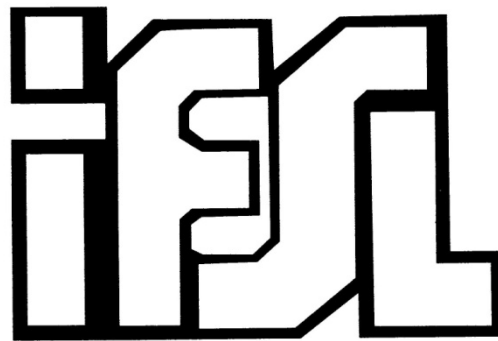


**25<sup>th</sup> Annual Report**  
**2015-2016**



**INTEGRATED FINANCIAL SERVICES LIMITED**

## 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. RachnaBatra**, 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

---

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 Parveen Rastogi& Co.**  
Practising Company Secretary  
Office Number 54-55, Ansal Plaza,  
Vaishali, Ghaziabad - 201012

### 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 2016           |
| 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/-  
RachnaBatra  
Chairman (Audit Committee)  
DIN: 00042861

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

Sd/-  
Mahesh Kumar  
Proprietor  
M. No. 085757





#### **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 2015-16, your company has transferred unclaimed final dividend of Rs. 2,838/- pertaining to financial year ended 2007-08 to the Investor Education and Protection Fund established by the Central Government.

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

Mr. Kunal Khaneja and Mrs. Rajni 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.

Mr. Kunal Khaneja, was appointed as Chief Financial Officer (CFO) of the Company as per under section 203 and other applicable provisions of the Companies Act, 2013 and Rules and Regulations made thereunder.

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, Whole time 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 first meeting Board of directors for the Financial Year 2016-17 held on 24.05.2016.

#### **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.

#### **BOARD COMMITTEES**

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 2015-16, 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. that in the preparation of the annual accounts, the applicable accounting standards had 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, in the case of a listed company, 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**

During the year under Report Securities & Exchange Board of India (SEBI) introduced new Listing Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from December 1, 2015. The Company has complied with applicable provisions of Corporate Governance of the new Listing Regulations. A separate report on Corporate Governance compliance is included as a part of the Annual Report as Annexure-1.

#### **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.



#### **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 Bombay Stock Exchange Limited, Mumbai. The company has paid the Annual Listing fee for the year under review to BSE Limited.

#### **AUDITORS AND AUDITORS REPORT**

At the 24<sup>th</sup> Annual General Meeting held on Tuesday, 30<sup>th</sup> day of September, 2015, the members had appointed M/s. DUA & KUMAR, Chartered Accountants, as Statutory Auditors for the financial year 2015-16, from the conclusion of the forthcoming Annual General meeting till the conclusion of 25<sup>th</sup> Annual general Meeting..

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, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Parveen Rastogi and Co., Company Secretary in Practice to conduct the Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report as received from M/s Parveen Rastogi and Co. 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., M/s Integrated Master Securities (P) Ltd. a member of NSE, BSE, MCX-SX and Depository Participant of NSDL and CDSL and M/s. Integrated Commodity Trades (P) Ltd., a member of MCX, NCDEX and NSEL. 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.

#### **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.



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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 31.03.2016.

**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 & 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.

**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: 13.08.2016

**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. 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 non shareholder 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:-

### **2. 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. At present, the Board comprises of 7 Directors, of whom one is Non-executive Director being the Chairman of the Board and also the promoter and one is Executive Director and 2 are promoter and Executive Directors and 3 are Non Executive and Independent Directors. There are no nominee directors and institutional directors on the Board of the Company.

The Company also has a 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:-

| <b>Sl. No.</b> | <b>Name of Directors</b> | <b>DIN</b> | <b>Category</b>                                    | <b>Shareholding along with convertible instrument</b> |
|----------------|--------------------------|------------|--|---|
| 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. RachnaBatra         | 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 |
|--------------------|--------------|-----------------------|
| Sh. S. C. Khaneja  | Husband      | Smt. Rajni Khaneja    |
| Sh. S. C. Khaneja  | Brother      | Sh. Virender Khaneja  |
| Sh. S. C. Khaneja  | Father       | Sh. Kunal Khaneja     |
| Smt. Rajni Khaneja | Mother       | Sh. Kunal Khaneja     |

Other directors are not related to each other.

### b) Board Meetings

During the financial year 2015-2016, the Board of Directors met four times on 30<sup>th</sup> May, 2015, 12<sup>th</sup> August, 2015, 13<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016. The maximum interval between any two meetings was not more than 4 months.

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 2015-16 and last Annual General Meeting (AGM) of the company held on 30<sup>th</sup> September, 2015. 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 |
| Shri. S.C. Khaneja    | 4                              | Yes | 1  | -                                | 2      |
| Smt. Rajni Khaneja    | 4                              | Yes | NIL  | -                                | -      |
| Shri Virender Khaneja | 4                              | Yes | NIL  | -                                | -      |
| Smt. Rachna Batra     | 4                              | Yes | 1  | 2                                | 2      |
| Shri Sunil Sobti      | 4                              | Yes | NIL  | -                                | 3      |
| Shri. S. P. Oberoi    | 4                              | Yes | NIL  | 1                                | 1      |
| Shri. 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 March 10, 2016. The meeting was attended by all the Independent Directors and evaluated:

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



- 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.

**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 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. 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 program aim 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)

**3. 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. Shri S.C. Khaneja, Mrs. Rachna Batra and Sh. 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 2015-16 on 30<sup>th</sup> May, 2015, 12<sup>th</sup> August, 2015, 13<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016. All the members 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 2015-16 on 12<sup>th</sup> August, 2016. All the members duly attended the meetings.

#### 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 comprise of two non-executive (all being independent) directors as members namely Mrs. Rachna Batra and Mr. Sunil Sobti. 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, 2016.

