



**Integrated Financial Services Ltd.**

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

**NOTICE**

NOTICE is hereby given that **Twentieth Annual General Meeting** of INTEGRATED FINANCIAL SERVICES LTD will be held on Friday, 30th day of September, 2011 at 10.00 A.M. at 303-304, 3rd Floor, New Delhi House, 27, Barakhamba Road, New Delhi-110001 to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011, the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year ended 31<sup>st</sup> March, 2011
3. To appoint a Director in place of Mr. S.C. Khaneja who retires by rotation and being eligible offers himself for the reappointment.
4. To appoint a Director in place of Mr. Virender Khaneja who retires by rotation and being eligible offers himself for the reappointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By order of Board of Directors**

*Sd/-*

**S.C. Khaneja**

**Director**

**Place : New Delhi**

**Date : 29.05.2011**

**NOTES :**

1. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on a poll on his/her behalf and such proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited at the Registered office of the company not less than 48 hours before the commencement of this Annual General Meeting.
2. The Register of Members and the Share transfer books of the Company will remain closed from Friday, 23<sup>rd</sup> September 2011 to Friday, 30<sup>th</sup> September 2011 (both days inclusive).
3. The disclosures required under clause 49 of the listing agreement in respect of the directors being appointed/reappointed at this Annual General Meeting are given in the annexure to this Notice.
4. Members holding shares in physical mode are requested to intimate any change in their address immediately. Members/Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting.
5. Those members who are still holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants registered with SEBI.
6. Members who hold shares in dematerialized form are requested to bring their Client-ID and DP-ID for easy identification of attendance at the meeting.

**By order of Board of Directors**

*Sd/-*

**S.C. Khaneja**

**Director**

**Place: New Delhi**

**Date : 29.05.2011**



### DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March, 2011.

### FINANCIAL RESULTS

	(Rs. in Lakhs)	
	YEAR ENDED 31ST MARCH, 2011	YEAR ENDED 31ST MARCH, 2010
<b>Income from Operation</b>	<b>454.11</b>	<b>296.11</b>
<b>Profit before Depreciation and Tax</b>	<b>424.75</b>	<b>266.75</b>
<b>Depreciation</b>	<b>3.96</b>	<b>2.17</b>
<b>Profit before Tax</b>	<b>420.79</b>	<b>264.58</b>
<b>Provision for Tax</b>	<b>81.88</b>	<b>42.27</b>
<b>Profit After Tax</b>	<b>338.91</b>	<b>222.31</b>
<b>Proposed Dividend</b>	<b>54.00</b>	<b>36.00</b>
<b>Tax on Dividend</b>	<b>8.97</b>	<b>6.12</b>
<b>Transfer to General Reserve</b>	<b>276.58</b>	<b>180.19</b>

### OPERATIONS

The year under review witnessed a revival of real economy and financial markets across the globe, more particularly in India. On a Consolidated basis, the Income from Operations of the Company for the financial year 2010-2011 stood at Rs.454.11 Lacs against of Rs. 296.11 Lacs in the previous year. The profit after tax stood at Rs. 338.91 Lacs during the year under review against Rs. 222.31 Lacs during the previous year.

### DEPOSITS

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

### DIVIDEND

The Directors are pleased to recommend the payment of dividend of 9% (Paise Ninety per share) for the year under review. The dividend, if declared, at the ensuing Annual General Meeting, will be paid to those members whose name appears in the Register of Members on 23<sup>rd</sup> September 2011. In respect of the shares held in electronic form, the dividend will be paid to those persons whose names shall appear as beneficial owners at the close of the business hours on Thursday, 22<sup>nd</sup> September 2011 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. The Payment of dividend will entail an outlay of Rs. 54 Lacs. The Company will also have to bear the distribution tax of Rs. 8.97 Lacs.

### DIRECTORS

In accordance with the provisions in section 256 of the Companies Act, 1956 and the Articles of Association of the company, Mr. S.C. Khaneja and Mr. Virender Khaneja, Directors retire by rotation and being eligible offer themselves for the reappointment.

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

### DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, for the year ended 2010-2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of your company for that period;



3. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. they had prepared the Annual Accounts of the Company on a 'Going Concern' basis.

#### **CORPORATE GOVERNANCE**

During the Financial Year 2010-11, the company has complied with all the norms of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A Management Discussion and Analysis report also accompanies this report.

#### **LISTING OF SHARES**

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

#### **AUDITORS**

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

#### **AUDITORS REMARKS**

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

#### **PARTICULARS OF EMPLOYEES**

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

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

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

#### **ACKNOWLEDGEMENTS**

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

**By order of Board of Directors**

*Sd/-*

**S.C. Khaneja  
CHAIRMAN**

**PLACE : NEW DELHI**

**DATE : 29.05.2011**



## MANAGEMENT DISCUSSION AND ANALYSIS

**ECONOMIC OVERVIEW:** The Indian Economy is estimated to have grown by 8.50% during the year 2010 – 11 and retained its position as the second fastest growing economy, after China. On a global level, economic growth during FY 2010- 2011 outpaced expectations. The year 2010-11 was hallmarked with robust growth and fiscal consolidation in the Indian economy with a GDP growth.

Further, a spell of good news to the Non-Banking Finance sector is that they will be subject to more stringent provisions applicable to banks and will lose the relaxation granted to NBFCs. The Non-Banking Finance sector had supported a good credit growth and has complemented the banking sector in providing a surge to the economic activity.

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

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

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

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

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

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

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

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

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

### HUMAN RESOURCES

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



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

### **CORPORATE GOVERNANCE REPORT:**

#### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

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

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

#### **BOARD OF DIRECTORS:**

**a) Composition:** The composition of the Board is governed by the Companies Act, 1956, the Listing Agreement and Article of Association of the company. The Board comprises of a Non-executive Chairman and five directors. Out of total strength of Six directors, three directors are promoter directors and three are non-promoter directors. One of the directors is Executive Director and remaining five directors are Non-executive Directors out of which three are independent directors. There are no nominee directors and institutional directors on the Board of the Company.

