



# INTEGRATED FINANCIAL SERVICES LIMITED

Regd. Off. -304, 3rd Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001  
E-mail : [compliance@integratedfinancial.in](mailto:compliance@integratedfinancial.in) ● Website : [www.integratedfinancial.in](http://www.integratedfinancial.in)  
Phones : +91-11-43074307 (30 Lines) ● Fax : +91-11-43074315  
CIN : L74140DL1992PLC047849

Dated the 11<sup>th</sup> October, 2017

The Executive Director,  
**BSE Ltd.**  
P. J. Towers, Dalal Street, Fort,  
Mumbai - 400 001

**Scrip Code: 500212**

**Sub: Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

Dear Sir,

Please find enclosed herewith a copy of 26<sup>th</sup> Annual Report for the Financial Year 2016-17 which was approved in the 26<sup>th</sup> Annual General Meeting of Shareholders of the Company held on 26<sup>th</sup> September, 2017 at 10:00 A.M. at 303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001 for your records.

Thanking you.

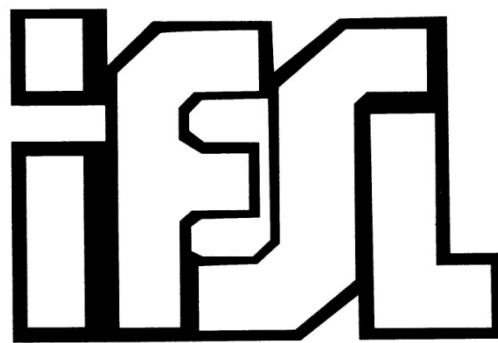
Yours faithfully,  
**For Integrated Financial Services Limited**  
~~For Integrated Financial Services Limited~~

  
Director/Authorised Signatory

S.C. Khaneja  
Director/Compliance Officer  
(DIN: 00042758)

**Encls: As Above.**

**26<sup>th</sup> Annual Report**  
**2016-2017**



**INTEGRATED FINANCIAL SERVICES LIMITED**

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## CORPORATE INFORMATION

### CORPORATE IDENTITY NUMBER

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L74140DL1992PLC047849

### BOARD OF DIRECTORS

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**Shri. Subhash Chander Khaneja**, Chairman  
**Smt. Rajni Khaneja**, Whole time Director  
**Shri. Virender Khaneja**, Non Executive Director  
**Smt. Rachna Batra**, Independent Director  
**Shri. Sunil Sobti**, Independent Director  
**Shri. S. P. Oberoi**, Independent Director  
**Shri. Kunal Khaneja**, Executive Director

### CHIEF FINANCIAL OFFICER

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Shri. Kunal Khaneja

### COMPANY SECRETARY

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Shri S. C. Khaneja

### REGISTERED OFFICE

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304, 3<sup>rd</sup> Floor,  
New Delhi House,  
27, Barakhamba Road,  
New Delhi – 110 001

### STATUTORY AUDITORS

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**M/s Dua & Kumar**  
Chartered Accountants  
P-1, Pilanji, Sarojni Nagar,  
New Delhi – 110 023

### SECRETARIAL AUDITORS

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**M/s. Vinod & Associates**  
Practising Company Secretary  
3013/13, Ranjeet Nagar,  
New Delhi – 110 008

### REGISTRAR & SHARE TRANSFER AGENTS

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**Beetal Financial & Computer Services (P) Ltd.**  
99, Beetal House,  
Madangir,  
New Delhi-110 062

### BANKERS

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HDFC Bank Ltd.

### STOCK CODE & ISIN

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Scrip Code :500212

ISIN :INE898B01017

### WEBSITE & EMAIL

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[www.integratedfinancial.in](http://www.integratedfinancial.in)

[investors@integratedfinancial.in](mailto:investors@integratedfinancial.in)

[compliance@integratedfinancial.in](mailto:compliance@integratedfinancial.in)



**Form A**

(in pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)

**COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE**

Name of the company	:	Integrated Financial Services Limited
Annual financial statements for the year ended	:	31 <sup>st</sup> March, 2017
Type of Audit observation	:	Un-qualified
Frequency of observation	:	None and Not Applicable

**For Integrated Financial Services Limited**

Sd/-  
Subhash Chander Khaneja  
Chief Executive Officer  
DIN: 00042758

Sd/-  
Kunal Khaneja  
Chief Financial Officer  
DIN: 00347845

Sd/-  
Rachna Batra  
Chairman (Audit Committee)  
DIN: 00042861

**For Dua & Kumar**  
Chartered Accountants  
Firm Regn No. 007411N

Sd/-  
Mahesh Kumar  
Proprietor  
M. No. 085757



## DIRECTOR'S REPORT

To  
The Members of Integrated Financial Services Limited  
Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Statement of Accounts of the company for the Financial Year ended 31st March, 2017.

### FINANCIAL RESULTS

	<b>(Rs. In Lakhs)</b>	
	<b>YEAR ENDED</b>	<b>YEAR ENDED</b>
	<b>31ST MARCH, 2017</b>	<b>31ST MARCH, 2016</b>
Income from Operation	559.08	340.30
Profit before Depreciation and Tax	510.92	291.08
Depreciation	0.53	0.75
Profit before Tax	510.39	290.33
Provision for Tax	94.72	51.33
Profit after Tax	415.75	239.06
Proposed Dividend	72.00	48.00
Tax on Dividend	14.65	9.77
Transfer to General Reserve	414.84	179.76

### OPERATIONS

The Income from Operations of the Company for the financial year 2016-17 stood at Rs.559.08 Lakhs as against Rs.340.30 Lakhs in the previous year. The profit after tax stood at Rs.415.75 Lakhs during the year under review against Rs.239.06 Lakhs during the previous year.

### SHARE CAPITAL

The Authorised Share Capital of the company stands at Rs.6,00,00,000/- (divided into 60,00,000 shares of Rs.10 each) fully paid up. During the year under review, there has been no change in the Authorised and Paid-up Share Capital of the company.

Your company has neither issued any shares with differential voting rights nor any Sweat Equity shares during the year under review.

### DEPOSITS

During the year under review, your company has neither accepted nor invited any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 and Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 and Rules and Regulations made thereunder.

### RESERVES

During the year under review, your company transferred a sum of Rs.414.84 Lakhs to General Reserve.

### DIVIDEND

The Directors are pleased to recommend the payment of dividend at the rate of 12% i.e. One Rupee and Twenty Paise 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 record date i.e. Monday, 18<sup>th</sup> September, 2017. 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 record date i.e. Monday, 18<sup>th</sup> September, 2017 as per the details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. The Payment of dividend will entail an outlay of Rs.72,00,000/-. The Company will also have to bear the distribution tax of Rs.14,65,776/-.



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#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 205A(5) and 205C of Companies Act, 1956 and Section 124(5) of the Companies Act, 2013, the amounts pertaining to dividends that remained unclaimed and unpaid for the period of seven years from the date it became first due for payment, have been transferred from time to time to Investor Education and Protection Fund (IEPF) on due dates by the company and no claims shall lie against the company.

Despite constant and sincere efforts to pay unclaimed dividend to such members, certain amount still remains unclaimed. During the Financial Year 2016-17, no amount was transferred as unclaimed Dividend to the Investor Education and Protection Fund established by the Central Government as no dividend was declared by the company for the Financial Year ended 2008-09.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNELS**

There is no change in the composition of Board of Directors of the Company during the Financial Year ended 31.03.2017.

Mr. S. C. Khaneja and Mr. Virender Khaneja will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment, to enable compliance by the company with the provisions of Section 152 of the Act.

None of the Directors of the Company is disqualified from being appointed or re-appointed as a Director as specified under section 164 of the Companies Act, 2013.

The Key managerial personnel of the Company are Mr. Subhash Chander Khaneja, Company Secretary, Mr. Kunal Khaneja, CFO and Mrs. Rajni Khaneja, Wholetime Director.

#### **DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS**

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be Independent Directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015.

The confirmations were placed before and noted by the Board at the meeting Board of directors held on 24.05.2016 during the Financial Year 2016-17.

#### **BOARD MEETINGS**

The Board meets at regular interval to discuss and decide on Company's policies and strategy apart from other Board matters. The tentative annual calendar of the Board is circulated in advance to facilitate the Directors to plan their schedule and to ensure participation in the meetings. Minimum four pre-scheduled Board meetings are held annually, the details of which are given in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors met four times during the Financial Year 2016-17 viz., 24.05.2016; 13.08.2016; 14.11.2016 and 11.02.2017.

#### **BOARD COMMITTEES**

All the Committees of the Board of Directors are constituted in Line with the provisions of the Companies Act, 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Details of all committees alongwith their composition, terms of reference and meetings held during the year are provided in Corporate Governance Report forming part of the Annual Report.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism/Whistle Blower Policy to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees



that raise concerns including fraud, suspected fraud, unethical behavior, violation of any code of conduct or policy in force and any other like matter by using the mechanism provided in the Whistle Blower Policy. The details of the said Policy are included in the Report on Corporate Governance which forms part of the Annual Report. During the Financial Year 2016-17, no cases under this mechanism were reported in the Company and any of its associates.

#### **RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROLS**

The Company understands that risk evaluation and risk mitigation is a function of the Board of the Company and the Board of Directors are fully committed to developing a sound system for identification and mitigation of applicable risks. Your company has a well-defined Risk Management framework in place.

Further, your company has an adequate system of internal control procedures which is commensurate with the size and nature of business. The internal control systems of the company are monitored and periodically reviewed by the audit committee of the Board of Directors.

Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. In this regard, your Board confirms the following:

- i. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorisation.
- ii. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with Generally Accepted Accounting Principles or any other criteria applicable to such statements, and to maintain accountability for aspects.
- iii. Access to assets is permitted only in accordance with management's general and specific authorisation. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
- iv. The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to differences, if any

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, it is hereby confirmed that:-

- i. in the preparation of the annual accounts, the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures;
- ii. the directors 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 at the end of the financial year and of the profit and loss of the company for that period;
- iii. the directors 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 for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis; and
- v. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

As per Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance is included as Annexure-1 to this report.

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

The Management Discussion and Analysis Report for the year under review as required under Regulation 34 (2) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, is given as a separate statement in the Annual Report as Annexure-2.



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**EXTRACT OF ANNUAL RETURN**

Pursuant to the requirements under Section 92(3) and section 134(3) of the Act read with rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in prescribed Form MGT-9 forms part of this Annual Report as Annexure-3.