#### 4. GENERAL BODY MEETINGS

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

| Year      | Venue   | Date       | Time      | No. of Special Resolution passed at AGM |
|-----------|---|------------|-----------|---|
| 2014-2015 | 303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001 | 30.09.2015 | 10:00 A.M | 1                                       |
| 2013-2014 | 303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001 | 30.09.2014 | 10:00 A.M | None                                    |
| 2012-2013 | 303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001 | 30.09.2013 | 10:00 A.M | None                                    |

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

#### 5. 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 2015-16 were on arm's Length basis and in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, Directors, Key Managerial personnel or other designated persons during the financial year 2015-16, 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, M/s Integrated Master Securities (P) Ltd a member of NSE, BSE, MCX-SX and Depository Participant of NSDL and CDSL and Integrated Commodity Trades (P) Ltd., a member of MCX, NCDEX and NSEL.

**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 2015-16. 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 |
|-----------|--|-----------------|--------------|-----------|-------|
|           |  |                 |              |           |       |



| Executive Directors     |      |   |      |   |             |
|-------------------------|------|---|------|---|-------------|
| Mr. Kunal Khaneja       | 2.60 | - | 0.10 | - | <b>2.70</b> |
| Mrs. Rajni Khaneja      | 2.60 | - | -    | - | <b>2.60</b> |
| Non Executive Directors |      |   |      |   |             |
| 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 their under and shall consider adopting the same at an appropriate time.

**6. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the financial year 2015-16, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, forms part of the Annual Report.

**7. 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 send 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, 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.

**8. 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 30<sup>th</sup> September, 2016 at its registered office 304, New Delhi House, 27, Barakhamba Road, New Delhi – 110001.

**c) Financial Year**

April 1, 2015 to March 31, 2016.

**d) Dates of Book Closure**

The Share Transfer Books of the company will remain closed from September 23, 2016 to September 30, 2016 (both days inclusive) for the purpose of Payment of Dividend and voting for 25th Annual General Meeting (AGM) of the Company to be held on September 30, 2016.

**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 Friday, 22<sup>nd</sup> September, 2016 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 Friday, 22<sup>nd</sup> September, 2016.

**f) Listing**

The Securities of the Company are listed on BSE Limited (BSE), P. J. Towers, Dalal Street, Fort, Mumbai 400001.

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

**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,2015     | 21.60     | 17.06    |
| May, 2015      | 21.10     | 17.40    |
| June ,2015     | 22.00     | 18.05    |
| July,2015      | 34.60     | 18.15    |
| August, 2015   | 35.00     | 29.95    |
| September,2015 | 29.95     | 27.55    |
| October,2015   | 27.55     | 21.75    |
| November, 2015 | 22.70     | 19.90    |
| December,2015  | 19.05     | 17.00    |
| January,2016   | 22.85     | 18.05    |
| February,2016  | 24.15     | 22.85    |
| March,2016     | 24.15     | 22.95    |

**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 2016**

| Category                                | Number of Shares | Percentage |
|---|------------------|------------|
| Promoter and Promoter Group             | 4,474,192        | 74.57      |
| Resident individuals                    | 1,232,959        | 20.55      |
| Foreign holdings                        | 0                | 0          |
| Public financial institutions and banks | 0                | 0          |
| Other Companies / Mutual Funds          | 2,2,849          | 4.88       |
| Trusts                                  | 0                | 0          |
| <b>Total</b>                            | <b>6,000,000</b> | <b>100</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, 2016**

| Share Holding of Nominal Value or Rs.10 | Number of Shareholders | % of Total    | No. of Shares  | Amount in Rs.      | % of Total    |
|---|------------------------|---------------|----------------|--------------------|---------------|
| Up To 5000                              | 722                    | 84.24         | 93897          | 938970.00          | 1.5650        |
| 5001 to 10000                           | 49                     | 5.71          | 40049          | 400490.00          | .06675        |
| 10001 to 20000                          | 24                     | 2.80          | 36121          | 361210.00          | 0.6020        |
| 20001 to 30000                          | 12                     | 1.40          | 30461          | 304610.00          | 0.5077        |
| 30001 to 40000                          | 6                      | 0.70          | 21042          | 210420.00          | 0.3507        |
| 40001 to 50000                          | 2                      | 0.23          | 8614           | 86140.00           | 0.1436        |
| 50001 to 100000                         | 6                      | 0.70          | 46167          | 461670.00          | 0.7645        |
| 100001 and Above                        | 36                     | 4.20          | 5723649        | 57236490.00        | 95.3942       |
| <b>Total</b>                            | <b>857</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 2016, 85.52% of the capital comprising 51, 31,202 shares was dematerialized with Depository Participants.

| Depository   | Number of Shares | Percentage   |
|--------------|------------------|--------------|
| CDSL         | 699797           | 11.66        |
| NSDL         | 4431505          | 73.86        |
| <b>Total</b> | <b>5131202</b>   | <b>85.52</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-110001.  
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.

**9. OTHER DISCLOSURES**

- a) 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.
- b) There is no deviation in following the treatments prescribed in any Accounting Standard (AS) in the preparation of the financial statements of the Company.
- c) 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.
- d) There are no pecuniary relationships or transaction of the Non-executive Directors with the Company except by way of sitting fees.
- e) 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:** 13.08.2016

**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 **M/s Integrated Financial Services Limited** for the period April 01, 2015 to November 30, 2015, as stipulated in Clause 49 of the Listing Agreement and for the period December 01, 2015 to March 31, 2016 as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2016, no investor grievances are pending against the company for a period exceeding one month as on 31<sup>st</sup> March, 2016, 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: 13.08.2016

**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, 2016.

Place: New Delhi  
Date: 13.08.2016

**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 belie, we certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statements of the Company for the Financial Year Ended March 31, 2016 and :
  - i. these statements do not contain any materially untrue statement or omitted 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, 2016, 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, 2016, disclosed in the notes to the financial statements;
  - (ii) Significant changes, if any, in accounting policies made during the year ended March 31, 2016; 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)

**For Integrated Financial Services Limited**

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

Place: New Delhi  
Date: 13.08.2016



## 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 2015-16 was 7.6 percent as compared to the previous year of 7.2 percent on improved performances in both industry and services. With fall in Government's Fiscal deficit in FY 2015-16 to 3.9 percent from 4.1 percent in FY 2014-15, the fiscal balance has improved. According to RBI, the GDP growth estimates of Central Statistical Organization, for FY 2015-16 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:** Yours company is an NBFC (Non Banking Finance Company) 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:** Yours Company as an 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 2014-16 and FY 2015-16, the Indian economy has started showing signs of improvement in FY 2016-17. FY 2017-18 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 in detail along with the action plan.

