	1176529	0	41363331	32554927	687063	0	33241990	8121341	7631875	(3032216)
Previous year	39862626	324176	0	40186802	31866476	688451	0	32554927	7631875		(3521606)

	<u>AS AT</u> <u>31-03-2011</u>	<u>AS AT</u> <u>31-03-2010</u>
	Rs.	Rs.
<u>SCHEDULE-6: INVESTMENTS -LONG TERM (AT COST)</u>		
I) IN GOVT. SECURITIES (Non Trade)		
QUOTED	<u>0</u>	1,848,772
	<u>0</u>	<u>1,848,772</u>
Aggregate value of Quoted Investments- Market value Rs NIL (previous year Rs 1581237)		
<u>SCHEDULE-7 : CURRENT ASSETS, LOANS & ADVANCES</u>		
A. CURRENT ASSETS		
1) Interest accrued on Investments	<u>0</u>	<u>39,428</u>
2) Stock on Hire under Hire Purchase Agreements (including unmatured finance charges as per contra)	<u>78270271</u>	<u>115,482,453</u>
3) DEBTORS (Secured- considered good unless otherwise stated)		
(a) Debt outstanding for a period exceeding six months		
Hire Purchase receivables	268100	126,700
(b) Other Debts		
Hire Purchase receivables	<u>6948380</u>	<u>8,460,210</u>
	<u>7216480</u>	<u>8586910</u>
4) CASH & BANK BALANCES ETC.		
(a) Cash/cheques in hand (as certified)	1187455	2,502,426
(b) Balances with scheduled banks		
In Current Accounts	<u>0</u>	<u>288,192</u>
	<u>1187455</u>	<u>2790618</u>

	<u>AS AT</u> <u>31.03.2011</u>	<u>AS AT</u> <u>31.03.2010</u>
	Rs.	Rs.
B. LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Loans (Including interest accrued)		
Secured	1132227	186283
Unsecured	66959485	55137176
Advances recoverable in cash or in kind or for value to be received and/or adjusted	16794576	25587094
Incidental advances to customers related to hire purchase/Lease	3800880	6249880
Prepaid Expenses	1431467	1415204
Security Deposits	1281930	1281930
Advance Tax & Tax deducted at Source (Net of provision)	1643945	1467715
	<u>93044509</u>	<u>91325282</u>

SCHEDULE-8 : CURRENT LIABILITIES AND PROVISIONS
CURRENT LIABILITIES

*Sundry Creditors & Liabilities for Expenses	3794672	1554360
Lease Security Deposits	5353157	5353157
Interest accrued but not due on Loans	945244	978393
Unmatured Hire Purchase Charges	10229052	17332865
Sundry Advances	362623	1183831
	<u>20684748</u>	<u>26402606</u>

PROVISIONS

Gratuity	295038	892404
	<u>295038</u>	<u>892404</u>
	<u>20979786</u>	<u>27295010</u>

* including Rs 100000 (previous year Rs 4165) due to managing director

SCHEDULE-9 :DEFERRED TAX ASSETS (Net)

As per last balance sheet	2918375	2905061
Add/(Less): adjustment for the year	(62636)	13314
	<u>2855739</u>	<u>2918375</u>

	<u>YEAR ENDED</u> <u>31-03-2011</u>	<u>YEAR ENDED</u> <u>31-03-2010</u>
	Rs.	Rs.
<u>SCHEDULE-10 : INCOME FROM FINANCING OPERATIONS</u>		
A. <u>LEASE INCOME</u>		
Lease Rentals (Net of lease equalisation adjustment Rs 489390) (Previous year Rs 422490)	310506	377406
B. <u>HIRE PURCHASE INCOME</u>		
Finance Charges	7103813	10571295
C. <u>INTEREST RECEIVED</u>		
*Interest Received (Including Rs21396)/-(Previous year Rs 195559/-on long term investments)	6640104	5737334
	<u>14054423</u>	<u>16686036</u>

SCHEDULE-11 : OTHER INCOME

Exchange Rate Difference	0	446900
Miscellaneous Income	<u>77</u>	<u>33219</u>
	<u>77</u>	<u>480119</u>

* Income Tax deducted at source Rs 181226/- (Previous year Rs 79318/-)