**b) Board Meetings:** The Board meets at least once a quarter and the time gap between two Board Meetings is not more than four calendar months. During the financial year 2010-2011, the Board of Directors met five times on 19<sup>th</sup> May 2010, 31<sup>st</sup> July, 2010, 29<sup>th</sup> September 2010, 29<sup>th</sup> October, 2010 and 14<sup>th</sup> February, 2011.

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

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

Mr.S.C. Khaneja, Chairman of the Company, retires by rotation at the ensuing Annual General Meeting and offers himself for reappointment. Mr. S.C. Khaneja by qualification is M.Com (Delhi University). LLB (1<sup>st</sup> Class, Delhi University), Fellow Member of The Institute of Company Secretaries of India, Associate Member of The Institute of cost and works accountants of India and Ph.D in commerce. He has a rich experience of over 31 years in the financial and Capital Market.

Mr. Virender Khaneja, Director of the Company, retires by rotation at the ensuing Annual General Meeting and offers himself for reappointment. Mr. Virender Khaneja by qualification is B.com. He has a rich experience of nearly 16 years in the financial and Capital Market. He also holds directorship in Integrated Commodity Trades (P) Ltd.

#### **Relationship of Directors with other Directors**

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

Other directors are not related to each other.



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

#### **COMMITTEES OF THE BOARD:**

##### **AUDIT COMMITTEE**

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

The Audit Committee met Five times during the year. The attendance of the members of the Committee during the financial year 2010-2011 is given as below:

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

##### **REMUNERATION COMMITTEE:**

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

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

##### **SHAREHOLDERS/ INVESTOR GRIEVANCE COMMITTEE:**

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

##### **CONSTITUTION AND COMPOSITION.**

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

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

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

No complaint has been received from the shareholders during the year. No share transfers were pending as on 31<sup>st</sup> March 2011. No dematerialisation requests were pending as on 31<sup>st</sup> March 2011.

##### **POSTAL BALLOT**

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

##### **GENERAL BODY MEETINGS:**

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

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



New Delhi-110001

2007-2008	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	30.09.2008	10.00 A.M	None
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**DISCLOSURES:**

During the year, there was no material/significant transaction with the directors or the management, their relatives, etc. that have any potential conflict with interest of the Company at large. Related party disclosures are provided in Notes to the accounts forming part of the accounts in accordance with the provisions of Accounting Standard-18 Related Party Disclosures issued by the Institute of Chartered Accountants of India.

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

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

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

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

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

**MEANS OF COMMUNICATION**

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

**GENERAL SHAREHOLDERS INFORMATION:****(a) Date, Time and Venue of Annual General Meeting:**

TIME	10:00 a.m.
DAY	Friday
DATE	30 <sup>th</sup> September, 2011
VENUE	303-304, 3 <sup>rd</sup> Floor, New Delhi House, 27, Barakhamba Road, New Delhi – 110 001

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

Schedule Financial Reporting	Tentative Date
For the quarter ending June 2011	Mid of Aug. 2011
For the quarter ending September 2011	Mid of Nov. 2011
For the quarter ending December 2011	Mid of Feb. 2012
Annual Result for the year March 2012	End of May 2012

**(c) Dates of Book Closure:**

The Share transfer books of the company will remain closed from 23<sup>rd</sup> September 2011 to 30<sup>th</sup> September, 2011 (both days inclusive) for the purpose of AGM.

**(d) Dividend Payment Date:** The Dividend if declared at the AGM, shall be paid to those shareholders whose name appears on the Register of members as on 23<sup>rd</sup> September, 2011.

**(e) Listing:**

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

Annual Listing fee for the year 2011-12, has been paid by the Company to BSE.

**(f) Stock Code:**

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

**(g) Registrar & Transfer Agent:**

The Company has appointed Mas Services Limited, T-34, 2<sup>nd</sup> Floor, Okhala, Industrial Area, Phase – II, New Delhi-110 020 as Physical and Electronic Registrar through which the shares of the Company are available for transfer as well as dematerialization.

**(h) Share Transfer System:**

Shares lodged for transfer are normally processed within 15 days from the date of lodgment, if the documents are clear and in order in all respects.

The shares of the Company are traded on the Bombay Stock Exchange Limited compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) is INE898B01017.

**(i) Distribution of shareholding: As on 31<sup>st</sup> March 2011**

	Category	No. of Shares held	%age of Shareholding
<b>A.</b>	<b>Promoter's Holding</b>		
1.	Indian Promoters	4474192	74.57
	Foreign Promoters	Nil	Nil
	<b>Sub- Total</b>	<b>4474192</b>	<b>74.57</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
a.	Institutional Investors	Nil	Nil
b.	Mutual Funds and UTI	Nil	Nil
c.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non- government Institutions)	Nil	Nil
d.	FII's	Nil	Nil
	<b>Sub-Total</b>	<b>NIL</b>	<b>NIL</b>
<b>C.</b>	<b>Others</b>		
a.	Private Corporate Bodies	268593	4.476
b.	Individual	1216516	20.276
c.	Other		
	i. Non- Resident Indian	40006	0.667
	ii. Clearing Member	693	0.012
	<b>Sub-Total</b>	<b>1525808</b>	<b>25.43</b>
	<b>Grand Total</b>	<b>60,00,000</b>	<b>100.00</b>

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

**(k) Dematerialization of shares:**

As on 31<sup>st</sup> March 2011, 85.43% of the capital comprising 51,25,902 shares was dematerialized with Depository Participants.