**HUMAN RESOURCES:** The Company's success depends largely upon the quality 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 experiences 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 31.03.2016**

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.<br>Beetal House, 3 <sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, 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

| Sl No | Name & Address of the Company            | CIN/GLN               | HOLDING/<br>SUBSIDIARY/<br>ASSOCIATE | % OF<br>SHARES HELD | APPLICABLE<br>SECTION |
|-------|--|-----------------------|--------------------------------------|---------------------|-----------------------|
| 1     | Integrated Master Securities (P)<br>Ltd. | U74899DL1995PTC070418 | Associate                            | 49%                 | 2(6)                  |
| 2     | Integrated Commodity Trades (P)<br>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  | 2,79,388         | 2,600    | 2,81,988         | 4.70         | 2,74,000         | 2,600    | 2,76,600         | 4.61         | 0.09        |
| ii) Overseas   | 0                | 0        | 0                | 0.00         | 0                | 0        | 0                | 0.00         | 0.00        |
| b) Individuals   |                  |          |                  |              |                  |          |                  |              |             |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | 19,02,65         | 66,198   | 25,64,63         | 4.27         | 1,79,997         | 66,098   | 2,46,095         | 4.10         | 0.17        |



|   |                  |                 |                  |                 |                  |                 |                  |                 |             |
|---|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|-------------|
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 1,69,933         | 8,00,000        | 9,69,933         | 16.17           | 1,86,864         | 8,00,000        | 9,86,864         | 16.45           | 0.28        |
| c) Others (specify)   | 0                | 0               | 0                | 0.00            | 0                | 0               | 0                | 0.00            | 0.00        |
| (c i) NRI   | 46               | 0               | 46               | 0.00076         | 5860             | 0               | 5860             | 0.10            | 0.09924     |
| (cii) HUF   | 17,378           | 0               | 17,378           | 0.29            | 10,389           | 0               | 10,389           | 0.17            | 0.12        |
| (c iii) Clearing members  | 0                | 0               | 0                | 0.00            | 0                | 0               | 0                | 0.00            | 0.00        |
| <b>SUB TOTAL (B)(2):</b>  | <b>6,57,010</b>  | <b>8,68,798</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>6,57,010</b>  | <b>8,68,798</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>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



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 2015-16**

*[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-110001**

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, 2016 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, 2016 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**);
  - 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) I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/group of Acts, Laws and Regulations as applicable to the Company is as under:
1. The Information Technology Act, 2000 and the rules made thereunder
  2. The Indian Stamp Act, 1899 read with Indian Stamp (Delhi Amendment) Act, 2001 (on issue of Equity Shares)
  3. Income Tax Act 1961 & Rules 1962
  4. Companies (Cost Records & Audit) Rules 2014
  5. Applicable Accounting Standards
  6. Cyber Laws
  7. Trade License Act
  8. Corporate Tax
  9. 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) (Effective from 01.07.2015)
- From April 01, 2015 to November 30, 2015, Listing Agreement as per Clause 49 and from December 01, 2015 to March 31, 2016 as per SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 i.e. the New Listing Agreement has been entered into by the Company with Bombay Stock Exchange Limited.
- 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 except the following:

1. Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Company has not appointed Internal Auditor for the financial year 2015-16.

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.

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 **PARVEEN RASTOGI & CO.**  
**Company Secretaries**

Sd/-  
**PARVEEN RASTOGI**  
**C.P. No. 2883**  
**Membership No. 4764**

**Place: New Delhi**  
**Date: 10.08.2016**



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To,  
The Members,  
INTEGRATED FINANCIAL SERVICES LIMITED  
304, New Delhi House, 27, Barakhamba Road,  
New Delhi-110001

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. Where ever 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. Our 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 **PARVEEN RASTOGI & CO.**  
Company Secretaries

Sd/-  
**PARVEEN RASTOGI**  
C.P. No. 2883  
Membership No. 4764

Place: New Delhi  
Date: 10.08.2016





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To the Members

M/s Integrated Financial Services Limited

### **Report on the standalone Financial Statements**

We have audited the accompanying standalone financial statements of M/s Integrated Financial Services Limited ('the Company'), which comprises the Balance Sheet as at 31st March, 2016, 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 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 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 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 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.

### **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 2016; 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.
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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 March 31st, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2016, 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.

Place: New Delhi  
Date: 24.05.2016

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

Sd/-  
Mahesh Kumar  
Proprietor  
M. No. 085757

#### **Annexure 'A' to the Independent Auditor's Report**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us



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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. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. However, during the year, the fixed assets of the Company comprising of only land and building appurtenant thereto have been fully disposed of.
2. The Company does not have any stock (shares) during the year.
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 explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets, purchase and sale of shares/investments and for the sale of services. Further, during the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. The Company has not accepted any Deposits during the year and, accordingly, the provisions of Clauses V of Paragraph 3 of the order 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. As per information and explanation given by the management, maintenance of cost records have not been prescribed by the Central Government under sub-section (1) of section 148 of the Act for the type of business the Company is currently in.
7.
  - a. According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and value added tax which have not been deposited on account of any disputes.
  - c. According to the information and explanations given to us, there was no delay in transferring the amount required to be transferred during the year to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. There are no accumulated losses at the end of financial year. The company has also not incurred cash losses during the financial year covered by our audit and preceding financial year.
9. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank.



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10. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution during the year and accordingly, the provisions of clause (x) of paragraph 3 of the said order is not applicable for the relevant year.
  11. 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.
  12. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices and based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.

Place: New Delhi  
Date: 24.05.2016

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

Sd/-  
Mahesh Kumar  
Proprietor  
M. No. 085757

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

(Refer to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of our report of even date)



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**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 M/s Integrated Financial Services Limited as of 31<sup>st</sup> March, 2016 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.