**LISTING OF SHARES**

Presently, the shares of the company are listed on the BSE Limited, Mumbai. The company has paid the Annual Listing fee for the year under review to BSE Limited.

**AUDITORS AND AUDITORS REPORT**

At the 25th Annual General Meeting held on Friday, 30th day of September, 2016, M/s. Dua & Kumar, Chartered Accountants, were appointed as Statutory Auditors for the financial year 2016-17, to hold office till the conclusion of 26th Annual general Meeting. However, it was mandatory for the company to rotate the Statutory Auditors of the Company on completion of maximum term under section 139 of the Companies Act, 2013 and Rules and Regulations made thereunder. Hence, due to expiry of term of existing Auditors of the Company, in accordance to the provisions of Section 139 of the Companies Act, 2013, the Members of the Audit Committee and Board of Directors in their meeting held on 11.08.2017 have recommended the Appointment of M/s. Anuj Goyal Associates, Chartered Accountants, Delhi (Registration No. 008784N) as Statutory Auditors of the Company, for a period of 5 years from the conclusion of 26<sup>th</sup> Annual General Meeting of the Company till the conclusion of 31<sup>st</sup> Annual General Meeting of the Company.

The notes on financial statements referred to in the Auditor's report are self- explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

**SECRETARIAL AUDIT REPORT**

Pursuant to provisions of section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Vinod & Associates, Company Secretaries in Practice to conduct the Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report as received from M/s. Vinod & Associates is appended to this report as Annexure-4.

The Secretarial Auditor has not made any adverse comments or given any qualification, reservation or adverse remarks in the Audit Report.

**ASSOCIATES AND SUBSIDIARIES**

During the year under review, your company has two Associate companies viz., Integrated Master Securities (P) Ltd. a member of NSE, BSE, MSEI and Depository Participant of NSDL and CDSL and Integrated Commodity Trades (P) Ltd., a member of MCX and NCDEX. However, your company has no subsidiaries.

**CORPORATE SOCIAL RESPONSIBILITY**

As per Section 135 of the Companies act, 2013, the provisions for Corporate Social Responsibility are not applicable to the company.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS**

During the Financial Year 2016-17, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

**BUSINESS RESPONSIBILIY REPORT**

Business Responsibility Report in terms of Regulation 34(2) of the SEBI (Listing Obligations and Disclosure) Requirements, 2015 is not applicable on the Company.





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**PARTICULARS OF EMPLOYEES**

None of the employees of the company are covered under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars as prescribed under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, regarding Conservation of Energy and technology Absorption, and Research and Development is not furnished as the same is not applicable on your company. There were also no foreign exchange earning or outgo during the year under review.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The particulars of loans, guarantees or investments under Section 186 of the Companies Act 2013 are not furnished since the provisions of the section are not applicable to your company, being a core investment company registered with Reserve Bank of India as NBFC.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and are reviewed by the Audit Committee of the Board.

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013, is given in significant accounting policies & notes to accounts as at 31.03.2017.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

There were no significant/material orders passed by the regulators or courts or Tribunals which would impact the going concern status of the company and its future operations.

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company is committed to provide a safe and conducive work environment to its employees and has formulated 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment. During the year under review, no case of sexual harassment was reported.

**CEO & CFO CERTIFICATION**

Certificate from Mr. S. C. Khaneja, Chief Executive Officer and Mr. Kunal Khaneja, Chief Financial Officer, pursuant to Regulation 17(8) of the Listing Regulations for the Financial Year 2016-17 was placed before the Board of Directors of the Company at its meeting held on May 29, 2017 and also forms part of Report on Corporate Governance.

**ACKNOWLEDGEMENTS**

Your directors would like to take this opportunity to express sincere gratitude to the HDFC Bank Ltd, BSE Ltd. and other Regulators for their continued cooperation and patronage. Your directors also place on record appreciation of the excellent performance and hard work put in by the employees at all levels. 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.

Place: New Delhi  
Date: 11.08.2017

**By order of Board of Directors**

*Sd/-*  
S.C. Khaneja  
Chairman  
(DIN: 00042758)



## **CORPORATE GOVERNANCE REPORT**

**(Pursuant to the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015)**

### **1. CORPORATE GOVERNANCE**

Corporate Governance is a process of maximizing stakeholder's value on a sustainable basis through ethically driven business processes. Integrity, transparency, independence, accountability, trusteeship and business ethics are the foundations of the philosophy of Corporate Governance. It essentially involves balancing the interests of all stakeholders viz., shareholders, creditors, employees, customers, suppliers, financiers, management, government and the community.

### **2. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is about commitment to values, ethical business conduct and about considering all stakeholders interest in conduct of business. Your Company is committed to adopt the highest standard of Corporate Governance, accountability and equity in its operations and interaction with all stakeholders. Our policies and practices are framed keeping in view long term shareholder values without compromising on the ethical standards and corporate responsibilities. Corporate Governance essentially involves balancing the interest not only of the stakeholders of the company but also involves obligations towards its stakeholders such as Bankers, Regulators and Government agencies etc.

The report on Corporate Governance, in compliance with the requirements stipulated under Companies Act, 2013, and rules & regulations made there under along with Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is listed hereunder:-

### **3. BOARD OF DIRECTORS**

- a) **Composition and size:** The Company has an optimum combination of Executive, Non-Executive and Independent Non Executive Directors and is governed by the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the company.

The Company also have two Woman Directors on its Board in compliance with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) (a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors is a Director in more than 20 Companies or member of more than 10 Committees or acts as Chairman of more than 5 Committees across all the Companies in which they are Directors. All the Executive and Non - Executive Directors are appointed or re-appointed with the approval of shareholders. The table showing Composition of Board of Directors is as follows:-

Sl. No.	Name of Directors	DIN	Category	Shareholding along with convertible instrument
1	Mrs. Rajni Khaneja	00042980	Woman Director/ Promoter/Executive Director	895800
2	Mr. S.C Khaneja	00042758	Chairman/Promoter/Non-Executive/ Company Secretary	2258213
3	Mr. Kunal Khaneja	00347845	Executive Director/CFO	272700
4	Mr. Virender Khaneja	00046436	Promoter/ Non- Executive Director	263349
5	Mrs. Rachna Batra	00042861	Woman Director/Non-Executive/ Independent Director	0
6	Mr. Sunil Sobti	00142640	Non-Executive/Independent Director	0
7	Mr. S. P. Oberoi	02256889	Non-Executive/Independent Director	0



### Relationship of Directors with other Directors

Name of Director	Relationship	Other Director's Name
Mr. S. C. Khaneja	Husband	Mrs. Rajni Khaneja
Mr. S. C. Khaneja	Brother	Mr. Virender Khaneja
Mr. S. C. Khaneja	Father	Mr. Kunal Khaneja
Mrs. Rajni Khaneja	Mother	Mr. Kunal Khaneja

Other directors are not related to each other.

### b) Board Meetings

During the financial year 2016-17, the Board of Directors met four times on 24<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 11<sup>th</sup> February, 2017.

**The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

The Agenda for the Board Meetings together with the appropriate supporting notes were circulated well in advance of the meetings to enable the Board to take informed decisions.

Attendance of each Director at the Board meetings held during the Financial Year 2016-17 and last Annual General Meeting (AGM) of the company held on 30<sup>th</sup> September, 2016. The information regarding the meetings attended by the Directors is given below: -

Name of Director	Attendance Particulars		No. of Directorship in other Public Limited Companies#	No. of Committee position held**	
	No. of Board Meetings Attended	AGM		Chairman of the Committee	Member
Mr. S. C. Khaneja	4	Yes	1	-	2
Mrs. Rajni Khaneja	4	Yes	NIL	-	-
Mr. Virender Khaneja	4	Yes	NIL	-	-
Mrs. Rachna Batra	4	Yes	1	2	2
Mr. Sunil Sobti	4	Yes	NIL	-	3
Mr. S. P. Oberoi	4	Yes	NIL	1	1
Mr. Kunal Khaneja	4	Yes	NIL	-	-

#excludes Directorship in Private Companies, Foreign Companies and Section 8 Companies.

\*\* Membership/Chairmanship held of only Audit Committee/Stakeholders Relationship Committee and Nomination and Remuneration Committee.

### c) Meeting of Independent Directors

In compliance with Section 149(8) of the companies Act 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a separate meeting of Independent Directors of the company was held on February 11, 2017. The Independent Directors in their Meeting held on 11.02.2017:

- reviewed the performance of non-independent directors and the board of directors as a whole;
- reviewed the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;



- Reviewed the quality, quantity and timeliness of flow of information between the management and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

The meeting was attended by all the Independent Directors.

#### **d) Board Evaluation**

In compliance with the provisions of Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board and the Nomination and Remuneration Committee has laid down a formal mechanism for evaluation of Independent Directors and Executive Directors.

A separate exercise was carried out to evaluate the performance based on parameters like level of engagement, independence of judgment, safeguarding interest of company and its minority shareholders etc. of individual Directors including the Chairman of the Board and various committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire board. The performance evaluation of the Chairman and non-independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

#### **e) Familiarization Programme**

At the time of appointment of a Director, a formal letter of appointment is given, which inter-alia explains the role, function, duties and responsibilities expected of him/her as a Director of the company. Each newly appointed Independent Director is taken through a familiarization programme. The programme aims to familiarize the Directors with the compliance required from him under the Companies Act, 2013, Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his affirmations taken with respect to the same. Details of familiarization programme imparted to independent directors is on our website [www.integratedfinancial.in](http://www.integratedfinancial.in)

### **4. COMMITTEES OF THE BOARD:**

Under the aegis of the Board of directors, several committees have been constituted which have been delegated powers for different functional areas. All the committees have been formed and constituted pursuant to and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Rules and Regulations prescribed by Reserve Bank of India read with requirements of the Companies Act, 2013.

#### **a) Audit Committee**

In compliance of the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and rules and regulations made thereunder, the company has a qualified Audit Committee. The committee reviews the financial statements before submission to the Board for approval and also recommends appointment, re-appointment of the Statutory Auditors and fixing their fees.

The committee comprises of 3 directors i.e. Mr. S. C. Khaneja, Mrs. Rachna Batra and Mr. Sunil Sobti, all being Non-executive Directors. Mrs. Rachna Batra and Mr. Sunil Sobti are Independent Directors. Mrs. Rachna Batra is Chairman of the committee. All the members are financially literate having vast knowledge of accounting, corporate laws and financial expertise. Company Secretary of the company acts as the secretary of the Audit Committee.