**(l) Address for correspondence:**

Registered Office : 303-304, III Floor, New Delhi House, 27, Barakhamba Road, New Delhi – 110001.  
 Telephone Nos. : 4307 4307 (30 Lines)  
 Fax : 4307 4315

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

**(m) Stock Market Data:**

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

Month	High (Rs.)	Low (Rs.)
April, 2010	21.90	18.10
May, 2010	26.00	18.10
June, 2010	25.00	17.75
July, 2010	24.20	20.15
August, 2010	24.90	19.50
September, 2010	26.50	17.65
October, 2010	26.90	18.05
November, 2010	30.00	22.05
December, 2010	27.20	23.50
January, 2011	31.40	24.55
February, 2011	30.75	26.70
March, 2011	31.20	22.00

**Compliance with Non Mandatory Requirements**

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

**Declaration of compliance with code of conduct**

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

**CEO/CFO Certification**

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

**On behalf of Board of Directors**

Sd/-

**S.C. Khaneja**

**Chairman**



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

To,

The Members of  
Integrated Financial Services Limited,

We have examined the compliance of conditions of Corporate Governance procedures by **Integrated Financial Services Limited** during the year ended March 31, 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 procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that in respect of Investor grievances received during the year ended 31<sup>st</sup> March, 2011, no investor grievances are pending against the company for a period exceeding one month as on 31<sup>st</sup> March, 2011, as per the records maintained by the company and presented to Investors'/Shareholders' Grievance Committee.

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

**For DUA & KUMAR  
CHARTERED ACCOUNTANTS**

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

**PLACE : NEW DELHI  
DATED: 25.05.2011**



## AUDITORS' REPORT

To  
The Members of Integrated Financial Services Limited

We have audited the attached Balance Sheet of Integrated Financial Services Limited, as at 31<sup>st</sup> March, 2011 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditor's Report) Order, 2003 issued by Government of India in terms of Sub-Section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
- 2) Further to our comments in the Annexure referred to above, we report that:
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books.
  - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - iv) In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as Director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required read together with other notes given in schedule 10, gives a true and fair view in conformity with the accounting principle generally accepted in India:
    - a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2011;
    - b) In the case of Profit & Loss Account of the profit for the year ended on that date; and
    - c) In the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Place : New Delhi  
Date : 25<sup>th</sup> May, 2011

**For Dua & Kumar**  
**Chartered Accountants**  
Sd/-  
**(MAHESH KUMAR)**  
**Proprietor**  
**M. No. 85757**



## ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (1) of our report of even date to the member of the Integrated Financial Services Limited on the accounts for the year ended 31<sup>st</sup> March, 2011.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The Fixed Assets have been physically verified by the management during the year and there is also a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) No substantial part of fixed assets have been disposed off during the year.
2. The company does not have any inventory during the year.
3. (a) The company has given loans to the companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.  
  
(b) The company has not taken any loans, secured or unsecured from the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sales of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of section 58A and 58 AA of the Companies Act, 1956.
7. In our opinion, the company has internal audit system commensurate with the size and nature of the business.
8. As explained to us the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in the case of the company.
9. (a) The company is not covered under Provident Fund and the ESI Act.  
  
(b) According to information and explanations given to us, no undisputed amounts is payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were in arrears, as at 31.3.2011 for a period of six months from the date they became payable.
10. There are no accumulated losses at the end of financial year. The company has also not incurred cash losses during the financial year covered by our audit and preceding financial year.



11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.

12. According to information & explanations given to us, the company has not given any loan and advances on the basis of security by way of pledge of shares, debentures and other securities

13. The Company is not a chit fund. Therefore, the provisions of clause 4 (xiii) of Companies (Auditor Report) Order, 2003 are not applicable to the company.

14. In our opinion, the company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments. And timely entries have been made therein. All shares and debentures and other investments have been held by the company in its name.

15. According to information & explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

16. The company has not raised any term loan during the year

17. According to the information and explanations given to us and on an overall examination of the Company, we report that the no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets.

18. According to the information and explanation given to us, the company has not made preferential allotment of share to parties and companies during the year, covered in the register maintained under section 301 of the Act.

19. The Company has not issued debentures during the year.

20. The Company has not raised any money through public issue during the year.

21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported in the course of our audit.

**Place : New Delhi**  
**Date : 25<sup>th</sup> May, 2011**

**For Dua & Kumar**  
**Chartered Accountants**  
**Sd/-**  
**(MAHESH KUMAR)**  
**Proprietor**  
**M. No. 85757**

**INTEGRATED FINANCIAL SERVICES LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	<u>SCHEDULE</u>		<u>AS AT</u> <u>31st March, 2011</u> <i>(Rupees)</i>	<u>AS AT</u> <u>31st March, 2010</u> <i>(Rupees)</i>
<b>I. SOURCES OF FUNDS</b>				
1. Shareholder's Funds.				
a) Share Capital	1	60,000,000.00	60,000,000.00	
b) Reserve & Surplus	2	<u>190,923,734.75</u>	<u>250,923,734.75</u>	<u>223,265,919.47</u>
2. Deferred Tax Liability			<u>313,359.00</u>	<u>376,446.00</u>
			<u>251,237,093.75</u>	<u>223,642,365.47</u>
<b>II. APPLICATION OF FUNDS.</b>				
1) Fixed Assets				
a) Gross Block	3	5,119,320.00	5,119,320.00	
b) Less: Depreciation		<u>2,687,548.00</u>	<u>2,291,811.00</u>	
c) Net Block			2,431,772.00	2,827,509.00
2) Investments	4		193,086,752.23	185,056,992.25
3) Current Assets, Loans & Advances.				
a) Cash & Bank Balances	5	939,511.56	3,965,672.74	
b) Other Current Assets	6	60,819,993.90	33,904,520.62	
c) Loans & Advances	7	<u>8,701,793.00</u>	<u>6,580,405.00</u>	
		<u>70,461,298.46</u>	<u>44,450,598.36</u>	
Less: Current Liabilities & Provisions.				
b) Other Liabilities	8	<u>14,742,728.94</u>	<u>8,692,734.14</u>	
		<u>14,742,728.94</u>	<u>8,692,734.14</u>	
Net Current Assets			55,718,569.52	35,757,864.22
Notes on Accounts	10			
			<u>251,237,093.75</u>	<u>223,642,365.47</u>

As per our report of even date attached.