	<u>YEAR ENDED</u> <u>31-03-2011</u>	<u>YEAR ENDED</u> <u>31-03-2010</u>
	Rs	Rs
<u>SCHEDULE-12 : PERSONNEL,ADMINISTRATION & OTHER EXPENSES</u>		
Salaries & Bonus	2564817	2102835
Employer's contribution to provident fund	28488	36115
Welfare Expenses	209041	156305
Gratuity	20582	174289
Travelling & Conveyance	41725	298783
Rent	105522	167168
Rates & Taxes	27575	0
Vehicle Upkeep	160462	369325
Miscellaneous Expenses	250925	778068
Communication Expenses	70647	127524
Electricity Expenses	14391	68406
Insurance	18869	1008439
Brokerage on deposits	0	69620
Legal & Professional Charges	272343	682920
Entertainment	4392	188945
Auditors Remuneration	78556	78556
Directors Sitting Fee	40000	84000
Loss on Sale of Long Term Investments	268418	216620
Bad Debts & Miscellaneous Balances Written Off	2449000	2117150
Repairs & Maintenance - Others	7952	26296
	<u>6633705</u>	<u>8751364</u>
<u>SCHEDULE - 13 : INTEREST & FINANCE CHARGES</u>		
Bank Charges (net)	660866	652478
<u>Interest</u>		
On term loans	1351540	0
On Fixed Deposits	1729445	4404106
On other Loans	2794747	2474094
	<u>6536598</u>	<u>7530678</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. 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 31.03.2011	Year Ended 31.03.2010
	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	7,336

4. The company has created a Reserve Fund of Rs-11000/(previous year Rs.10500/-) 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 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
A) LONG TERM INVESTMENTS		
<u>In Government Securities (Quoted)-Non Trade</u>		
a) 5000, 7.46% Government of India Securities-2017 (Face Value Rs.100 each) (Sold during the year)	0	5,96,500
b) NIL (740), 7.49% Government of India Securities-2017 (Face Value Rs.100 each) (Sold during the year)	0	79,772
c) NIL (10000), 7.37% Government of India Securities-2014 (Face Value Rs.100 each) (Sold during the year)	0	11,72,500
	<u>0</u>	<u>18,48,772</u>

7. (a) Details of Managerial Remuneration U/S 198 of the Companies Act, 1956

	Rs.	Rs.
Salary & Allowances	12,00,000	10,62,000
Gratuity	0	1,52,885
Bonus & Ex-gratia	0	4165
Monetary Value of perquisites	1,95,494	1,15,762

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 31.03.2011 is as under:

Provision for Deferred Tax	As at 01.04.2010 Rs.	Arising during the year Rs.	As at 31.03.2011 Rs.
Timing differences on account of difference between book depreciation/ lease equalisation & depreciation under Income Tax Rules	2642623	121949	2764572
Others	275752	(184585)	91167
	<u>2918375</u>	<u>(62636)</u>	<u>2855739</u>

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 31.3.2011
	Rs.	Rs.
i) Private Limited Companies in which the Managing Director of the Company is interested as Director	5395794 (5846301)	5395794 (5219301)

12. As per AS(15) Revised on Employee Benefits details of expenses for the year ended 31.03.2011 are given as under:-

i. Provident Fund (Defined contribution plan) Disclosed in Profit & Loss Account as Employer's contribution to provident Fund	28488 (36115)	Rs. (36115)
ii. Gratuity- Non funded	20582	(174289)

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.
Spice Towers & Resorts Ltd
Simbal Builders Pvt. Ltd.
Simka Hotels & Resorts Pvt. Ltd.

iii) Key Management Personnel & their relatives

Managing Director : Mr. Udayjit Singh
Relatives : Mrs. Simbal Singh, Mr. Amarjit Singh
Priya Khanna.

b) Transactions with related Parties.

(In Rupees)

Type of Related Party		Description of the nature of the transactions	Volume of transactions for the year ended 31.3.2011	Amount Outstanding as at 31.3.2010	
				Receivable	Payable
Associates	i)	Loans given	0 (0)	0 (0)	0 (0)
	ii)	Advance given	0 (14400000)	1009675 (0)	0 (0)
	iii)	Fixed Assets Purchased	0 (320776)	0 (0)	0 (0)
	iv)	Interest Income on Loans given	0 (0)	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	0 (30451)	0 (0)	0 (0)
	i)	Loans given	725000 (570000)	2341682 (1634191)	0 (0)
	ii)	Interest Income on Loan given	194002 (232092)	194002 (232092)	0 (0)
Key Management personnel & their relatives	iii)	Loan Taken	30558000 (46200000)	0 (0)	108000 (17373000)
	iv)	Advance given	4320000 (0)	7905110 (3585110)	0 (0)
	i)	Interest paid /accrued on deposits	47108 (495000)	0 (0)	0 (0)
	ii)	Managerial remuneration	As per Note No. 7 above	0 (0)	100000 (4165)
	iii)	Sitting Fees to Directors	40000 (84000)	0 (0)	0 (0)