**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 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, 2016, 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: 24.05.2016

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

Sd/-  
Mahesh Kumar  
Proprietor  
M. No. 085757

### Balance Sheet as at 31st March 2016

| ( Currency : Indian Rupees)   | Note | As at 31st March 2016 | As at 31 March 2015 |
|-------------------------------|------|-----------------------|---------------------|
| <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  | 266,901,824.75        | 248,925,592.62      |



|   |        |                       |                       |
|---|--------|-----------------------|-----------------------|
| Shareholder's Funds   |        | 326,901,824.75        | 308,925,592.62,       |
| <b>Non-Current liabilities</b>  |        |                       |                       |
| (a) Long term provisions  | 2.3    | 277,107.00            | 271,265.00            |
| <b>Current Liabilities</b>  |        |                       |                       |
| (a) Other current liabilities   | 2.4    | 200,393.82            | 168,686.82            |
| (b) Short term provisions   | 2.5    | 10,944,256.00         | 12,415,378.62         |
|   |        | 11,144,649.82         | 12,584,065.44         |
| <b>TOTAL</b>  |        | <b>338,323,581.57</b> | <b>321,780,923.06</b> |
| <b>ASSETS</b>   |        |                       |                       |
| <b>Non-current assets</b>   |        |                       |                       |
| (a) Fixed Assets  |        |                       |                       |
| (i) Tangible Assets   | 2.6    | 206,468.00            | 281,950.00            |
| <b>Current assets</b>   |        |                       |                       |
| (a) Current Investments   | 2.7    | 205,242,626.15        | 192,199,597.86        |
| (b) Cash and bank balances  | 2.8    | 16,820,461.22         | 24,364,304.64         |
| (c) Short-term loans and advances                                     | 2.9    | 5,746,957.30          | 6,057,608.80          |
| (d) Other current assets  | 2.10   | 110,307,068.90        | 98,877,461.76         |
|   |        | 338,117,113.57        | 321,498,973.06        |
| <b>TOTAL</b>  |        | <b>338,323,581.57</b> | <b>321,780,923.06</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

Sd/-  
(Mahesh Kumar)  
Proprietor Membership No – 085757

Date: 24.05.2015  
Place: New Delhi

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

Sd/-  
S. C. Khaneja  
Company Secretary

Sd/-  
Rajni Khaneja  
Director  
(DIN:00042980)

Sd/-  
Kunal Khaneja  
Director  
(DIN:00347845)

**Statement of Profit and Loss for the year ended 31st March, 2016**

| ( Currency : Indian Rupees)    | Note | For the year ended 31 <sup>st</sup><br>March 2016 | For the year ended 31 <sup>st</sup><br>March 2015 |
|--------------------------------|------|---|---|
| <b>Revenue from operations</b> |      |   |   |
| Interest income                | 3.1  | 11,920,156.69                                     | 9,665,740.20                                      |
| Income From Operation          | 3.2  | 22,110,603.88                                     | 28,538,218.29                                     |



|                      |  |                      |                      |
|----------------------|--|----------------------|----------------------|
| <b>Total Revenue</b> |  |                      |                      |
|                      |  | <b>34,030,760.57</b> | <b>38,203,958.49</b> |

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

|   |         |                      |                      |
|---|---------|----------------------|----------------------|
| <b>Expenses</b>   |         |                      |                      |
| Employee benefit expenses   | 3.3     | 1,606,459.00         | 1,405,278.00         |
| Depreciation and amortization expenses                                | 2.6     | 75,482.00            | 106,643.00           |
| Other expenses  | 3.4     | 3,315,324.26         | 3,747,283.34         |
| <b>Total expenses</b>   |         | <b>4,997,265.26</b>  | <b>5,259,204.34</b>  |
| <b>Profit before tax</b>  |         | <b>29,033,495.31</b> | <b>32,944,754.15</b> |
| Tax expense:  |         |                      |                      |
| Income tax  |         | 5,133,133.00         | 5,896,704.62         |
| Previous year adjustment  |         | 146,946.18           | 183,074.00           |
| <b>Profit for the year</b>  |         | <b>23,753,416.13</b> | <b>26,864,975.53</b> |
| Share of minority interest in profit for the year                     |         | -                    | -                    |
| <b>Profit for the year after minority interest</b>                    |         | <b>23,753,416.13</b> | <b>26,864,975.53</b> |
| <b>Earnings per share (Rs.) (Face value Rs.10/- each)</b>             |         |                      |                      |
| - Basic   |         | 3.96                 | 4.48                 |
| - Diluted   |         | 3.96                 | 4.48                 |
| 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

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

Sd/-  
(Mahesh Kumar)  
Proprietor Membership No – 085757

Sd/-  
S. C. Khaneja  
Company Secretary

Sd/-  
Rajni Khaneja  
Director  
(DIN:00042980)

Sd/-  
Kunal Khaneja  
Director  
(DIN:00347845)