for DUA & KUMAR  
Chartered Accountants

On behalf of the Board

Place : New Delhi  
Dated : 25th May, 2011

Sd/-  
( Mahesh Kumar )  
Proprietor

Sd/-  
( S.C. Khaneja )  
Director

Sd/-  
( Rajni Khaneja )  
Director

**INTEGRATED FINANCIAL SERVICES LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	<u>SCHEDULE</u>	For the year ended 31st March, 2011 <i>(Rupees)</i>	For the year ended 31st March, 2010 <i>(Rupees)</i>
<b>I. INCOME</b>	<b>9</b>	<u>45,411,741.43</u>	<u>29,611,041.29</u>
		<u>45,411,741.43</u>	<u>29,611,041.29</u>
<b>II. EXPENDITURE</b>			
Advertisement Expenses		15,109.00	22,389.00
Auditor's Remuneration		22,060.00	22,060.00
Computer Expenses		80,395.00	59,234.00
Conveyance		79,197.00	83,069.00
Custody Fee		33,090.00	33,090.00
Depreciation		395,737.00	216,858.00
Fees Registration & annual subscription		5,603.00	4,860.50
Festival expenses		79,789.00	77,956.00
General Meeting Expenses		89,458.00	86,763.00
Insurance Charges		15,478.00	7,379.00
Listing fee		16,845.00	16,545.00
Newspaper & Periodicals		81,974.00	65,618.00
Office Repair, Maintenance Expenses		118,562.00	175,223.00
Postage & Telegram		238,270.00	263,900.00
Printing & Stationery		285,009.15	292,019.40
Professional charges		22,254.00	19,854.00
Registrar and Transfer agent charges		8,273.00	8,273.00
Salaries		963,278.00	980,459.00
Securities Transaction Tax		368,407.00	298,280.50
Sitting Fee		62,500.00	72,500.00
Staff Welfare		96,323.00	99,108.00
Telephone Expenses		23,230.00	24,428.00
Tour & Travels		104,278.00	99,258.00
Vehicle Maintenance		126,839.00	123,659.00
		<u>3,331,958.15</u>	<u>3,152,783.40</u>
<b>III. NET PROFIT</b>			
Profit before Taxation		42,079,783.28	26,458,257.89
Provision for Tax (including MAT)		8,188,169.00	4,215,366.00
Previous Year Adjustment		-	40,010.00
Deferred Tax		63,087.00	27,917.00
Proposed Dividend		5,400,000.00	3,600,000.00
Corporate Dividend Tax		896,886.00	611,820.00
Balance carried forward to Balance Sheet		<u>27,657,815.28</u>	<u>18,018,978.89</u>

As per our report of even date attached.

for DUA & KUMAR  
Chartered Accountants

On behalf of the Board

Sd/-  
Place : New Delhi ( Mahesh Kumar )  
Dated : 25th May, 2011 Proprietor

Sd/-  
( S.C. Khaneja )  
Director

Sd/-  
( Rajni Khaneja )  
Director

	<b>As at 31st March, 2011 (Rupees)</b>	<b>As at 31st March, 2010 (Rupees)</b>
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
<b><u>Authorised</u></b>		
60,00,000 Equity shares of Rs.10/- each		
(Previous year 60,00,000 Equity Shares of Rs.10/- each)	<b><u>60,000,000.00</u></b>	<u>60,000,000.00</u>
<b><u>Issued, Subscribed &amp; Paid-up Capital</u></b>		
60,00,000 Equity Shares of Rs.10/- each fully paid		
(Previous year 60,00,000 Equity shares of Rs.10/- each fully paid).	<b>60,000,000.00</b>	60,000,000.00
	<b><u>60,000,000.00</u></b>	<u>60,000,000.00</u>
<b>SCHEDULE '2'</b>		
<b><u>RESERVE &amp; SURPLUS</u></b>		
<b>PROFIT &amp; LOSS ACCOUNT</b>		
As per last Balance Sheet	<b>163,265,919.47</b>	145,246,940.58
Add: Surplus for the year.	<b>27,657,815.28</b>	18,018,978.89
	<b><u>190,923,734.75</u></b>	<u>163,265,919.47</u>



INTEGRATED FINANCIAL SERVICES LIMITED

SCHEDULE '3'  
FIXED ASSETS AS AT 31ST MARCH, 2011

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on	Additions	Sale During	Total as on	Upto	Adjustment	Total upto	W.D.V. as	W.D.V. as	
	01.04.2010	During the Year	the Year	31.03.2010	31.03.2010	For the year	during the year	31.3.2011	on 31.3.2011	on 31.3.2010
1	2	3	4	5	6		8	9	10	
Office Premises	3,350,500.00	-		3,350,500.00	1,750,678.00	79,991.00		1,830,669.00	1,519,831.00	1,599,822.00
Car	1,296,325.00			1,296,325.00	86,433.00	313,241.00	-	399,674.00	896,651.00	1,209,892.00
Typewriter	25,400.00	-		25,400.00	23,449.00	271.00		23,720.00	1,680.00	1,951.00
Fan	7,050.00	-		7,050.00	6,595.00	63.00		6,658.00	392.00	455.00
Refrigerator	12,475.00	-		12,475.00	11,693.00	109.00		11,802.00	673.00	782.00
Computer	280,923.00	-		280,923.00	280,809.00	46.00		280,855.00	68.00	114.00
Furniture & Fixture	49,656.00	-		49,656.00	45,149.00	627.00		45,776.00	3,880.00	4,507.00
Fax Machine	60,000.00	-		60,000.00	54,122.00	818.00		54,940.00	5,060.00	5,878.00
Intercom	12,720.00	-		12,720.00	11,421.00	181.00		11,602.00	1,118.00	1,299.00
Filing Cabinet	14,291.00	-		14,291.00	12,563.00	240.00		12,803.00	1,488.00	1,728.00
Water Filter	9,980.00	-		9,980.00	8,899.00	150.00		9,049.00	931.00	1,081.00
<b>TOTAL :</b>	<b>5,119,320.00</b>	<b>-</b>		<b>5,119,320.00</b>	<b>2,291,811.00</b>	<b>395,737.00</b>		<b>2,687,548.00</b>	<b>2,431,772.00</b>	<b>2,827,509.00</b>
Previous Year :	5,119,320.00	-		5,119,320.00	2,429,320.00	216,858.00		2,646,178.00	2,473,142.00	