During the year under review, the Audit Committee met Four times during the year 2016-17 on 24<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 11<sup>th</sup> February, 2017. All the members of committee duly attended the meetings.



#### b) **Nomination and Remuneration Committee**

Your company has constituted the Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013 on May 30, 2015, comprising of three Non Executive Directors i.e. Mr. S. P. Oberoi, Mr. S. C. Khaneja and Mr. Sunil Sobti. Mr. S. P. Oberoi being an Independent Director acts as Chairman of the Committee.

The role, term of reference, authority and powers of this Committee are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the Company.

During the year under review, the Nomination and Remuneration Committee met one time during the year 2016-17 on 13<sup>th</sup> August, 2016. All the members of the committee duly attended the meeting.

#### c) **Stakeholder's Relationship 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. The Stakeholder's Relationship Committee is empowered to perform the functions of the board relating to handling of stakeholder's queries and grievances. It primarily focus on the grievances of the investors/shareholders & other stakeholders and speedy disposal thereof.

The Stakeholder's Relationship Committee comprises of two non-executive (all being independent) Directors as members namely Mrs. Rachna Batra and Mr. Sunil Sobti. Mrs. Rachna Batra is the Chairman of the Committee. Mr. S.C. Khaneja, being a Company Secretary (FCS) is the Compliance Officer of the company and takes the committee through each of the grievances, the steps taken and the responses given by the Company to redress the grievances of the shareholders/investors.

No complaint has been received from the shareholders during the year. No share transfers, dematerialization requests and complaints were pending as on 31<sup>st</sup> March, 2017.

### 5. **GENERAL BODY MEETINGS**

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

<b>Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>	<b>No. of Special Resolution passed at AGM</b>
2015-2016	304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	30.09.2016	10:00 A.M	1
2014-2015	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	30.09.2015	10:00 A.M	None
2013-2014	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	30.09.2014	10:00 A.M	None

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

### 6. **DISCLOSURES**

#### a) **Related party transactions**

All material transactions entered into with related parties as defined under the Companies Act and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 during the financial year 2016-17 were on arm's Length basis and in the ordinary course of business. There are no materially significant



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related party transactions made by the company with promoters, Directors, Key Managerial personnel or other designated persons during the Financial Year 2016-17, having potential conflict with the interest of the Company at large. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website [www.integratedfinancial.in](http://www.integratedfinancial.in)

**b) Subsidiaries and Associates**

During the year under review, your company has no subsidiary. It has two associate companies, namely, Integrated Master Securities (P) Ltd. a member of NSE, BSE, MSEI and Depository Participant of NSDL and CDSL and Integrated Commodity Trades (P) Ltd., a member of MCX and NCDEX.

**c) Certificate on Corporate Governance**

A certificate certifying the Company's compliance with the provisions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

**d) CEO and CFO Certification**

A certificate from the Chairman as per the requirement of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Audit Committee and before the Board of Directors.

**e) Code of conduct for prevention of Insider Trading**

The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Code requires pre-clearance for dealing in the Company's shares by the Directors and employees likely to have access to unpublished price sensitive information.

**f) Code of Conduct**

The Company has laid down a Code of Conduct ("Code") for the Board Members and Senior Management personnel. The Code impresses upon Directors and Senior Management personnel to uphold the interest of the Company and fulfill the fiduciary obligations. The code of conduct has been circulated to all the Directors and Senior Management Personnel and it is their duty to familiarize themselves with the code and to comply with same. All Board Members and Senior Management Personnel of the Company have affirmed compliance with code for the financial year 2016-17. A declaration to this effect signed by the Chairman forms part of the Annual Report of the company. The Code of Conduct of the company has been uploaded on the website of the company.

**g) Whistle Blower Policy / Vigil Mechanism**

In terms of Section 177 of the Companies Act, 2013 read with Regulations 22 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the company has adopted a Vigil Mechanism/Whistle Blower Policy for its Directors and Employees to report genuine concerns. It provides a formal mechanism to the employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy provides that no adverse action shall be taken against an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such employees from unfair or prejudicial treatment by anyone in the group. The Whistle Blower Policy of the company has been uploaded on the website of the company.

**h) Postal Ballot**

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



## i) Disclosure in relation to Remuneration of Directors

(Rs. in Lakhs)

Directors	Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	Commission Paid	Sitting Fees	Any Other	Total
<b>Executive Directors</b>					
Mr. Kunal Khaneja	2.60	-	0.10	-	<b>2.70</b>
Mrs. Rajni Khaneja	2.60	-	-	-	<b>2.60</b>
<b>Non Executive Directors</b>					
Mr. S. C. Khaneja	-	-	0.10	-	<b>0.10</b>
Mr. Virender Khaneja	-	-	0.10	-	<b>0.10</b>
Mrs. Rachna Batra	-	-	0.10	-	<b>0.10</b>
Mr. Sunil Sobti	-	-	0.10	-	<b>0.10</b>
Mr. S.P. Oberoi	-	-	0.10	-	<b>0.10</b>

## j) Compliance with Non Mandatory Requirements

The Board has taken cognizance of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Companies Act, 2013 and rules & regulations made thereunder and shall consider adopting the same at an appropriate time.

7. **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the financial year 2016-17, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, forms part of the Annual Report.

8. **MEANS OF COMMUNICATION**

- **Quarterly Results and Disclosures:** The quarterly/half yearly/yearly results of the company are published in "Money Maker" (English Edition), "Dainik Mahalakshmi" (Hindi Edition) and sent to the Bombay Stock Exchange where the Company's shares are listed as per the provisions of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, promptly after the said results are approved by the Board.
- **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.
- **Annual Report:** Annual Report containing, inter alia, the Financial Statements, Director's Report, Auditor's Report and other important information is circulated to members of the Company prior to the AGM. The Report on Management Discussion and Analysis forms part of the Annual Report.
- **Price Sensitive Information:** All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders/investors are promptly intimated to Stock Exchange.
- **Website:** The Company's website [www.integratedfinancial.in](http://www.integratedfinancial.in) provides information about the businesses carried on by its subsidiaries and associates, if any. It is the primary source of information to all the stakeholders of the company and to general public at large. It also contains a separate dedicated section on Investor Relations. Financial Results, Annual Reports, Shareholding Pattern, Official News Releases, Quarterly Corporate Governance Report, details of unclaimed dividend, various policies adopted by the Board and other general information about the Company is also available on its website.
- **Designated Exclusive E-mail Id:** The Company has designated an e-mail ID called [investors@integratedfinancial.in](mailto:investors@integratedfinancial.in) exclusively for redressal of shareholders complaints/grievance.



## 9. GENERAL SHAREHOLDERS INFORMATION

### a) Registration Details

The Company is registered with the Registrar of Companies, NCT of Delhi & Haryana. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74140DL1992PLC047849.

### b) Date, Day, Time and Venue of Annual General Meeting

The Annual General Meeting to be held on 26<sup>th</sup> September, 2017 at 303-304, New Delhi House, 27, Barakhamba Road, New Delhi – 110001.

### c) Financial Year

April 1, 2016 to March 31, 2017.

### d) Dates of Book Closure

The Share Transfer Books of the company will remain closed from September 19, 2017 to September 26, 2017 (both days inclusive) for the purpose of Payment of Dividend and voting for 26<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on September 26, 2017.

### e) Dividend Payment Date

The final dividend, if declared by the members at the AGM, shall be paid to those shareholders whose name appears on the Register of members as on Monday, 18<sup>th</sup> September, 2017 and in respect of Shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners at the close of the business hours on Monday, 18<sup>th</sup> September, 2017.

### f) Listing

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

Annual Listing fee for the financial year 2016-17 has been paid by the Company to BSE Ltd.

### g) Stock Code

BSE Limited : 500212  
ISIN for Equity Shares : INE898B01017

### h) Stock Market Data

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

Month	High (Rs)	Low (Rs)
April,2016	24.00	21.70
May, 2016	21.10	18.05
June,2016	21.00	18.95
July,2016	23.08	20.60
August, 2016	26.50	22.00
September,2016	27.65	25.05
October,2016	31.35	27.05
November, 2016	30.00	27.05
December,2016	30.00	28.00
January,2017	29.40	29.40
February,2017	27.95	21.95
March,2017	24.50	21.35

- i) **In case the securities are suspended from trading, the directors report shall explain the reason thereof**  
Not Applicable as the securities are not suspend from trading.





**j) Registrar & Transfer Agent**

The Company has appointed M/s Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 3rd Floor, 99, Madangir, BH-Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi - 110062, as Physical and Electronic Registrar through which the shares of the Company are available for transfer as well as for dematerialization.

**k) Share Transfer System**

The Board has delegated the authority for share transfers, transmissions, remat/demat of share/issue of renewed and duplicate share certificates etc. to the Board constituted Stakeholder's Relationship Committee. For any such action request is to be made to RTA, which after scrutinizing all such requests, forwards and it to Stakeholder's Relationship Committee. Requests are normally processed within 15 days from the date of lodgment. The shares of the Company are traded on the BSE 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.

**l) Distribution of shareholding: As on 31<sup>st</sup> March 2017**

Category Code	Category	No. of Shareholders	Number of Shares	Percentage
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	Indian			
(a)	Individuals and Hindu Undivided Family	9	4,474,192	74.57
	Sub-Total (A)(1)	9	4,474,192	74.57
	Total Shareholding of Promoter and Promoter Group	9	4,474,192	74.57
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions			
(2)	Non-Institutions			
(a)	Bodies Corporate	37	2,79,883	4.66
(b)	Individuals			
	i. Individual Shareholders holding nominal share capital up to Rs.2 Lakh	763	2,81,968	4.70
	ii. Individual Shareholders holding nominal share capital in excess Rs.2 Lakh	20	9,55,568	15.93
(c)	Trust	NIL	NIL	NIL
(d)	Non Resident Indians	2	46	0.00
(e)	Hindu Undivided Family	20	8,343	0.14
	Public Shareholding (B) = (B) (1) + (B)(2)			
	<b>Total (A) + (B)</b>	<b>851</b>	<b>60,00,000</b>	<b>100.00</b>

**m) 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.

**n) Distribution of Shareholding as on 31<sup>st</sup> March, 2017**

Share Holding of Nominal Value or Rs.10	Number of Shareholders	% of Total	No. of Shares	Amount in Rs.	% of Total
Up To 5000	716	84.13	93886	938860.00	1.5648
5001 to 10000	49	5.75	39855	398550.00	0.6643
10001 to 20000	24	2.82	35782	357820.00	0.5964
20001 to 30000	12	1.41	30285	302850.00	0.5048



30001 to 40000	5	0.58	17962	179620.00	0.2994
40001 to 50000	4	0.47	18413	184130.00	0.3069
50001 to 100000	5	0.58	40753	407530.00	0.6792
100001 and Above	36	4.23	5723064	57230640.00	95.3844
<b>Total</b>	<b>851</b>	<b>100.00</b>	<b>6000000</b>	<b>60000000.00</b>	<b>100.00</b>

**o) Dematerialization of shares**

As on 31<sup>st</sup> March 2017, 85.53% of the capital comprising 51,32,006 shares was dematerialized with Depository Participants.