Date: 24.05.2015  
Place: New Delhi

**Cash Flow Statement for the year ended 31st March, 2016**





|   |                        |                        |
|---|------------------------|------------------------|
| <b>A. Cash flow from operating activities</b>             |                        |                        |
| Profit before tax   | 29,033,495.31          | 32,944,754.15          |
| <b>Adjustments for</b>                                    |                        |                        |
| Depreciation and amortization expenses                    | 75,482.00              | 106,643.00             |
| Interest  | (11,920,156.69)        | (9,665,740.20)         |
| <b>Operating cash flow before working capital changes</b> | <b>23,385,657</b>      | <b>3,783,921.00</b>    |
| <b>Adjustments for</b>                                    |                        |                        |
| Trade Payables  | 31,707.00              | (39,277.72)            |
| Investment (Net)  | (13,043,028.29)        | (17,165,359.44)        |
| Tax Refund  |                        | 1,303,563.00           |
| Tax Paid (Net)  | (4,789,554.30)         | (5,062,705.80)         |
| Previous Year Adjustment                                  |                        |                        |
| 2010-2011   |                        | -                      |
| 2013-2014   |                        | -                      |
| <b>Cash Generated From Operations</b>                     | <b>(18,780,875.59)</b> | <b>(20,963,778.96)</b> |
| <b>Net cash Used in Operating Activities - A</b>          | <b>-1,592,054.97</b>   | <b>2,421,877.99</b>    |
| <b>B. Cash flow from investing activities</b>             |                        |                        |
| Interest Income   | 11,920,156.69          | 9,665,740.20           |
| Other Assets  | (11,429,607.14)        | (5,418,677.65)         |
| Loans And Advances  | 37,500.00              | (1,875)                |
| <b>Net cash used in investing activities - B</b>          | <b>528,049.55</b>      | <b>4,245,187.55</b>    |
| <b>C. Cash flow from financing activities</b>             |                        |                        |
| Dividend  | (54,00,000.00)         | (3,000,000.00)         |
| Dividend Tax Paid   | (1,079,838.00)         | (509,850.00)           |
| <b>Net cash generated from financing activities - C</b>   | <b>(6,479,838.00)</b>  | <b>(3,509,850.00)</b>  |
| <b>Net decrease in cash and cash equivalents (A+B+C)</b>  | <b>(7,543,843.42)</b>  | <b>3,157,215.54</b>    |
| Cash and cash equivalents as at the beginning of the year | 24,364,304.64          | 21,207,089.46          |
| Cash and cash equivalents as at the end of the year       | 16,820,461.22          | 24,364,305.00          |

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

**As per our Report of even date attached  
For Dua & Kumar**  
Chartered Accountants  
Firm Regn. No-007411N

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

Sd/-  
(Mahesh Kumar)  
Proprietor Membership No - 085757

Sd/-  
S. C. Khaneja  
Company Secretary

Sd/-  
Rajni Khaneja  
Director  
(DIN:00042980)

Sd/-  
Kunal Khaneja  
Director  
(DIN:00347845)

Date: 24.05.2015  
Place: New Delhi

## SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS AS AT 31.03.2016

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Method of Accounting



The financial statements have been prepared with Generally Accepted Accounting Principles as well as the requirements of the Companies Act 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the ministry of Corporate Affairs, in respect of Section 133 of the Companies Act 2013. 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 31.03.2016 are Nil

#### 1.8 Current Assets

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

1.9 There is no employee in the company who is covered under the provisions of Section 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. 5,842/-for the year 31<sup>st</sup> March, 2016 as a charge to the Profit & Loss Account.

| Particulars                              | 31.03.2016  | 31.03.2015  |
|--|-------------|-------------|
| Depreciation as per Companies Act, 2013  | 75,482.00   | 1,06,643.00 |
| Depreciation as per Income Tax Act, 1961 | 93,153.00   | 1,09,556.00 |
| Difference                               | (17,461.00) | (2913.00)   |
| Deferred Tax Asset /Liability            | 5,842.00    | 945.00      |

#### 1.11 Related Parties Disclosures

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

|                       |   |          |
|-----------------------|---|----------|
| 1. Mrs. Rajni Khaneja | - | Director |
| 2. Sh. S.C. Khaneja   | - | Director |



|                             |   |          |
|-----------------------------|---|----------|
| 3. Sh. Virender Khaneja     | - | Director |
| 4. Mrs. RachnaBatra         | - | Director |
| 5. Mr. Sunil Sobti          | - | Director |
| 6. Mr. Suraj Prakash Oberoi | - | Director |
| 7. 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     | Referred in |
| Clause 1.11(A)         | Clause 1.11(B)        |                 |             |
| <u>Expenses</u>        |                       |                 |             |
|                        | Director Remuneration | 3.80            | NIL         |
|                        | Sitting Fee           | 0.55            | NIL         |
|                        | Interest Received     | NIL             | 78.37       |
|                        | Investments           | NIL             | 521.50*     |
|                        | Rent Received         | NIL             | NIL         |
|                        | Loans and Advances    | NIL             | 986.00      |

\*All Investments in securities and sale thereof is done through Integrated Master Securities (P) Ltd. and Integrated Commodity Trades (P) Ltd. (Outstanding as on 31/03/2016)

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 | 237.53       | 268.65        |
| 131.00   |              |               |
| No. of Shares  | 60,00,000    | 60,00,000     |
| Earning per share                                    | 3.96         | 4.48          |

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.

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

For and on behalf of the Board of Directors



Chartered Accountants  
Firm Regn. No-007411N

Sd/-  
(Mahesh Kumar)  
Proprietor Membership No - 085757

Sd/-  
S. C. Khaneja  
Company Secretary

Sd/-  
Rajni Khaneja  
Director  
(DIN:00042980)

Sd/-  
Kunal Khaneja  
Director  
(DIN:00347845)

Date: 24.05.2015  
Place: New Delhi

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

|  | As at<br>31 March 2016 | As at<br>31 March 2015 |
|--|------------------------|------------------------|
| <b>2.1 Share Capital</b>                 |                        |                        |
| <b>Authorised:</b>                       |                        |                        |
| 60,00,000 equity Shares of Rs. 10/- each | 60,000,000.00          | 60,000,000.00          |



(Previous year: 60,00,000 equity Shares of Rs. 10/- each)

**Issued, Subscribed and Paid up:**

|   |               |               |
|---|---------------|---------------|
| 60,00,000 equity Shares of Rs. 10/- each<br>(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 2016 |               | 31 <sup>st</sup> March 2015 |               |
|---|-----------------------------|---------------|-----------------------------|---------------|
|   | 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 2016 |                         | 31 <sup>st</sup> March 2015 |                         |
|----------------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
|                                  | Number of Shares            | Percentage Shareholding | Number of Share             | Percentage Shareholding |
| Mr. Subhash Chander Khaneja      | 2258213                     | 37.64                   | 2258213                     | 37.64                   |
| Mrs. Rajni Khaneja               | 895800                      | 14.93                   | 895800                      | 14.93                   |
| Mr. Santlal Khaneja & Sons (HUF) | 303350                      | 5.06                    | 303350                      | 5.06                    |