**INTEGRATED FINANCIAL SERVICES LIMITED**

**SCHEDULE '4'**

INVESTMENTS --- AT COST	As on 31.3.2011		As on 31.3.2010	
	Qty.	Amount (Rupees)	Qty.	Amount (Rupees)
<b>QUOTED SHARES:</b>				
AMFORGE INDUSTRIES LTD	25,000.00	111,500.00	25,000	111,500.00
<u>ARVIND MILLS LTD</u>	55,000	1,092,850.00	55,000	<u>1,092,850.00</u>
AMTEK INDIA LTD	-	-	10,000	714,275.10
AMBICA AGARBATI	36500	314,265.00	-	-
ANDHRA PETROCHEMICAL	5,000	106,897.13	7,500	160,345.70
ANDHRA CEMENT LTD	20,000	222,600.00	5,000	139,750.00
ANSAL HOUSING & CONSTRUCTION	6,500	366,340.00	6,500	366,340.00
ARAVALI SECURITIES & FIN	15,000	198,900.00	15,000	198,900.00
AUSTIN ENGG	6,000	421,560.00	-	-
BANK OF RAJASTHAN LTD	-	-	20,000	689,200.00
BAHARAT BHUSHAN SHARES & SEC	30,000	262,800.00	30,000	262,800.00
BANK OF MAHARASTRA	10,000	231,350.00	15,000	351,950.00
BELCERAMIC	15,052	326,832.94	-	-
BHARTIYA INTERNATIONAL (BIL)	4,000	184,689.14	-	-
BINANI CEMENT LTD	10,500	891,030.00	10,500	399,105.00
BIHAR SPONGE IRON LIMITED	18,000	140,580.00	18,000	140,580.00
CANFIN HOMES LTD	29,000	1,362,581.09	29,000	1,362,581.09
CHAMAN LAL SETIA EXPORTERS	10,500	343,640.55	10,500	343,640.55
CHAMBAL FERTILIZERS	34,000	2,394,000.42	34,000	1,398,519.30
COSCO (INDIA) LTD	-	-	22,500	564,975.29
COSMO FERRITES LTD	54,000	506,305.94	65,000	580,225.94
COSMO FILMS LTD	2,000	169,776.51	4,000.00	339,669.49
CIL SECURITIES LTD	60,000	917,416.37	60,000	917,416.37
CREATIVE EYE LTD	17,000	103,020.00	17,000.00	103,020.00
CUBEX TUBINGS LTD	-	-	4,000	64,929.40
DATAMATICS GLOBAL SERVICES	10,000	150,100.00	10,000	150,100.00
DOLPHIN MEDICAL SERVICES	110,000	354,200.00	110,000.00	354,200.00
DEVELOPMENT CREDIT BANK	31,000	1,193,499.20	37,000.00	1,297,059.20
DIGJAM LTD	11,000	60,060.00	11,000.00	60,060.00
ESCORTS LTD	3,700	213,762.00	10,000.00	619,828.06
ESSAROIL	5,000	635,748.00	-	-
ETC NETWORKS LTD	-	-	7,693	641,193.92
ELECTROSTEEL CASTINGS LTD	20,000	553,281.50	20,000	553,281.50
FIRSTSOURCE SOLUTIONS LTD	-	-	20,000	422,950.00
FORTIS HEALTH CARE LTD	17,000	1,237,855.60	17,000	1,237,855.60
FRONTIER SPRINGS LTD	-	-	2,900	44,209.00
FINOLEX INDUSTRIES LTD	8,000	694,066.67	14,500	681,670.93
GARDEN SILK MILLS LTD	-	-	5,000	371,044.26
GHCL LTD	30,000	1,158,200.00	20,000	520,234.60
GOLDEN TOBACCO	20,089	1,900,324.83	-	-
GOLDIAM INTERNATIONAL	10,000	337,096.00	-	-
GRAUER & WEIL (INDIA) LTD	161,000	10,933,960.00	161,000	10,933,960.00
GUJARAT HOTELS LIMITED	10,000	172,194.45	11,000	189,413.90
GUJARAT SIDHEE CEMENT LTD	26,000	387,779.18	26,000	387,779.18
GAYATRI SUGARS LTD	-	-	45,000	153,450.00
HELIOS & MATHESON	10,000	483,612.02	6,000	338,795.97
HFCL INFOTECH	25,000	294,083.34	-	-
HINDUSTAN COPPER LTD	5,000	278,669.15	16,800	935,795.15
HOTEL LEELAVENTURE LTD	10,000	192,791.45	10,000	192,791.45
HYDRO S&S INDUSTRIES LTD	-	-	3,000	100,523.92
31 INFOTECH	20,000	916,380.80	-	-
IDBI BANK LTD	50,000	4,651,825.44	50,000	4,651,825.44
INDO RAMA SYNTHETICS (I) LTD	29000	686,140.00	32,500	768,950.00
IDEA CELLULAR LTD	10,000	584,100.00	10,000	584,100.00
IFCI LTD	40,000	2,106,789.95	40,000	2,106,789.95
INFRASTRUCTURE DEVELOPMENT	5000	266,200.00	6,000	336,735.00
INDRAPRASTHA MED CORP. LTD	62,000	2,051,278.47	45,300	689,013.00
INDIABULLS SECURITIES LTD	50,000	917,025.00	35,000	989,100.00
ISMT LTD	15,000	590,558.35	15,000	590,558.35
ISPAT INDUSTRIES LTD	20,000	293,600.00	20,000	293,600.00