Depository	Number of Shares	Percentage
CDSL	691856	11.53
NSDL	4440150	74.00
<b>Total</b>	<b>5132006</b>	<b>85.53</b>

**p) Commodity price risk or foreign exchange risk and hedging activities.**

Not Applicable.

**q) Plant Locations**

Not Applicable

**r) Address for correspondence**

Registered Office : 304, 3<sup>rd</sup> Floor, New Delhi House, 27, Barakhamba Road, New Delhi – 110 001.  
Telephone Nos. : 011-4307 4307 (30 Lines)  
Fax : 011-4307 4315

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

**P) Half Yearly Audit of Share Transfers**

Pursuant to Listing Agreement and Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company obtains the certificate from a practicing Company Secretary on half yearly basis to the effect that the requests for share transfers, sub-division, consolidation, renewal and exchange of certificates comprising equity shares have been processed within the stipulated time period subject to all the documents being in order. A copy of the certificate so received is submitted to the stock exchanges where the Company's equity shares are listed.

**10. OTHER DISCLOSURES**

- There have been no instances of non-compliances by us and no penalties and/or strictures have been imposed on us by Stock Exchange or SEBI or any statutory authority during the previous three financial year.
- 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.
- There are no pecuniary relationships or transaction of the Non-executive Directors with the Company except by way of sitting fees.
- The Company has complied to the extent applicable with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and rules & regulations made their under in respect of Corporate Governance.

Place: New Delhi  
Date: 11.08.2017

**By order of Board of Directors**

*Sd/-*  
S.C. Khaneja  
Chairman  
(DIN: 00042758)



**Auditors' Certificate on Compliance of Corporate Governance under Corporate Governance (Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

To,  
The Members of  
Integrated Financial Services Limited,

We have examined the compliance of conditions of Corporate Governance procedures by **Integrated Financial Services Limited** for the year ended 31<sup>st</sup> March, 2017, as per regulations 17 to 21, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 to 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of Investor grievances received during the year ended 31<sup>st</sup> March, 2017, no investor grievances are pending against the company for a period exceeding one month as on 31<sup>st</sup> March, 2017, as per the records maintained by the company and presented to Investors'/Shareholders' Grievance Committee.

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

Place: New Delhi  
Date: 11.08.2017

**For Dua & Kumar**  
Chartered Accountants  
Firm Regn No. 007411N

Sd/-  
Mahesh Kumar  
Proprietor  
M. No. 085757

**Certificate on compliance with Code of Conduct of the Company**

This is to confirm that all Board Members and Senior Management Team have affirmed compliance with the "Code of Conduct for Directors and Senior Executives of the company" for the year ended 31<sup>st</sup> March, 2017.

Place: New Delhi  
Date: 11.08.2017

**For Integrated Financial Services Limited**

Sd/-  
S.C Khaneja  
Chairman  
(DIN: 00042758)



**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate  
(Issued in accordance to the provisions of the Regulation 17(8) of the SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015)**

Dear Sirs,

We to the best of our knowledge and belief, certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statements of the Company for the Financial Year ended March 31, 2017 and to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year ended March 31, 2017, which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and there were no deficiencies in the design or operation of internal controls.
- d) We have indicated to the Auditors and the Audit Committee :
  - (i) Significant changes, if any, in internal control over financial reporting during the year ended March 31, 2017, disclosed in the notes to the financial statements;
  - (ii) Significant changes, if any, in accounting policies made during the year ended March 31, 2017; and
  - (iii) There have been no instances of significant fraud of which we have become aware.

**For Integrated Financial Services Limited**

Sd/-  
Kunal Khaneja  
Chief Financial Officer  
(DIN: 00347845)

Place: New Delhi  
Date: 11.08.2017

**For Integrated Financial Services Limited**

Sd/-  
S. C. Khaneja  
Chairman  
(DIN: 00042758)



## MANAGEMENT DISCUSSION AND ANALYSIS

**ECONOMIC OVERVIEW:** The year under review continued to present a mixed picture in so far as the global economic trends were concerned. India's economic growth rate during the financial year 2016-17 was 7.1 percent as compared to the previous year of 7.6 percent. With fall in Government's Fiscal deficit in FY17 to 3.5 percent from 3.9 percent in FY16, the fiscal balance has improved. According to RBI, the GDP growth estimates of Central Statistical Organization, for FY 2016-17 already project a robust pick up. India just needs to balance the short term imperative boosting public investment to revitalize growth with the need to maintain fiscal discipline.

**INDUSTRY OVERVIEW:** Your Company is a NBFC (Non-Banking Finance Company). This sector has evolved considerably in terms of its size, operations and entry into new areas of financial services and products. The regulatory framework has also undergone change. The revised RBI regulations for NBFCs have been formed with the purpose of strengthening the financial system. However, being a financial entity, your company is exposed to various risk arising out of interest rate movement and risks pertaining to liquidity, as any other financial sector player.

**OPPORTUNITIES AND THREATS:** Your 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. Your company is conscious of the same and the 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:** After a prolonged economic slowdown during FY 2015-16 and FY 2016-17, the Indian economy has started showing signs of improvement in FY 2017-18. FY 2018-19 is expected to be a year of consolidation, so that the industry is ready for the next phase of growth. GDP growth is expected to improve on the back of proactive government initiatives and revival of commercial activity.

**RISK AND CONCERNS:** The Company's operation involves inbuilt risk due to uncertain economic condition and unforeseen events beyond the Company's control. The company appreciates the varied forms of risk inherent in our industry and we continue to scrutinize our risk management system.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:** The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. 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. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors. Key issues are specifically brought to the attention of the Audit Committee and deliberated and in details along with the action plan.

**HUMAN RESOURCES:** The Company's success depends largely upon the quantity and competence of its management team and key personnel. We lay a strong emphasis on integrity, teamwork, innovation, performance and partnership. The Company has adequate and experienced professionals having varied experience related to the Industry to carry out its various operation. Attracting and retaining talented professionals is the key element of the Company's strategy. Skills of employees are fine tuned and knowledge is enhanced by providing them incentives from time to time. All employees are encouraged and incentivized to get them certified in relevant industry standard certifications such as NCFM, BCDE, NISM, AMFI etc. Total Employees in the company are 7.

**EXTRACT OF ANNUAL RETURN****Form No. MGT-9 as on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

I	CIN	L74140DL1992PLC047849
ii	Registration Date	04/03/1992
iii	Name of the Company	Integrated Financial Services Limited
iv	Category/Sub-category of the Company	Company Limited by shares
V	Address of the Registered office & contact details	304, New Delhi House, 27, Barakhamba Road, New Delhi -110001
Vi	Whether listed company	Yes
Vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services (P) Ltd. Beetal House, 3 <sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Investment Company	66110	100



**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sr. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Integrated Master Securities (P) Ltd.	U74899DL1995PTC070418	Associate	49%	2(6)
2	Integrated Commodity Trades (P) Ltd.	U74899DL1995PTC071251	Associate	25%	2(6)

**IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)**

**i. Category wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	44,74,192	0	44,74,192	74.57	44,74,192	0	44,74,192	74.57	0.00
b) Central or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>44,74,192</b>	<b>0</b>	<b>44,74,192</b>	<b>74.57</b>	<b>44,74,192</b>	<b>0</b>	<b>44,74,192</b>	<b>74.57</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00



b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A) (2)</b>	<b>44,74,192</b>	<b>0</b>	<b>44,74,192</b>	<b>74.57</b>	<b>44,74,192</b>	<b>0</b>	<b>44,74,192</b>	<b>74.57</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
C) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
a) Bodies Corporates									
i) Indian	2,74,000	2,600	2,76,600	4.61	2,77,283	2,600	2,79,883	4.66	0.05
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2Lakhs	2,11,293	66,098	2,77,931	4.62	2,16,574	65,394	2,81,968	4.70	0.08





ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 Lakhs	1,55,568	8,00,000	9,55,568	15.93	1,55,568	8,00,000	9,55,568	15.93	0.00
c) Others (specify)	0	0	0	0.00					0.00
(c i) NRI	5860	0	5860	0.10	46	0	46	0.00	0.0969
(cii) HUF	10,389	0	10,389	0.17	8343	0	8343	0.14	0.03
(c iii) Clearing members	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(2):</b>	<b>6,57,814</b>	<b>8,67,994</b>	<b>15,25,808</b>	<b>25.43076</b>	<b>6,57,110</b>	<b>8,68,698</b>	<b>15,25,808</b>	<b>25.43076</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>6,57,814</b>	<b>8,67,994</b>	<b>15,25,808</b>	<b>25.43076</b>	<b>6,57,110</b>	<b>8,68,698</b>	<b>15,25,808</b>	<b>25.43076</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>51,31,202</b>	<b>8,68,798</b>	<b>60,00,000</b>	<b>100.00</b>	<b>51,31,302</b>	<b>8,68,698</b>	<b>60,00,000</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Share Holding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Subhash Chander Khaneja	22,58,213	37.64	0.00	22,58,213	37.64	0.00	0.00
2	Rajni Khaneja	8,95,800	14.93	0.00	8,95,800	14.93	0.00	0.00
3	Sant Lal Khaneja & Sons HUF	3,03,350	5.06	0.00	3,03,350	5.06	0.00	0.00
4	Kunal Khaneja	2,72,700	4.55	0.00	2,72,700	4.55	0.00	0.00
5	Virender Khaneja	2,63,349	4.39	0.00	2,63,349	4.39	0.00	0.00
6	Krishan Lal Khaneja	2,28,317	3.81	0.00	2,28,317	3.81	0.00	0.00