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

(Currency: Indian Rupees)

|                                 | As at<br>31 March 2016 | As at<br>31 March 2015 |
|---------------------------------|------------------------|------------------------|
| <b>2.2 Reserves and surplus</b> |                        |                        |
| <b>General Reserve</b>          |                        |                        |
| Opening Balance                 | 248,925,529.62         | 228,526,436.09         |
| Add: Profit During the Year     | 23,753,416.13          | 26,864,975.53          |
| Add: Depreciation written back  | -                      | - 14,019.00            |



|                                      |                       |                |
|--------------------------------------|-----------------------|----------------|
|                                      | <b>272,679,008.75</b> | 255,405,430.62 |
| <b>Less:</b> Proposed Dividend       | <b>(4,800,000.00)</b> | (5,400,000.00) |
| Dividend Distribution Tax            | <b>(977,184.00)</b>   | (1,079,838.00) |
|                                      | <b>267,012,062.75</b> | 248,925,592.62 |
| <b>2.3 Long-term Provisions</b>      |                       |                |
| Deferred Tax Liability               | <b>277,107.00</b>     | 271,265.00     |
|                                      | <b>277,107.00</b>     | 271,265.00     |
| <b>2.4 Other current liabilities</b> |                       |                |
| Trade Payable                        | <b>200,393.82</b>     | 168,686.82     |
|                                      | <b>200,393.82</b>     | 168,686.82     |
| <b>2.5 Short-term provisions</b>     |                       |                |
| Proposed dividend                    | <b>4,800,000.00</b>   | 5,400,000.00   |
| Dividend distribution tax            | <b>977,184.00</b>     | 1,079,838.00   |
| Provision for Income Tax             | <b>5,127,291.00</b>   | 5,895,759.62   |
| Income Tax for Previous Years        | <b>39,781.00</b>      | 39,781.00      |
|                                      | <b>10,944,256.00</b>  | 12,415,378.62  |



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

(Currency: Indian Rupees)

**2.6 FIXED ASSETS AS AT 31ST MARCH, 2016**

| Particulars             | GROSS BLOCK         |  |                           |                               | Life | DEPRECIATION        |                  |                 |                 |                          | NET BLOCK                     |                              |
|-------------------------|---------------------|--|---------------------------|-------------------------------|------|---------------------|------------------|-----------------|-----------------|--------------------------|-------------------------------|------------------------------|
|                         | As on<br>01.04.2015 | Additions<br>/Sales during<br>the Year | Total as on<br>31.03.2015 | Opening<br>Retain<br>Value 5% |      | Upto<br>31.03.2014  | Rate of<br>Depr. | For the<br>year | Written<br>Back | Total upto<br>31.03.2015 | W.D.V.<br>as on<br>31.03.2016 | W.D.V.<br>as on<br>31.3.2015 |
| 1                       | 2                   | 3                                      | 4                         |                               | 5    |                     | 6                |                 | 7               | 8                        | 9                             |                              |
| Car                     | 1,296,325.00        |  | 1,296,325.00              | 64,816.00                     | 5    | 1,038,001.00        | 29.22%           | 75,482          | -               | 1,113,483.00             | 182,842.00                    | 258,324.00                   |
| Typewriter              | 25,400.00           | -                                      | 25,400.00                 | 1,270.00                      | -    | 24,328.00           | -                | -               | (198)           | 24,130.00                | 1,270.00                      | 1,270.00                     |
| Fan                     | 7,050.00            | -                                      | 7,050.00                  | 353.00                        | -    | 6,800.00            | -                | -               | (103)           | 6,697.00                 | 353.00                        | 353.00                       |
| Refrigerator            | 12,475.00           | -                                      | 12,475.00                 | 624.00                        | -    | 12,045.00           | -                | -               | (194)           | 11,851.00                | 624.00                        | 624.00                       |
| Computer                | 280,923.00          | -                                      | 280,923.00                | 14,046.00                     | -    | 280,908.00          | -                | -               | (14,031)        | 266,877.00               | 14,046.00                     | 14,046.00                    |
| Furniture &<br>Fixtures | 49,656.00           | -                                      | 49,656.00                 | 2,483.00                      | -    | 47,301.00           | -                | -               | (128)           | 47,173.00                | 2,483.00                      | 2,483.00                     |
| Fax Machine             | 60,000.00           | -                                      | 60,000.00                 | 3,000.00                      | -    | 56,772.00           | -                | -               | 228             | 57,000.00                | 3,000.00                      | 3,000.00                     |
| Intercom                | 12,720.00           | -                                      | 12,720.00                 | 636.00                        | -    | 12,007.00           | -                | -               | 77              | 12,084.00                | 636.00                        | 636.00                       |
| Filling Cabinet         | 14,291.00           | -                                      | 14,291.00                 | 715.00                        | -    | 13,341.00           | -                | -               | 235             | 13,576.00                | 715.00                        | 715.00                       |
| Water Filter            | 9,980.00            | -                                      | 9,980.00                  | 499.00                        | -    | 9,386.00            | -                | -               | 95              | 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>1,500,889.00</b> |                  | <b>75,482</b>   | <b>(14,019)</b> | <b>1,562,352.00</b>      | <b>206,468.00</b>             | <b>281,950.00</b>            |
| <b>Previous Year :</b>  | <b>1,768,820.00</b> | <b>-</b>                               | <b>1,768,820.00</b>       | <b>1,768,820.00</b>           |      |                     |                  | <b>75,482</b>   |                 | <b>1,500,889.00</b>      |                               |                              |



## Notes to the financial statements (Continued)

(Currency: Indian Rupees)