INTRA INFOTECH LTD	-	-	10,700	129,042.00
IKM FINANCE LTD	5,000	78,800.00	5,392	55,938.48
JAGATJIT INDUSTRIES LTD	6,200	243,853.62	6,200	243,853.62
JAMNA AUTO INDUSTRIES LTD	-	-	6,500	170,526.50
JASCH INDUSTRIES LTD	15,000	92,400.00	15,000	92,400.00
JAIPRAKASH ASSOCIATES	2,000	146,020.00	-	-
JCT LTD	100,000	372,950.00	100,000	372,950.00
JENSON & NICLSON	-	-	30,000.00	247,534.59
JK PAPER LTD	66,000	1,479,060.00	66,000	1,479,060.00
JK LAKSHMI	25,000	1,136,500.00	-	-
JP HYDROPOWER	13,000	428,920.00	13,000	428,920.00
JSW ENERGY	11,500	942,478.40	-	-
JYOTI LTD	-	-	8,000	323,083.08
JUPITER BIOS	5,000	117,800.00	-	-
KARNATAKA BANK LTD	3,500	404,538.80	5,000	605,550.00
KAJARIA CERAMICS LTD	350,000	24,184,838.30	-	-
KINGFISHER AIRLINES LTD	10,000.00	460,175.00	2,500	66,975.00
KALAM SPINNING MILLS LTD	-	-	2,500	44,837.30
KAMANWALA HOUSING	-	-	20,000	1,177,652.07
LAKHANI INDIA LTD	-	-	10,129.00	430,085.69
LAHOT OVERSEAS LTD	45,000	335,542.45	45,000	335,542.45
LAXMI PRECISION	12,000	288,120.00	12,000	288,120.00
MAJESTIC AUTO LTD	44,500.00	1,515,938.33	60,800	1,940,954.83
MALAR HOSPITALS	25,000	783,965.50	5,715	162,521.75
MANGLORE REF. & PETRO LTD	20,000	1,093,931.10	12,000	613,443.60
MARAL OVERSEAS LTD	50,000	323,000.00	50,000	323,000.00
MARKET CREATORS LTD	-	-	7,600	114,602.00
MIC ELECTRONICS	27,500	724,939.00	-	-
MICRO FORGE (INDIA) LTD	60,000	205,850.00	60,000	205,850.00
MOUNT EVEREST MINERAL LTD	5,000	347,268.20	5,000	347,268.20
MTZ POLYFILMS LTD	-	-	42,500	49,300.00
MUNJAL AUTO INDUSTRIES	24,000	2,117,600.00	24,600	2,144,210.00
MUNJAL SHOWA LTD	15,000	734,161.95	7,100	344,689.55
MONNET ISPAT	-	-	5,000	1,938,219.80
NAGARJUNA FERTILIZERS LTD	150,000	2,390,128.00	92,000	643,085.00
NAKODA LTD	-	-	10,000	291,566.58
NEYVELI LINITE CORPORATION	2,500	166,433.05	2,500	166,433.05
NELCO LTD	10,000	344,760.35	10,000	344,760.35
NCL INDUSTRIES LTD	15,000	629,050.00	15,000.00	629,050.00
N G INDUSTRIES LTD	3,240	142,352.13	3,240	142,352.13
NHPC LTD	126,000.00	3,093,410.00	100,000	3,196,000.00
NOIDA TOL BRIDGE	35,000	973,350.00	-	-
NOVA IRON & STEEL	72,000	592,073.16	-	-
NTPC LTD	55,000	9,699,200.00	30,000	6,075,600.00
NUCHEM	72,000	439,920.00	-	-
OCL IRON & STEEL LTD	-	-	10,000	223,000.00
OMAX AUTOS LTD	56,000	2,887,286.65	50,000.00	2,568,470.80
OSWAL CHEMICAL & FERTILIZER LTD	17,000	110,840.00	100,000	532,810.00
ORISSA SPONGE IRON & STEEL	-	-	10,000	3,533,400.00
PARSVNATH DEVELOPERS LTD	11,000	293,755.00	5,500	293,755.00
PETRONET LNG LTD	29,000	1,269,462.22	33,000	1,486,022.19
PITTI LAMINA	20,000	849,249.76	-	-
PNB GILTS LTD	39000	1,017,090.00	49,000	952,191.47
PRAKASH INDUSTRIES LTD	20,000	518,895.57	20,000	518,895.57
PRECISION CONTAINERS LTD	20,000	48,800.00	20,000	48,800.00
PRIME INDUSTRIES LTD	-	-	23,200	103,430.00
PRISMCEMENT	5000	288,384.35	-	-
PUNJAB ALKALIES AND CHEMICALS	50,000	1,622,378.10	21,000	394,966.00
RAJASTHAN SPINNING	15,500	1,336,219.58	25,000	1,667,931.91
RAMA PAPER MILLS LTD	10,000	133,100.00	25,000	332,896.20
RAUBAQ AUTOMOBILES	36,000	585,360.00	-	-
ROYAL ORCHID HOTELS LTD	9,000.00	638,769.10	9,000	638,769.10
RICO AUTO INDUSTRIES LTD	25,000	625,477.47	20,000	500,266.20
RELIANCE INDUSTRIES LTD	1,900	1,937,529.80	-	-
RELIANCE POWER LTD	25,000	3,097,421.50	12,000	1,689,370.00
SAHARA HOUSINGFINA CO	2,800	265,458.00	2,800.00	265,458.00
SAMTEX FASHION	30,000	765,800.00	-	-
SAMKRG PISTONS AND RINGS	-	-	3,800.00	284,342.96
SHARYANS RESOURCES LTD	-	-	1,000	78,707.95