7	Rashmi Khaneja	1,19,513	1.99	0.00	1,19,513	1.99	0.00	0.00
8	Ruchika Khaneja	1,12,950	1.88	0.00	1,12,950	1.88	0.00	0.00
9	Virender Khaneja (HUF)	20,000	0.33	0.00	20,000	0.33	0.00	0.00
<b>Total</b>		<b>44,74,192</b>	<b>74.57</b>	<b>0.00</b>	<b>44,74,192</b>	<b>74.57</b>	<b>0</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding** NO CHANGE DURING THE YEAR

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>					
1	Ashok Kumar	60,000	1.0000	60,000	1.0000
2	Mamta	60,000	1.0000	60,000	1.0000
3	Ashok Kumar	60,000	1.0000	60,000	1.0000
4	Mamta	60,000	1.0000	60,000	1.0000
5	Jaldhara Merchant Exporters Pvt. Ltd.	59,966	0.9994	59,966	0.9994
6	Bullion Engineering Private Ltd.	59,800	0.9967	59,800	0.9967
7	Sarojini Finance & Investment (P) Ltd.	59,794	0.9966	59,794	0.9966
8	Hans Securities Broking Pvt. Ltd	59,700	0.9950	59,700	0.9950
9	Madhu Khaneja	58,575	0.9763	58,575	0.9763
10	Kamakshi	50,000	0.8333	50,000	0.8333



<b>Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease</b>	NO CHANGE DURING THE YEAR
<b>At the end of the year (or on the date of separation, if separated during the year)</b>	
SAME AS AT THE BEGINNING OF THE YEAR	

**(v) Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>					
1	Mr. Subhash Chander Khaneja	22,58,213	37.64	22,58,213	37.64
2	Mrs. Rajni Khaneja	8,95,800	14.93	8,95,800	14.93
3	Mr. Kunal Khaneja	2,72,700	4.55	2,72,700	4.55
4	Mr. Virender Khaneja	2,63,349	4.39	2,63,349	4.39
5	Mr. Sunil Sobti	0	0.00	0	0.00
6	Mr. S. P. Oberoi	0	0.00	0	0.00
7	Mrs. RachnaBatra	0	0.00	0	0.00
<b>Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease</b>		NO CHANGE DURING THE YEAR			
<b>At the end of the year</b>		SAME AS AT THE BEGINNING OF THE YEAR			

**V INDEBTNESS**

Indebtness of the Company including outstanding/ accrued but not due for payment: NIL


**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole time director and/or Manager**

(Rs. In lacs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Rajni Khaneja	Kunal Khaneja	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	2.60	2.60	5.20
2	Others (Sitting Fees)	-	0.10	0.10
	<b>Total (A)</b>	<b>2.60</b>	<b>2.70</b>	<b>5.30</b>
	<b>Ceiling as per the Act</b>	10 percent of the net profit of the company calculated as per section 198 of the Act		

**B. Remuneration to other directors:**

(Rs. In lacs)

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
		Sunil Sobti	S. P. Oberoi	Rachna Batra	S. C. Khaneja	Virender Khaneja	
1	<b>Independent Directors</b>						
	(a) Fee for attending board committee meetings	0.10	0.10	0.10	-	-	0.30
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>0.30</b>
2	<b>Other Non Executive Director</b>						
	(a) Fee for attending board committee meetings	-	-	-	0.10	0.10	0.20
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-
	Total (2)	-	-	-	<b>0.10</b>	<b>0.10</b>	<b>0.20</b>
	Total (B)=(1+2)	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.50</b>
	<b>Total Managerial Remuneration*</b>						<b>0.50</b>
	<b>Overall Ceiling as per the Act.</b>	11 percent of the net profit of the company calculated as per section 198 of the Act					



\* Total remuneration of Managing Director and other Directors (being total of A and B)

**C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Officer (CEO)	Company Secretary	Chief Financial Officer (CFO)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-
2	Others, please specify	-	-	-	-
	<b>TOTAL</b>	-	-	-	-

**VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES** NONE



Annexure-4 to Director's Report

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 2016-17**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,

**INTEGRATED FINANCIAL SERVICES LIMITED**  
**304, New Delhi House, 27,**  
**Barakhamba Road,**  
**New Delhi - 110 001**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INTEGRATED FINANCIAL SERVICES LIMITED** (hereinafter called the "Company") having CIN L74140DL1992PLC047849. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, returns filed and other records maintained by **INTEGRATED FINANCIAL SERVICES LIMITED** for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (vi) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (vii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (viii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (ix) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the company**);
- (x) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit period as the Company has not issued any new securities**);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not Applicable to the Company during the Audit period**);



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- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit period as the Company has not issued any Debt Instruments/securities);**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit period as the Company as delisting of securities did not take place);**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit period as the Company has not Bought back its securities); and**
- i) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Redeemable Preference Shares) Regulations, 2013 **(Not Applicable to the Company during the Audit period as the Company has not issued any non-convertible preference shares)**
- (xi) Other laws applicable specifically to the company namely:
1. Provident Fund Act, 1952;
  2. The Information Technology Act, 2000 and the rules made thereunder;
  3. The Indian Stamp Act, 1899 read with Indian Stamp (Delhi Amendment) Act, 2001 (on issue of Equity Shares);
  4. Income Tax Act 1961 & Rules, 1962;
  5. Companies (Cost Records & Audit) Rules, 2014;
  6. Applicable Accounting Standards;
  7. Cyber Laws;
  8. Trade License Act;
  9. Corporate Tax;
  10. Tax Deducted at Source.

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India (To the extent applicable)
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
- NBFC – CIC – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Regulations and Guidelines, Circulars, Notifications, etc. as applicable on the company.

I have not examined compliances by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

In respect of other laws specifically applicable to the Company, I have relied on information/records produced by the Company during the course of our audit and the reporting is limited to that extent.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.



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Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that:**

- There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- There was no prosecution initiated against or show cause notice received by the company during the year under review.

I further report that during the audit period there were no instances of:

- Right / Preferential issue of shares/ debentures / sweat equity.
- Redemption / buy-back of securities.
- Merger / amalgamation / reconstruction etc.
- Foreign technical collaborations.

This report is to be read with our letter of even date which is annexed as '**Annexure-A**' and forms an integral part of this report.

For **VINOD & ASSOCIATES**  
**Company Secretaries**

Sd/-  
**VINOD**  
**C.P. No. 17203**  
**Membership No. 46838**

**Place: New Delhi**  
**Date: 11.08.2017**





**To,  
The Members,  
INTEGRATED FINANCIAL SERVICES LIMITED  
304, New Delhi House,  
27, Barakhamba Road,  
New Delhi - 110 001**

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis of our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**For VINOD & ASSOCIATES  
Company Secretaries**

**Sd/-  
VINOD  
C.P. No. 17203  
Membership No. 46838**

**Place: New Delhi  
Date: 11.08.2017**



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## Independent Auditor's Report

To the Members

### Integrated Financial Services Limited

#### Report on the standalone Financial Statements

We have audited the accompanying standalone financial statements of Integrated Financial Services Limited ('the Company'), which comprises the Balance Sheet as at 31st March, 2017, the statement of Profit and Loss and Cash Flow Statement of the company for the year ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the standalone financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



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## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act 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 2017; and
- b) In the case of statement of profit and loss, of the profit for the year ended on that date.
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the standalone financial statements for the year ended 31st March, 2017 comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2017, from being appointed as a director section 164(2) of the Companies Act, 2013.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund during the year by the company.
    - iv. the Company has provided disclosures in the standalone financial statements. Based on audit procedure and relying on the management representation we report that the disclosure with books of account maintained by the Company and as produced to us by the Management.

Place: New Delhi  
Date: 29.05.2017

**For Dua& Kumar**  
Chartered Accountants  
Firm Regn No. 007411N  
Sd/-  
Mahesh Kumar  
Proprietor  
M. No. 085757



## **Annexure 'A' to the Independent Auditor's Report – 31 March, 2017**

The Annexure referred to in Independent Auditor's Report to the members of Integrated Financial Services Limited ('the Company') on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.  
  
b. The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
2. The Company is a service Company primarily engaged in the business of Core Investment. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has given loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013:
  - a. The amounts of principal as well as interest have been repaid regularly.
  - b. No amount of loan and advances is overdue.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investment made.
5. According to the information and explanation given to us, the Company has not accepted any deposits during the year and, accordingly, the provisions of Clause V of Paragraph 3 of the Order and section 73 to section 76 of the Companies Act, 2013 and any other provisions are not applicable to the Company. There was no any amount is outstanding against any deposit of earlier years in the books of accounts of the Company.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
7. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income tax, service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, sales tax, custom duty, excise duty and cess. According to the information and explanation given to us, no disputed amounts payable in respect of provident fund, income tax, service tax, value added tax and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period more than six months.  
  
(b) According to the information and explanation given to us, there are no dues of provident fund, income tax and service tax, which have not been deposited with the appropriate authorities on account of any dispute.



8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government or debenture holders.
9. In our opinion and according to information and explanation given to us, the Company has not raised any term loan during the year and, accordingly, the provisions of clause (xi) of paragraph 3 of the said order are not applicable for the relevant year.
10. During the course of our examination of the books and record of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The company is registered as Non-Banking Financial Company with Reserve Bank of India under section 45-IA.