### 2.7 Current Investments

| INVESTMENTS --- AT COST            | As on 31.03.2016<br>Qty. | Amount<br>(Rupees) | As on 31.03.2015<br>Qty. | Amount<br>(Rupees) |
|------------------------------------|--------------------------|--------------------|--------------------------|--------------------|
| <b><u>(A) QUOTED SHARES:</u></b>   |                          |                    |                          |                    |
| ADANI POWER                        | 50000                    | 1,417,570.00       | 20000                    | 922,345.24         |
| ANANTRAJ INDUSTRIES                | 25000                    | 895,022.22         | -                        | -                  |
| ANDHRA BANK                        | 10000                    | 588,029.00         | 10000                    | 588,029.00         |
| ANDHRA CEMENT LTD                  | 55550                    | 580,031.69         | 55550                    | 580,031.69         |
| ANSAL HOUSING & CONSTRUCTION       | 19500                    | 366,340.00         | 19500                    | 366,340.00         |
| AUSTIN ENGINEERING COMPANY LIMITED | 2500                     | 175,650.00         | 2500                     | 175,650.00         |
| BAHARAT BHUSHAN SHARES & SEC       | 30000                    | 262,800.00         | 30000                    | 262,800.00         |
| BANK OF MAHARASTRA                 | 36000                    | 1,095,992.51       | 36000                    | 1,095,992.51       |
| CAIRN INDIA LIMITED                | 37000                    | 5,071,927.07       | 26500                    | 5,850,704.15       |
| CANFIN HOMES LTD                   | 6600                     | 1,314,754.11       | 8698                     | 1,413,119.95       |
| CHAMAN LAL SETIA EXPORTERS         | -                        | -                  | 500                      | 13,443.00          |
| CHAMBAL FERTILIZERS& CHEMICALS LTD | 42000                    | 2,605,058.35       | 42000                    | 2,605,058.35       |
| COSMO FERRITES LTD                 | 35805                    | 382,450.94         | 36205                    | 386,723.54         |
| COSMO FILMS LTD                    | -                        | -                  | 2000                     | 159,364.90         |
| CIL SECURITIES LTD                 | 59099                    | 903,639.83         | 59099                    | 903,639.83         |
| DATAMATICS GLOBAL SERVICES         | 5000                     | 75,050.00          | 5000                     | 75,050.00          |
| DCB BANK LIMITED                   | 19000                    | 732,348.73         | 19000                    | 732,348.73         |
| DIGJAM LTD                         | 11000                    | 60,060.00          | 11000                    | 60,060.00          |
| DIVSHKTI LTD                       | -                        | -                  | 5000                     | 127,800.00         |
| DLF LIMITED                        | 6000                     | 670,783.40         |                          |                    |
| ESCORTS LTD                        | 3700                     | 213,762.00         | 3700                     | 213,762.00         |
| ESSAROIL                           | -                        | -                  | 25000                    | 1,631,191.95       |
| ELECTROSTEEL CASTINGS LTD          | 20000                    | 553,281.50         | 20000                    | 553,281.50         |
| FORTIS HEALTH CARE LTD             | 17000                    | 1,237,855.60       | 17000                    | 1,237,855.60       |
| FORTIS MALAR HOSPITAL              | 16500                    | 525,900.50         | 17000                    | 541,836.87         |
| GIPCL                              | 7000                     | 465,080.20         | 7000                     | 465,080.20         |
| GUJARAT NARMADA VALLEY             | 6500                     | 573,008.59         | 6500                     | 573,008.59         |
| GOLDEN TOBACCO                     | 25000                    | 881,053.55         | 25000                    | 881,053.55         |
| GOLDIAM INTERNATIONAL              | 10000                    | 337,096.00         | 10000                    | 337,096.00         |
| GRAUER & WEIL (INDIA) LTD          | 395000                   | 2,671,950.28       | 729000                   | 4,943,135.57       |
| GUJARAT SIDHEE CEMENT LTD          | 6500                     | 387,779.18         | 6500                     | 387,779.18         |
| GVK POWER INF                      | -                        | -                  | 50000                    | 535,000.00         |
| HINDALCO INDUSTRIES LIMITED        | 24000                    | 2,007,698.40       | 20000                    | 2,301,098.31       |
| HINDUSTAN COPPER LTD               | 5000                     | 311,515.50         | 5000                     | 311,515.50         |
| HINDUSTAN CONSTRUCTION CO. LIMITED | 50000                    | 1,010,065.46       | -                        | -                  |
| HINDUJA VENTURE LIMITED            | 2400                     | 767,713.62         | 3600                     | 1,151,538.92       |
| HOTEL LEELAVENTURE LTD             | 10000                    | 192,791.45         | 10000                    | 192,791.45         |
| IDBI BANK LTD                      | 60000                    | 3,984,198.01       | 50000                    | 4,619,309.99       |
| INDO RAMA SYNTHETICS (I) LTD       | 29000                    | 686,140.00         | 29000                    | 686,140.00         |
| IDFC BANK LIMITED                  | 22000                    | 886,854.80         | -                        | -                  |
| IFCI LTD                           | 50000                    | 1,149,094.20       | 50000                    | 1,149,094.20       |
| INDRAPRASTHA MED CORP. LTD         | 100000                   | 3,399,038.52       | 100000                   | 3,399,038.52       |
| INDIABULLS VEDNTURES LTD           | 50000                    | 329,500.00         | 50000                    | 329,500.00         |
| INDIA HOTEL LIMITED                | 7500                     | 468,342.09         | 7500                     | 468,342.09         |
| INDIAN HOTEL(RIGHT ISSUE)          | 7753                     | 426,415.00         | 7753                     | 426,415.00         |
| ITC                                | 7500                     | 2,544,652.96       | 7500                     | 2,544,652.96       |
| IL&FS GR & VAL FU                  | 5000                     | 324,473.19         | 5000                     | 324,473.19         |
| IL&FS INVESTMENTMANAGERS LIMITED   | 30000                    | 499,783.10         | 30000                    | 499,783.10         |
| JAGATJIT INDUSTRIES LTD            | 6200                     | 243,853.62         | 6200                     | 243,853.62         |