14. Earning per share (EPS)	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
- Profit after tax as per Profit & Loss Account (A)	52497	50106
- Basic/Weighted Average Number of Equity Shares outstanding (B)	95000000	95000000
- Nominal value of equity shares	Re.1/- each	Re.1/- each
- Basic/Diluted Earnings per share (A)/(B)	0.0006	0.0005

15. Disclosures as required by Accounting Standard (AS)-19 on Leases".

Present value of minimum lease payments receivable at the Balance Sheet date are as under:

a) Not later than one year.	799896	799896
b) Later than one and not later than five years	1533134	2333030

16 Additional Information as required by paras 3, 4C and 4D of part II of schedule VI of the Companies Act,1956:

a) Gross Income	year ended 31-3-2011	year ended 31-3-2010
i) Lease Income	799896	799896
ii) Hire Purchase Income	7103813	10571295
iii) Interest received, compensation charges etc.	6640104	5737334
b) Expenditure in foreign currency		
- Others	NIL	NIL
c) Earning in Foreign Exchange	NIL	NIL

Note : Figures in brackets above are in respect of previous year.

17. Previous year figures have been regrouped/rearranged to make them comparable with those of current year.

18. Schedules 1 to 14 form an integral part of Balance Sheet & Profit & Loss Account and have been duly authenticated.

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

PARTNER

MANAGING DIRECTOR

DIRECTOR

COMPANY SECRETARY

PLACE : NEW DELHI

DATED : 30-05-2011

**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 :

1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid	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		
(2) Break-up of (1) (f) above (Outstanding public deposit inclusive of interest accrued thereon but not paid).		
(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

Assets Side :

	Amount outstanding	Amount overdue
3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
(a) Secured	2	NIL
(b) Unsecured excluding Prepaid Expenses Security Deposit & Tax Deductions at Source	890	NIL
4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	33	5
(b) Operating Lease	NIL	NIL
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on Hire	753	72
(b) Repossessed Assets	NIL	NIL
(iii) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed	NIL	NIL
(b) Loans other than (a) above	NIL	NIL
5) Break-up of Investments :		
Current Investments :		
1. Quoted:		
(i) Shares : (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

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	NIL	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	749	838	1587
	Total	749	838	1587

- (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 :

- As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 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**

1. Registration Details	
Registration No.	76648
State Code	55
Balance Sheet Date	31-03-2011
II. Capital raised during the year (amount Rs. In Thousand)	
Public Issue (Calls in Arrears Recovered)	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
III. Position of Mobilisation and Deployment of Funds (amount Rs. in Thousand)	
Total Liabilities	19373
Total Assets	19373
Sources of Funds	
Paid-up Capital	95000
Reserve & Surplus	31911
Secured Loans	30077
Unsecured Loans	15760
Application of Funds	
Net Fixed Assets	11154
Investments	0
Net Current Assets	158739
Miscellaneous Expenditure	0
Accumulated Losses	NIL
IV. Performance of the Company (Amount Rs. in Thousand)	
Total Income	14054
Total Expenditure	13857
Profit before Tax	197
Profit after Tax	52
Earning per share (Rs.)	0.0006
Divident Rate (%)	NIL
V. General Names of Three Pricipal Products/Services of the Company (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 : 30-05-2011**

MANAGING DIRECTOR

COMPANY SECRETARY



ISF LIMITED
K-10, Som Vihar, R.K. Puram
New Delhi - 110022

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 THIRD ANNUAL GENERAL MEETING of the company being held on Monday, 26 September 2011 at 11.30 A.M. in Institute Hall, K- Block, Som Vihar, R. K. Puram, New Delhi - 110022



Signature of Member/Proxy

ISF LIMITED
K-10, Som Vihar, R.K. Puram
New Delhi - 110022

PROXY FORM

I/We of

appoint of

or failing him/her of

vote for me/us, and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Monday, 26 September 2011.

In WITNESS my/our hand this day of 2011.

Signed by the said

Signature

Folio No.....

Note : This Proxy must be deposited at the Registered Office of the Company K-10, Som Vihar, R.K. Puram New Delhi - 110022, 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 MONDAY, 26TH SEPTEMBER 2011 ARE REQUESTED TO NOTE THAT NO GIFT/COUPONS SHALL BE DISTRIBUTED