Place: New Delhi  
Date: 29.05.2017

**For Dua& Kumar**  
Chartered Accountants  
Firm Regn No. 007411N  
Sd/-  
Mahesh Kumar  
Proprietor  
M. No. 085757



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## **Annexure 'B' to the Independent Auditors' Report**

### **Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of Integrated Financial Services Limited**

#### **Report on the Internal Financial Controls under clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Integrated Financial Services Limited ('the Company') as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial



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statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subjects to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Place: New Delhi  
Date: 29.05.2017

**For Dua& Kumar**  
Chartered Accountants  
Firm Regn No. 007411N  
Sd/-  
Mahesh Kumar  
Proprietor  
M. No. 085757



### Balance Sheet as at 31st March 2017

( Currency : Indian Rupees)	Note	As at 31st March 2017	As at 31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	2.1	60,000,000.00	60,000,000.00
(b) Reserves and Surplus	2.2	299,720,685.82	266,901,824.75
Shareholder's Funds		<b>359,720,685.82</b>	<b>326,901,824.75</b>
<b>Non-Current liabilities</b>			
(a ) Long term provisions	2.3	285,630.00	277,107.00
<b>Current Liabilities</b>			
(a ) Other current liabilities	2.4	253,974.30	200,393.82
(b) Short term provisions	2.5	18,169,927.00	10,944,256.00
		<b>18,423,901.30</b>	<b>11,144,649.82</b>
<b>TOTAL</b>		<b>378,430,217.12</b>	<b>338,323,581.57</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	2.6	153,042.00	206,468.00
<b>Current assets</b>			
(a) Current Investments	2.7	261,388,046.53	205,242,626.15
(b) Cash and bank balances	2.8	16,146,772.90	16,820,461.22
(c) Short-term loans and advances	2.9	7,782,200.70	5,746,957.30
(d) Other current assets	2.10	92,960,154.99	110,307,068.90
		<b>378,277,175.12</b>	<b>338,117,113.57</b>
<b>TOTAL</b>		<b>378,430,217.12</b>	<b>338,323,581.57</b>
Significant accounting policies and notes to the financial statements	1,2 &3	-	-

**As per our Report of even date attached  
For Dua & Kumar**

Chartered Accountants  
Firm Regn. No-007411N  
(Mahesh Kumar)  
Proprietor Membership No – 085757

**For and on behalf of the Board of Directors**

S.C. Khaneja Company Secretary	Rajni Khaneja Director (DIN:00042980)	Kunal Khaneja Director (DIN:00347845)
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Date: 29.05.2017  
Place: New Delhi





### Statement of Profit and Loss for the year ended 31st March, 2017

( Currency : Indian Rupees)	Note	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>Revenue from operations</b>			
Interest income	3.1	18,181,064.21	11,920,156.69
Income From Operation	3.2	37,726,965.32	22,110,603.88
<b>Total Revenue</b>		<b>55,908,029.53</b>	<b>34,030,760.57</b>
<b>Expenses</b>			
Employee benefit expenses	3.3	1,699,283.00	1,606,459.00
Depreciation and amortization expenses	2.6	53,426.00	75,482.00
Other expenses	3.4	3,115,927.16	3,315,324.26
<b>Total expenses</b>		<b>4,868,636.16</b>	<b>4,997,265.26</b>
<b>Profit before tax</b>		<b>51,039,393.37</b>	<b>29,033,495.31</b>
Tax expense:			
Income tax		9,472,893.00	5,133,133.00
Previous year adjustment		81,863.30	146,946.18
<b>Profit for the year</b>		<b>41,484,637.07</b>	<b>23,753,416.13</b>
Share of minority interest in profit for the year			-
<b>Profit for the year after minority interest</b>		<b>41,484,637.07</b>	<b>23,753,416.13</b>
<b>Earnings per share (Rs.) (Face value Rs.10/- each)</b>			
- Basic		8.05	3.96
- Diluted		8.05	3.96
Significant accounting policies and notes to the financial Statements	1,2 & 3		

**As per our Report of even date attached  
For Dua & Kumar**  
Chartered Accountants  
Firm Regn. No-007411N  
(Mahesh Kumar)  
Proprietor Membership No – 085757

**For and on behalf of the Board of Directors**

S.C. Khaneja Company Secretary	Rajni Khaneja Director (DIN:00042980)	Kunal Khaneja Director (DIN:00347845)
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Date: 29.05.2017  
Place: New Delhi



### Cash Flow Statement for the year ended 31st March, 2017

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

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. Cash flow from operating activities</b>		
Profit before tax	51,039,393.37	29,033,495.31
<b>Adjustments for</b>		
Depreciation and amortization expenses	53,426.00	75,482.00
Interest	(18,181,064.21)	(11,920,156.69)
<b>Operating cash flow before working capital changes</b>	<b>32,911,755.16</b>	<b>17,188,820.62</b>
<b>Adjustments for</b>		
Trade Payables	53,580.48	31,707.00
Investment (Net)	(56,145,420.38)	(13,043,028.29)
Tax Refund	0.00	0.00
Tax Paid (Net)	(6,817,297.70)	(4,789,554.30)
Previous Year Adjustment		
2014-15	0.00	(980,000.00)
2015-16	(419,600.00)	0.00
<b>Cash Generated From Operations</b>	<b>(63,328,737.60)</b>	<b>(18,780,875.59)</b>
<b>Net cash Used in Operating Activities - A</b>	<b>-30,416,982.44</b>	<b>-1,592,054.97</b>
<b>B. Cash flow from investing activities</b>		
Interest Income	18,181,064.21	11,920,156.69
Other Assets	17,346,913.91	(11,429,607.14)
Loans And Advances	(7,500.00)	37,500.00
<b>Net cash used in investing activities - B</b>	<b>35,520,478.12</b>	<b>528,049.55</b>
<b>C. Cash flow from financing activities</b>		
Dividend	(4,800,000.00)	(54,00,000.00)
Dividend Tax Paid	(977,184.00)	(1,079,838.00)
<b>Net cash generated from financing activities - C</b>	<b>(5,777,184.00)</b>	<b>(6,479,838.00)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(673,688.32)</b>	<b>(7,543,843.42)</b>
Cash and cash equivalents as at the beginning of the year	16,820,461.22	24,364,304.64
Cash and cash equivalents as at the end of the year	16,146,772.90	16,820,461.22

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

**For Dua & Kumar**

Chartered Accountants

Firm Regn. No-007411N

(Mahesh Kumar)

Proprietor Membership No – 085757

**For and on behalf of the Board of Directors**

S.C. Khaneja  
Company Secretary

Rajni Khaneja      Kunal Khaneja  
Director              Director  
(DIN: 00042980)    (DIN: 00347845)

Date: 29.05.2017

Place: New Delhi



## SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS AS AT 31.03.2017

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Method of Accounting

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Accounting Standards notified under Section 133 of the Companies Act 2013 read with Rule 7 of the Company (Accounts) Rules, 2014. The accounts have been prepared under the historic convention and accrual basis.

#### 1.2.1 Incomes

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

1.2.2 All expenses are accounted on accrual basis.

#### 1.3.1 Depreciation

Depreciation on fixed assets has been charged on Written down Value method at the rates prescribed in Schedule II to the Companies Act, 2013.

#### 1.4 Fixed Assets

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

#### 1.5 Taxes on Income

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

1.6 Foreign Currency Transactions NIL

### NOTES TO ACCOUNTS

#### 1.7 Contingent Liabilities

Contingent Liabilities outstanding as on 31.03.2017 are Nil

#### 1.8.1 Current Assets

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

1.9 There is no employee in the company who is covered under the provisions of Section 197(12) of the Companies Act, 2013 and Rules thereon.

1.10 In accordance with 'Accounting Standard 22', the Company has recognized a deferred tax asset of Rs.8,523/-for the year 31<sup>st</sup> March, 2017 as a charge to the Profit & Loss Account.

Particulars	31.03.2017	31.03.2016
Depreciation as per Companies Act, 2013	53426.00	75,482.00
Depreciation as per Income Tax Act, 1961	79,207.00	93,153.00
Difference	(25781.00)	(17,461.00)
Deferred Tax Asset /Liability	8,523.00	5,842.00



### 1.11 Related Parties Disclosures

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

1. Mrs. Rajni Khaneja	-	Director
2. Sh. S.C. Khaneja	-	Director
3. Sh. Virender Khaneja	-	Director
4. Mr. Kunal Khaneja	-	Director

#### B. Other Related Parties

Integrated Master Securities (P) Limited and Integrated Commodity Trades (P) Ltd.

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

### 1.12 Transactions carried out with related parties (Rs. in lacs)

Nature of Transactions	Related Parties	
	Referred in Clause 1.11(A)	Referred in Clause 1.11(B)
<b><u>Expenses</u></b>		
<b>Director Remuneration</b>		
Mr. Kunal Khaneja	2.60	NIL
Mrs. Rajni Khaneja	2.60	NIL
<b>Sitting Fee</b>		
Mr. S. C. Khaneja	0.10	NIL
Mr. Kunal Khaneja	0.10	NIL
Mr. Virender Khaneja	0.10	NIL
<b>Interest Received</b>	NIL	163.68
<b>Investments in Group Company</b>		
Integrated Master Securities (P) Limited	NIL	490.00
Integrated Commodity Trades (P) Limited	NIL	31.50
<b>Rent Received</b>	NIL	NIL
<b>Loans and Advances</b>	NIL	929.00

\*All Investments in securities and sale thereof is done through Integrated Master Securities (P) Ltd. (Outstanding as on 31/03/2017 - 9,29,00,000/-)

### 1.13 Basic and Diluted Earning Per Share

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



(Rs. in Lacs)

Particulars	Current Year	Previous Year
Net Profit for the year as per Profit & Loss Account	414.84	237.53
No. of Shares	60,00,000	60,00,000
Earning per share	8.05	3.96

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

1.15 Additional Information pursuant to Schedule II of the Companies Act, 2013 is annexed.

1.16 Disclosures relating to Specified Bank Notes (SBNs) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December 2016 pursuant to notification No. G.S.R. 308(E) dated 30<sup>th</sup> March, 2017.

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	0.00	0.00	0.00
Add : Permitted Receipts	0.00	3,20,000	0.00
Less : Permitted Payments	0.00	3,20,000	0.00
Less : Amount Deposited in Banks	0.00	0.00	0.00
Closing Cash in hand as on 30.12.2016	0.00	0.00	0.00

There was no cash deposited during the period of Demonitisation.