SHIVAM AUTOTECH LTD	4,500	199,575.00	5,000	221,750.00
SHREE RAYALASEEMA ALKALIES	7,000	105,595.00	10,000	150,850.00
SJVN LTD	100,000	2,035,350.00		
SHREE RAYALASEEMA HITECH	6,500	85,912.35	11,000	113,524.17
SIL BUSINESS ENTERPRISES	-	-	14,800	122,377.50
STEEL AUTHORITY OF INDIA LTD	17,000	2,780,665.00	-	-
SONA KOYA STEERING SYSTEM	11,000	146,300.00	11,000	146,300.00
THE SOUTH INDIAN BANK LTD	200,000	640,000.00	22,500	720,000.00
SPENTA INTERNATIONAL LTD	9,600	98,496.20	9,600	98,496.20
SPENTEX INDUSTRIES LTD	100,000	643,369.60	100,000	643,369.60
SUJANA TOWERS LTD	-	-	15,000	750,900.00
SUMEDH FISCAL SERVICE	5,000	67,491.72	30,900	354,107.78
SURYA ROSHINI LTD	-	-	20,000	792,528.10
SOMDUTT FINANCE	-	-	10,000	116,600.00
TATA STEEL	8,500	5,298,975.00	-	-
TAMILNADU PETRO PRODUCTS LTD	30,000	348,300.00	30,000.00	348,300.00
TEMPTATION FOODS LTD	-	-	40,000	1,212,400.00
TERA SOFTWARE LTD	10,000	390,600.00	10,000	390,600.00
TT LTD	-	-	10,000	123,400.00
TULSYAN	9,000	429,840.00	-	-
UCO BANK	-	-	30,000.00	719,797.87
VALSON INDUSTRIES LTD	12,000	333,120.00	12,000	332,858.67
VARDHAMAN ACRYLICS LTD	175,000.00	666,750.00	175,000	666,750.00
VARDHAMAN POLYTEX LIMITED	7,000	196,369.88	8,603	241,338.58
VIMAL OIL & FOODS LTD	-	-	4,000.00	129,442.45
VARUN SHIPPING COMPANY	40,000	1,142,475.00	20,000.00	1,001,829.80
VIDEOCON INDUSTRIES LTD	1,700	384,098.25	3,500	818,644.00
VIJAYA BANK LTD	9,000	558,540.00	21,000	961,486.15
VIJAY SHANTI BUILDERS	31,000	685,410.00	-	-
VIPUL LTD	69,000	949,527.50	3,000	134,030.00
WALL STREET FINANCIAL LTD	16,000	397,760.00	10,000	475,100.00
WELSPUN GUJ STAHI LTD	-	-	5,000	274,798.00
ZENITH FIBRES LTD	85,000.00	2,067,510.80	85,000	2,067,510.80
<b>TOTAL OF QUOTED SHARES</b>		<b>140,936,752.23</b>		<b>97,906,992.25</b>
<b>UNQUOTED SHARES</b>				
INTEGRATED MASTER SECURITIES (P) LTD		49,000,000.00		49,000,000.00
INTEGRATED COMMODITIES TRADES (P) LTD		3,150,000.00		3,150,000.00
<b>INVESTMENT IN MUTUAL FUNDS</b>				
RELIANCE LIQID FUND		-		29,900,000.00
RELIANCE MONEY MANAGER		-		5,100,000.00
<b>TOTAL</b>		<b>193,086,752.23</b>		<b>185,056,992.25</b>

	As at <u>31st March, 2011</u> (Rupees)	As at <u>31st March, 2010</u> (Rupees)
<b>SCHEDULE '5'</b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
With Scheduled Bank - On Current Account	939,511.56	3,965,672.74
	<u>939,511.56</u>	<u>3,965,672.74</u>
<b>SCHEDULE '6'</b>		
<b><u>OTHER CURRENT ASSETS</u></b>		
Integrated Master Securities Pvt. Limited	57,200,000.00	31,200,000.00
Integrated Commodity Trades Pvt Ltd	1,000,000.00	-
Bullion Engg (P) Ltd	2,600,000.00	2,600,000.00
Manoj Kumar	19,993.90	74,493.03
Ravi Batra	-	30,027.59
	<u>60,819,993.90</u>	<u>33,904,520.62</u>
<b>SCHEDULE '7'</b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
Income Tax Refund Due (Previous Years)	2,528,538.00	2,528,538.00
Fringe Benefit Tax Refund Due (A.Y.2008-09)	12,198.00	12,198.00
TDS & Advance Income Tax	5,950,557.00	4,029,179.00
Advance against Salaries	15,000.00	10,490.00
Share Application Money	195,500.00	-
	<u>8,701,793.00</u>	<u>6,580,405.00</u>
<b>SCHEDULE '8'</b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
Sundry Payable	217,892.94	225,767.14
Income Tax for Previous Years	39,781.00	39,781.00
Provision for Income-tax(including MAT)	8,188,169.00	4,215,366.00
Proposed Dividend	5,400,000.00	3,600,000.00
Corporate Dividend Tax	896,886.00	611,820.00
	<u>14,742,728.94</u>	<u>8,692,734.14</u>
<b>SCHEDULE '9'</b>		
<b><u>INCOME</u></b>		
Interest Received	13,611,454.73	8,315,386.47
Dividend Received	2,163,264.00	2,091,323.39
Miscellaneous Income	-	1,454.00
Profit on sale of Shares	28,737,022.70	18,602,877.43
Rent Received	900,000.00	600,000.00
	<u>45,411,741.43</u>	<u>29,611,041.29</u>

## INTEGRATED FINANCIAL SERVICES LIMITED

### SCHEDULE - 10 :

#### SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS AS AT 31.3.2011

##### **I SIGNIFICANT ACCOUNTING POLICIES**

(a) Method of Accounting

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

(b) Incomes

(1) All Incomes are accounted on accrual basis.

(2) Dividend declared within the close of the Accounting year are accounted for in respect of the shares and securities held by the company.

(c) All expenses are accounted on accrual basis.

(d) Depreciation

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

(e) Fixed Assets

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

(f) Taxes on Income

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

- (g) Foreign Currency Transactions NIL

## **INTEGRATED FINANCIAL SERVICES LIMITED**

### **II NOTES TO ACCOUNTS**

- (a) Contingent Liabilities

Contingent Liabilities outstanding as on 31.3.2011 are Nil

- (b) Current Assets

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

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

- (d) In accordance with 'Accounting Standard 22', the Company has recognized a deferred tax asset of Rs. 63087/- for the year 31<sup>st</sup> March, 2011 as a charge to the Profit & Loss Account.