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

**For Dua & Kumar**

Chartered Accountants

Firm Regn. No-007411N

**For and on behalf of the Board of Directors**

(Mahesh Kumar)

Proprietor

Membership No – 085757

S.C. Khaneja  
Company Secretary

Rajni Khaneja      Kunal Khaneja  
Director              Director  
(DIN:00042980) (DIN:00347845)

Date: 29.05.2017

Place: New Delhi



## Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.1 Share Capital</b>		
<b>Authorised:</b>		
60,00,000 Equity Shares of Rs.10/- each (Previous year: 60,00,000 Equity Shares of Rs.10/- each)	60,000,000.00	60,000,000.00
<b>Issued, Subscribed and Paid up:</b>		
60,00,000 Equity Shares of Rs.10/- each (Previous year: 60,00,000 Equity Shares of Rs.10/- each)	60,000,000.00	60,000,000.00

### Movement in share capital

	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Number of Shares	Amount	Number of Shares	Amount
Outstanding at the beginning of the year	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00
Issued during the year (excluding bonus shares)	0.00	0.00	0.00	0.00
Bonus shares issued during the year	0.00	0.00	0.00	0.00
Outstanding at the end of the year	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00

### Rights of equity shareholders

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

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

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

	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Number of Shares	Percentage Shareholding	Number of Share	Percentage Shareholding
Mr. Subhash Chander Khaneja	2258213	37.64	2258213	37.64
Mrs. Rajni Khaneja	895800	14.93	895800	14.93
M/s.Santlal Khaneja & Sons (HUF)	303350	5.06	303350	5.06


**Notes to the financial statements (Continued)**

(Currency: Indian Rupees)

	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>2.2 Reserves and surplus</b>		
<b>General Reserve</b>		
Opening Balance	266,901,824.75	248,925,529.62
<b>Add:</b> Profit During the Year	41,484,637.07	23,753,416.13
	<b>308,386,461.82</b>	<b>272,679,008.75</b>
<b>Less:</b> Proposed Dividend	(7,200,000.00)	(4,800,000.00)
Dividend Distribution Tax	(1,465,776.00)	(977,184.00)
	<b>299,720,685.82</b>	<b>266,901,824.75</b>
<b>2.3 Long-term Provisions</b>		
Deferred Tax Liability	285,630.00	277,107.00
	<b>285,630.00</b>	<b>277,107.00</b>
<b>2.4 Other current liabilities</b>		
Trade Payable	253,974.30	200,393.82
	<b>253,974.30</b>	<b>200,393.82</b>
<b>2.5 Short-term provisions</b>		
Proposed dividend	7,200,000.00	4,800,000.00
Dividend distribution tax	1,465,776.00	977,184.00
Provision for Income Tax	9,464,370.00	5,127,291.00
Income Tax for Previous Years	39,781.00	39,781.00
	<b>18,169,927.00</b>	<b>10,944,256.00</b>



**Notes to the financial statements (Continued)**

(Currency: Indian Rupees)

**2.6 FIXED ASSETS AS AT 31ST MARCH, 2017**

Particulars	GROSS BLOCK				Life	DEPRECIATION					NET BLOCK	
	As on 01.04.2016	Additions /Sales during the Year	Total as on 31.03.2017	Opening Retain Value 5%		Upto 31.03.2016	Rate of Depr.	For the year	Written Back	Total upto 31.03.2017	W.D.V. as on 31.03.2017	W.D.V. as on 31.3.2016
1	2	3	4		5		6		7	8	9	
Car	1,296,325.00	-	1,296,325.00	64,816.00	3	1,113,483.00	29.22%	53,426.00	-	1,166,909.00	129,416.00	182,842.00
Typewriter	25,400.00	-	25,400.00	1,270.00	-	24,130.00	-	-	-	24,130.00	1,270.00	1,270.00
Fan	7,050.00	-	7,050.00	353.00	-	6,697.00	-	-	-	6,697.00	353.00	353.00
Refrigerator	12,475.00	-	12,475.00	624.00	-	11,851.00	-	-	-	11,851.00	624.00	624.00
Computer	280,923.00	-	280,923.00	14,046.00	-	266,877.00	-	-	-	266,877.00	14,046.00	14,046.00
Furniture & Fixtures	49,656.00	-	49,656.00	2,483.00	-	47,173.00	-	-	-	47,173.00	2,483.00	2,483.00
Fax Machine	60,000.00	-	60,000.00	3,000.00	-	57,000.00	-	-	-	57,000.00	3,000.00	3,000.00
Intercom	12,720.00	-	12,720.00	636.00	-	12,084.00	-	-	-	12,084.00	636.00	636.00
Filling Cabinet	14,291.00	-	14,291.00	715.00	-	13,576.00	-	-	-	13,576.00	715.00	715.00
Water Filter	9,980.00	-	9,980.00	499.00	-	9,481.00	-	-	-	9,481.00	499.00	499.00
<b>TOTAL :</b>	<b>1,768,820.00</b>	<b>-</b>	<b>1,768,820.00</b>	<b>88,441.00</b>		<b>1,562,352.00</b>		<b>53,426.00</b>	<b>-</b>	<b>1,615,778.00</b>	<b>153,042.00</b>	<b>206,468.00</b>
<b>Previous Year :</b>	<b>1,768,820.00</b>	<b>-</b>		<b>1,768,820.00</b>				<b>53,426.00</b>		<b>1,615,778.00</b>		





## Notes to the financial statements (Continued)

(Currency: Indian Rupees)

### 2.7 Current Investments

INVESTMENTS --- AT COST	As on 31.03.2017 Qty.	Amount (Rupees)	As on 31.03.2016 Qty.	Amount (Rupees)
<b>(A) QUOTED SHARES:</b>				
ABM KNOWLEDGE LIMITED	4933	534,319.11	-	-
ADANI POWER LIMITED	50000	1,417,570.00	50000	1,417,570.00
AMTEK AUTO LIMITED	375000	14,269,462.50	-	-
ANANTRAJ INDUSTRIES LIMITED	-	-	25000	895,022.22
ANDHRA BANK LIMITED	10000	588,029.00	10000	588,029.00
ANDHRA CEMENT LIMITED	55550	580,031.69	55550	580,031.69
ANSAL HOUSING & CONSTRUCTION LIMITED	19500	366,340.00	19500	366,340.00
AUSTIN ENGINEERING COMPANY LIMITED	2500	175,650.00	2500	175,650.00
BAHARAT BHUSHAN SHARES & COMMODITY BROKERS LIMITED	30000	262,800.00	30000	262,800.00
BANK OF MAHARASTRA	36000	1,095,992.51	36000	1,095,992.51
BHARAT AGRI FERT AND REALITY LIMITED	1421	102,317.11	-	-
CAIRN INDIA LIMITED	47000	6,989,022.07	37000	5,071,927.07
CANFIN HOMES LTD	4250	1,204,577.44	6600	1,314,754.11
CASTROL INDIA LIMITED	9000	3,665,995.01	-	-
CASTEX TECHNOLOGIES LIMITED	140250	1,199,193.60	-	-
CENTRUM CAPITAL LIMITED	10000	350,017.00	-	-
CHAMBAL FERTILIZERS& CHEMICALS LTD	42000	2,605,058.35	42000	2,605,058.35
CHD DEVELOPERS LIMITED	400000	3,340,160.00	-	-
COSMO FERRITES LIMITED	22000	234,992.90	35805	382,450.94
CIL SECURITIES LIMITED	50419	770,920.26	59099	903,639.83
CLARIS LIFESCIENCES LIMITED	25000	5,850,288.51	-	-
DATAMATICS GLOBAL SERVICES	-	-	5000	75,050.00
DCB BANK LIMITED	19000	732,348.73	19000	732,348.73
DIGJAM LIMITED	11000	60,060.00	11000	60,060.00
DLF LIMITED	-	-	6000	670,783.40
ESCORTS LIMITED	-	-	3700	213,762.00
ELECTROSTEEL CASTINGS LIMITED	20000	553,281.50	20000	553,281.50
FORTIS HEALTH CARE LIMITED	16000	1,165,040.56	17000	1,237,855.60
FORTIS MALAR HOSPITAL	16500	525,900.50	16500	525,900.50
GUJARAT INDUSTRIES POWER CO. LIMITED	7000	465,080.20	7000	465,080.20
GUJARAT NARMADA VALEY FERTILIZERS & CHEMICALS LIMITED	-	-	6500	573,008.59
GOLDEN TOBBACCO	25000	881,053.55	25000	881,053.55
GOLDIAM INTERNATIONAL LIMITED	10000	337,096.00	10000	337,096.00
GRAUER & WEIL (INDIA) LIMITED	353000	2,386,349.94	395000	2,671,950.28
GUJARAT SIDHEE CEMENT LIMITED	6500	387,779.18	6500	387,779.18
HINDALCO INDUSTRIES LIMITED	22000	1,840,390.20	24000	2,007,698.40
HINDUSTAN COPPER LIMITED	13000	793,639.21	5000	311,515.50
HINDUSTAN CONSTRUCTION CO. LIMITED	20000	403,388.77	50000	1,010,065.46
HINDUJA VENTURE LIMITED	1500	479821.01	2400	767,713.62
HOTEL LEELAVENTURE LIMITED	10000	192,791.45	10000	192,791.45
HPL ELECTRONIC AND POWER LIMITED	14255	1,502,388.29	-	-
IDBI BANK LIMITED	60000	3,984,198.01	60000	3,984,198.01
INDO RAMA SYNTHETICS (I) LIMITED	29000	686,140.00	29000	686,140.00
IDFC BANK LIMITED	50000	2,649,141.43	22000	886,854.80
IFCI LIMITED	50000	1,149,094.20	50000	1,149,094.20
INDRAPRASTHA MEDICAL CORPORATION	100000	3,399,038.52	100000	3,399,038.52



LIMITED				
INDIABULLS VEDNTURES LIMITED	50000	329,500.00	50000	329,500.00
ITC LIMITED	16250	4,654,820.58	7500	2,544,652.96
ILFS ENGINEERING AND CONSTRUCTION COMPANY LIMITED	5000	324,473.19	5000	324,473.19
IL&FS INVESTMENTMANAGERS LIMITED	40000	629,789.10	30000	499,783.10
JAGATJIT INDUSTRIES LIMITED	6200	243,853.62	6200	243,853.62
JASCH INDUSTRIES LIMITED	10000	61,600.00	10000	61,600.00
JK PAPER LIMITED	15000	439,853.83	15000	439,853.83
JSW ENERGY LIMITED	25000	1,265,450.80	17000	749,725.30
JYOTI STRUCTURE LIMITED	64000	787,163.41	64000	787,163.41
KHEMANI DISTRIBUTORS & MARKETING LIMITED	55200	5,630,681.52	217200	21,720,000.00
LAXMI PRECISION SCREWS LIMITED	12000	288,120.00	12000	288,120.00
L & T FINANCE HOLDINGS LIMITED	50000	2,532,625.01	50000	2,532,625.01
MAJESTIC AUTO LIMITED	24000	817,584.72	24000	817,584.72
MANGALORE CHEMICALS & FERTILIZERS LIMITED	944	94,811.58	944	94,811.58
MANGALORE REFINERY & PETROCHEMICAL LIMITED	20000	1,093,931.10	20000	1,093,931.10
MARAL OVERSEAS LIMITED	50000	323,000.00	50000	323,000.00
MCNALLY BHARAT ENGINEERING COMPANY LIMITED	2269	233,507.62	2269	233,507.62
MIC ELECTRONICS LIMITED	28000	162,960.00	28000	162,960.00
MUNJAL AUTO INDUSTRIES LIMITED	50000	885,902.52	50000	885,902.52
MUNJAL SHOWA LIMITED	5000	244,720.65	5000	244,720.65
NEYVELI LINITE CORPORATION LIMITED	2500	166,433.05	2500	166,433.05
NELCO LIMITED	5000	172,380.18	5000	172,380.18
N G INDUSTRIES LIMITED	3240	142,352.13	3240	142,352.13
NHPC LIMITED	150000	3,597,616.51	150000	3,164,000.00
NOIDA TOLL BRIDGE CO LIMITED	-	-	55000	1,283,678.00
NTPC LIMITED	62000	7,258,419.75	62000	7,258,419.75
OBEROI REALITY LIMITED	-	-	2500	667,694.88
OMAX AUTOS LIMITED	66000	2,513,809.20	66000	2,513,809.20
OMAXE LIMITED	-	-	100000	13,621,033.51
ORIENT BELL CERAMICS LIMITED	3763	326,832.94	3763	326,832.94
PANYAM CEMENTS AND MINERAL INDUSTRIES LIMITED	6000	339900.68	-	-
PEARL POLYMERS LIMITED	27000	548,582.14	-	-
PETRONET LNG LIMITED	25000	1,102,240.76	25000	1,102,240.76
PHOENIX LAMP LIMITED	10000	1,003,049.50	10000	1,003,049.50
PNB GILTS LIMITED	26000	508,545.00	52000	1,017,090.00
PRAKASH INDUSTRIES LIMITED	28000	729,005.52	28000	729,005.52
PENINSULA LAND LIMITED	25000	520780.96	-	-
PUNJAB ALKALIES AND CHEMICALS LIMITED	45500	800,227.51	45500	800,227.51
RACL GEARTECH LIMITED	36000	585,360.00	36000	585,360.00
RADICO KHAITAN LIMITED	7000	592,229.40	7000	592,229.40
RAJASTHAN SPINNING & WEAVING MILLS LIMITED	10300	887,939.46	10500	905,181.00
RASHTRIYA CHEMICALS AND FERTILISERS LIMITED	24000	943,014.30	24000	943,014.30
RATTANINDIA INFRASTRUCTURE LIMITED	280000	903,935.00	400000	1,298,870.00
RELIANCE INDUSTRIES LIMITED	2250	1,650,440.18	2250	1,650,440.18
RELIANCE POWER LIMITED	40000	1,870,092.02	40000	1,870,092.02
RICO AUTO INDUSTRIES LIMITED	12000	118,387.20	16500	162,782.40
SADBHAV INFRASTRUCTURE PROJECT LIMITED	6315	628,567.95	-	-
SAHARA HOUSINGFINA CORPORATION	-	-	749	71,010.01



LIMITED				
SHIVAM AUTOTECH LIMITED	45000	199,575.00	45000	199,575.00
SJVN LIMITED	125000	2,498,100.00	125000	2,498,100.00
STANROSE MFATLAL INVESTMENTS & FINANCE LIMITED	27000	1,915,748.98	30100	2,135,705.35
STEEL AUTHORITY OF INDIA LIMITED	36000	1,256,111.41	36000	1,256,111.41
SUMEDHA FISCAL SERVICES LIMITED	4000	53,993.37	4000	53,993.37
SUN PHARMACEUTICALS INDUSTRIES LIMITED	6500	5,052,651.84	2500	2,234,861.65
TATA GLOBAL BEVERAGES LIMITED	3750	560,528.00	5000	560,528.00
TATA STEEL LIMITED	22000	7,276,549.87	21000	6,875,625.37
TERA SOFTWARE LIMITED	-	-	5000	252,483.75
THE INDIAN HOTEL COMPANY LIMITED (RIGHTS ISSUE)	7753	426,415.00	7753	426,415.00
THE INDIAN HOTELS COMPANY LIMITED	7500	468342.09	7500	468342.09
THE SHIPPING CORPORATION OF INDIA LIMITED	3000	204,505.00	3000	204,505.00
THE SOUTH INDIAN BANK LIMITED	491592	7,209,122.03	200000	640,000.00
THE TATA POWER LIMITED	38000	2,460,335.46	25000	1,476,837.36
TAMILNADU PETRO PRODUCTS LIMITED	30000	348,300.00	30000	348,300.00
TD POWER SYSTEMS LIMITED	2000	322,016.00		
UJAAS ENERGY LIMITED	-	-	75000	1,194,003.05
USHER AGRO LIMITED	5000	73,650.00	-	-
VALSON INDUSTRIES LIMITED	10000	277,600.00	10000	277,600.00
VARDHAMAN ACRYLICS LIMITED	75000	285,752.09	100000	381,000.00
VEDANTA LIMITED	15000	1,332,066.00	17000	1,509,674.80
VIJAYA BANK LIMITED	35000	1,113,052.51	35000	1,113,052.51
VIPUL LIMITED	5000	52,385.00	25000	261,925.00
ZENITH FIBRES LIMITED	44500	1,082,402.60	50000	1,216,182.70
<b>TOTAL OF QUOTED SHARES (A)</b>		<b>153,590,551.15</b>		<b>141,439,301.47</b>
<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>TOTAL OF UNQUOTED SHARE (B)</b>		<b>52,150,000.00</b>		<b>52,150,000.00</b>
<b>(C) TAX FREE BOND</b>				
HUDCO-BONDS 8.51 (13.01.2024)	3850	4,331,466.37	3850	4,331,466.37
NATIONAL HIGHWAYS AUTHORITY OF INDIA @ 8.2% (25.01.2022)	24015	27,131,243.85	6767	7,321,858.31
NATIONAL HIGHWAYS AUTHORITY OF INDIA @ 8.3% (25.01.2027)	2850	3,387,457.49	-	-
NATIONAL HIGHWAYS AUTHORITY OF INDIA @ 8.75% (05.02.2029)	2099	2,644,487.66	-	-
IRFCL @ 7.64% (22.03.2031)	4482	4,990,040.45	-	-
IRFCL @ 8.10% (23.02.2027)	60	68,283.41	-	-
RECL @ 8.71% (25.01.2028)	2478	3,114,841.70	-	-
IRFCL @ 8.0% (23.02.2022)	8990	9,979,674.45	-	-
<b>TOTAL OF TAX FREE BOND (C)</b>		<b>55,647,495.38</b>		<b>11,653,324.68</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>		<b>261,388,046.53</b>		<b>205,242,626.15</b>

**MARKET VALUE QUOTED INVESTMENTS AS ON 31.03.2017**

Quoted shares: Rs.27.32 Crores  
Tax Free Bonds: Rs.5.56 Crores



## Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>2.8 Cash and Bank Balances</b>		
<b>Cash and Cash equivalent</b>		
Balances with Bank		
-in Current accounts	(8,173,381.30)	(5875636.68)
-in Fixed Deposit	24,320,154.20	22,696,097.90
	<u>16,146,772.90</u>	<u>16,820,461.22</u>
<b>2.9 Short term loans and advances</b>		
<b>Unsecured</b>		
Loans and advances to employees	16,875.00	9,375.00
Income Tax Refund Due (Previous Years)	111,296.00	111,296.00
Income Tax Refund Due (A.Y 2014-15)	824,534.00	824,534.00
Fringe Benefit Tax Refund Due (A.Y. 2008-09)	12,198.00	12,198.00
Advance income tax (net of provision for tax)	6,817,297.70	4,789,554.30
	<u>7,782,200.70</u>	<u>5,746,957.30</u>
<b>2.10 Other Current Assets</b>		
Integrated Master Securities (P) Limited	92,900,000.00	110,175,000.00
Suresh Kumar Thakur	60,154.99	132,068.9
	<u>92,960,154.99</u>	<u>110,307,068.90</u>
<b>3.1 Interest Income</b>		
On loan	18,181,064.21	11,920,156.69
	<u>18,181,064.21</u>	<u>11,920,156.69</u>
<b>3.2 Income From Operation</b>		
Profit on Sale of Shares	33,106,911.47	18,224,633.00
Dividend Received	3,042,596.90	3,885,970.88
Interest on Income Tax Refund	1,577,456.95	0.00
	<u>37,726,965.32</u>	<u>22,110,603.88</u>
<b>3.3 Employee benefit expenses</b>		
Salaries and wages	1,584,272.00	1,496,221.00
Staff welfare expenses	115,011.00	110,238.00
	<u>1,699,283.00</u>	<u>1,606,459.00</u>

## Notes to the financial Statements (Continued)

(Currency: Indian Rupees)



	As at 31 March 2017	As at 31 March 2016
<b>3.4 Other Expenses</b>		
Advertisement Expenses	24,680.00	24,360.00
Auditor's Remuneration	23,000.00	22,900.00
Computer Expenses	119,756.00	101,788.00
Conveyance	165,801.00	145,581.00
Custody Fee	68,814.00	51,526.00
Fees Registration & annual subscription	26,450.00	25,400.00
Festival expenses	151,000.00	122,400.00
Meeting Expenses	130,113.00	98,704.00
Insurance Charges	12,529.00	11,286.00
Interest Paid	67,667.93	432,039.35
Listing fee	229,000.00	224,970.00
Newspaper & Periodicals	129,224.00	111,477.00
Office Repair, Maintenance Expenses	168,975.00	160,578.00
Postage & Telegram	278,617.00	263,709.00
Printing & Stationery	321,511.49	308,734.00
Registrar and Transfer agent charges	9,859.00	8,989.00
Rent	360,000.00	360,000.00
Securities Transaction Tax	189,107.74	262,867.91
Sitting Fee	60,000.00	60,000.00
Telephone Expenses	19,854.00	15,275.00
Tour & Travels	269,819.00	273,383.00
Vehicle Maintenance	290,149.00	229,357.00
	<b>3,115,927.16</b>	<b>3,315,324.26</b>

**If undelivered please return to:**

**INTEGRATED FINANCIAL SERVICES LIMITED**

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