	31.03.2011	31.03.2010
Depreciation as per Companies Act, 1956	395737.00	216858.00
Depreciation as per Income Tax Act, 1961	209639.00	134508.00
Difference	82350.00	82350.00
Deffered Tax Asset (Liability)	63087.00	27917.00

- (e) Related Parties Disclosures

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

- |                         |   |          |
|-------------------------|---|----------|
| 1. Mrs. Rajni Khaneja   | - | Director |
| 2. Sh. S.C. Khaneja     | - | Director |
| 3. Sh. Virender Khaneja | - | Director |
| 4. Mrs. Rachna Batra    | - | Director |

5. Mr. Sunil Sobti - Director  
6. Mr. Surya Prakash Oberoi- Director  
7. S.C. Khaneja & Son (HUF)

B. Other Related Parties

Integrated Master Securities (P) Limited

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

(f) Transactions carried out with related parties

(Rs. in lacs)

Nature of Transactions	Related Parties	
	Referred in Clause e(a)	Referred in Clause e(b)
<u>Expenses</u>		
Director Remuneration	2.60	Nil
Sitting Fee	0.63	Nil
Interest Received	Nil	136.00
Investments	Nil	490.00*
Rent Received	Nil	9.00
Loans and Advances	Nil	572.00

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

(outstanding as on 31/03/2011)



(g) Basic and Diluted Earning Per Share

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

(Rs. in lacs)

Particulars	Current Year	Previous Year
Net Profit for the year as per Profit & Loss Account	338.92	222.41
No. of Shares	60,00,000	60,00,000
Earning per share	5.64	3.70

(h) Previous years figures have been re-grouped/ rearranged wherever considered necessary.

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

**As per our report of even date attached**

**For DUA & KUMAR**

**Chartered Accountants**

**On behalf of the Board**

**Date : 25.05.2011**  
**Place : New Delhi**

**Sd/-**  
**(Mahesh Kumar)**  
**Proprietor**

**Sd/-**  
**(S.C.Khaneja)**  
**Director**

**Sd/-**  
**(Rajni Khaneja)**  
**Director**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2011**

<b><u>PARTICULARS</u></b>	<b><u>AMOUNT</u></b> <b>( Rs. )</b> <b>2010-11</b>	<b><u>AMOUNT</u></b> <b>( Rs. )</b> <b>2009-10</b>
<b><u>A. CASH FLOW FROM OPERATION ACTIVITIES</u></b>		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITMES	42,079,783.00	26,458,258.00
<b>ADJUSTMENT FOR:</b>		
DEPRECIATION	395,737.00	216,858.00
INTEREST	(13,611,455.00)	(8,315,386.00)
RENT	(900,000.00)	(600,000.00)
PROFIT ON SALE OF FIXED ASSETS	-	(1,354.00)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	27,964,065.00	17,758,376.00
<b>ADJUSTMENT FOR:</b>		
TRADE PAYABLES	(7,874.00)	(1,182.00)
INVESTMENTS (NET)	(8,029,760.00)	(46,292,601.00)
TAX PAID (NET)	(6,136,744.00)	(4,029,179.00)
CASH GENERATED FORM OPERATIONS	<u>13,789,687.00</u>	<u>(32,564,586.00)</u>
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	-	-
<b>NET CASH FROM OPERTING ACTIVITIES</b>	<u>13,789,687.00</u>	<u>(32,564,586.00)</u>
<b><u>B. CASH FROM INVESTING ACTIVITIES</u></b>		
RENT FROM PROPERTY	900,000.00	600,000.00
INTEREST INCOME	13,611,455.00	8,315,386.00
OTHER ASSETS	(26,915,473.00)	27,935,476.00
LOAN AND ADVANCES	(200,010.00)	40,400.00
SALE OF FIXED ASSETS	-	180,000.00
PURCHASE OF FIXED ASSETS	-	(1,296,325.00)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>(12,604,028.00)</u>	<u>35,774,937.00</u>
<b><u>C. CASH FROM FINANCING ACTIVITIES</u></b>		
DIVIDEND	(3,600,000.00)	0.00
DIVIDEND TAX PAID	(611,820.00)	0.00
	<u>(4,211,820.00)</u>	<u>-</u>
NET CASH FLOW IN CASH AND CASH EQUIVALENTS ( A+B+C)	(3,026,161.00)	3,210,351.00
CASH AND CASH EQUIVALENTS AS ON 1.4.2010 ( OP. BAL.)	3,965,673.00	755,322.00
CASH AND CASH EQUIVALENTS AS ON 31.3.2011 ( CL. BAL.)	939,512.00	3,965,673.00

for DUA & KUMAR  
Chartered Accountants

Sd/-

(Mahesh Kumar)

Proprietor

Place : New Delhi

Dated : 25.05.2011

On behalf of the Board

Sd/-

(Rajni Khaneja)

Director



**INTEGRATED FINANCIAL SERVICES LTD.**

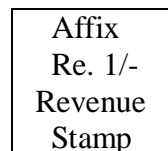
Regd. Office: 303-304, New Delhi House, 27, Barakhamba Road,  
New Delhi - 110 001.

**PROXY FORM**

Regd. Folio No. \_\_\_\_\_ DP ID: \_\_\_\_\_  
No. of Shares held \_\_\_\_\_ Client ID: \_\_\_\_\_  
I/We \_\_\_\_\_ of  
\_\_\_\_\_ Being a member/members of the  
above named company hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ of failing him/her \_\_\_\_\_ of

\_\_\_\_\_ of in as my/our proxy to vote for me/us on my  
behalf at the 20<sup>th</sup> Annual General Meeting of the company to be held on Friday the 30<sup>th</sup>  
September, 2011 at 10.00 A.M. at its Registered Office at 303-304, 3<sup>rd</sup> Floor, New Delhi  
House, 27, Barakhamba Road, New Delhi - 110 001 and at any adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature \_\_\_\_\_



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

**INTEGRATED FINANCIAL SERVICES LTD.**

Regd. Office: 303-304, New Delhi House, 27, Barakhamba Road,  
New Delhi - 110 001

**ATTENDANCE SLIP**

**20<sup>th</sup> Annual General Meeting 30<sup>th</sup> September, 2011**

Regd. Folio No. \_\_\_\_\_ DP ID: \_\_\_\_\_  
No. of Shares held \_\_\_\_\_ Client ID: \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 20<sup>th</sup> Annual General Meeting of the Company at 303-304, 3<sup>rd</sup> Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110 001 hold on Wednesday the 30<sup>th</sup> September, 2011 at 10.00 A.M. and at adjournment thereof.

\_\_\_\_\_  
Member's Proxy Name  
IN BLOCK LETTERS

\_\_\_\_\_  
Member's/Proxy  
Signature

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