Integrated Financial Services Limited



|                                    |        |               |         |               |
|------------------------------------|--------|---------------|---------|---------------|
| JASCH INDUSTRIES LTD               | 10000  | 61,600.00     | 15000   | 92,400.00     |
| JK PAPER LTD                       | 15000  | 439,853.83    | 15000   | 439,853.83    |
| JSW ENERGY                         | 17000  | 749,725.30    | 17000   | 749,725.30    |
| JUPITER BIOS                       | -      | -             | 10000   | 202,600.00    |
| JYOTI STRUCTURE LIMITED            | 64000  | 787,163.41    | 55000   | 1,796,439.49  |
| KINGFISHER AIRLINES LTD            | -      | -             | 20000   | 459,533.33    |
| KHEMANI DISTRIBUTORS               | 217200 | 21,720,000.00 | -       | -             |
| LAHOTI OVERSEAS LTD                | -      | -             | 4000    | 30,006.00     |
| LAXMI PRECISIONSCREWS LIMITED      | 12000  | 288,120.00    | 12000   | 288,120.00    |
| L & T FINANCE HOLDINGS LIMITED     | 50000  | 2,532,625.01  | 40000   | 2,608,825.14  |
| MAJESTIC AUTO LTD                  | 24000  | 817,584.72    | 25000   | 851,650.75    |
| MANGALORE CHEMICALS                | 944    | 94,811.58     | 5000    | 503,035.78    |
| MANGLORE REF. & PETRO LTD          | 20000  | 1,093,931.10  | 20000   | 1,093,931.10  |
| MARAL OVERSEAS LTD                 | 50000  | 323,000.00    | 50000   | 323,000.00    |
| MCNALLY BHARAT ENGINEERING         | 2269   | 233,507.62    | -       | -             |
| MIC ELECTRONICS                    | 28000  | 162,960.00    | 28000   | 162,960.00    |
| MICRO FORGE (INDIA) LTD            | -      | -             | 60000   | 205,850.00    |
| MUNJAL AUTO INDUSTRIES             | 50000  | 885,902.52    | 50000   | 885,902.52    |
| MUNJAL SHOWA LTD                   | 5000   | 244,720.65    | 5000    | 244,720.65    |
| NAGARJUNA OIL & REFINERY LTD       | -      | -             | 187000  | 2,869,579.00  |
| NEYVELI LINITE CORPORATION         | 2500   | 166,433.05    | 2500    | 166,433.05    |
| NAGARJUNA FERTILIZERS              | 187000 | -             | -       | -             |
| NELCO LTD                          | 5000   | 172,380.18    | 7000    | 241,332.25    |
| NCL INDUSTRIES LTD                 | -      | -             | 15000   | 629,050.00    |
| N G INDUSTRIES LTD                 | 3240   | 142,352.13    | 3240    | 142,352.13    |
| NHPC LTD                           | 150000 | 3,164,000.00  | 150000  | 3,164,000.00  |
| NOIDA TOL BRIDGE                   | 55000  | 1,283,678.00  | 55000   | 1,283,678.00  |
| NTPC LTD                           | 62000  | 7,258,419.75  | 60000   | 6,993,306.55  |
| OCL IRON & STEEL LTD               | -      | -             | 10000   | 400,100.00    |
| OBEROI REALITY LIMITED             | 2500   | 667,694.88    | -       | -             |
| OMAX AUTOS LTD                     | 66000  | 2,513,809.20  | 66000   | 2,513,809.20  |
| OMAXE LIMITED                      | 100000 | 13,621,033.51 | -       | -             |
| ORIENT BELL LIMITED                | 3763   | 326,832.94    | 3763    | 326,832.94    |
| PARSVNATH DEVELOPERS LTD           | -      | -             | 11000   | 293,755.00    |
| PETRONET LNG LTD                   | 25000  | 1,102,240.76  | 25000   | 1,102,240.76  |
| PHOENIX LAMP                       | 10000  | 1,003,049.50  | 10000   | 1,003,049.50  |
| POWER FINANCE CORP                 | -      | -             | 2000    | 326,653.77    |
| PNB GILTS LTD                      | 52000  | 1,017,090.00  | 52000   | 1,017,090.00  |
| PRAKASH INDUSTRIES LTD             | 28000  | 729,005.52    | 20000   | 518,895.57    |
| PUNJAB ALKALIES AND CHEMICALS      | 45500  | 800,227.51    | 45500   | 800,227.51    |
| RACL GEARTECH LIMITED              | 36000  | 585,360.00    | 36000   | 585,360.00    |
| RADICO KHAITAIN                    | 7000   | 592,229.40    | 10000   | 846,042.00    |
| RAJASTHAN SPINNING                 | 10500  | 905,181.00    | 12500   | 1,077,596.43  |
| RASHTRIYA CHEMICAL                 | 24000  | 943,014.30    | 16000   | 929,878.90    |
| RICO AUTO INDUSTRIES LTD           | 16500  | 162,782.40    | 24500   | 241,707.20    |
| RATTANINDIA INFRASTRUCTURE LIMITED | 400000 | 1,298,870.00  | -       | -             |
| RELIANCE INDUSTRIES LTD            | 2250   | 1,650,440.18  | 2150    | 1,555,230.42  |
| RELIANCE POWER LTD                 | 40000  | 1,870,092.02  | 30000   | 2,176,206.15  |
| SAHARA HOUSINGFINA CO              | 749    | 71,010.01     | 2200    | 208,574.14    |
| SHIVAM AUTOTECH LTD                | 45000  | 199,575.00    | 22500   | 199,575.00    |
| SHIPPING CORPORATION               | 3000   | 204,505.00    | 3000    | 204,505.00    |
| SJVN LTD                           | 125000 | 2,498,100.00  | 125000  | 2,498,100.00  |
| SHREE RAYALSEEMA HITECH            | -      | -             | 2700    | 35,686.67     |
| STANROASE MAFATLAL                 | 30100  | 2,135,705.35  | 30100   | 2,135,705.35  |
| STEEL AUTHORITY OF INDIA LTD       | 36000  | 1,256,111.41  | -       | -             |
| SRS LIMITED (BONUS SHARES)         | 891307 | -             | 1391900 | 26,950,311.68 |
| THE SOUTH INDIAN BANK LTD          | 200000 | 640,000.00    | 200000  | 640,000.00    |
| SPENTA INTERNATIONAL LTD           | -      | -             | 4449    | 45,646.83     |
| SUMEDH FISCAL SERVICE              | 4000   | 53,993.37     | 4000    | 53,993.37     |

Integrated Financial Services Limited



|                                       |        |                       |        |                       |
|---------------------------------------|--------|-----------------------|--------|-----------------------|
| SUN PHARMACEUTICALS LTD               | 2500   | 2,234,861.65          | -      | -                     |
| TATA GLOBAL BEVERAGES LIMITED         | 3750   | 560,528.00            | 5000   | 560,528.00            |
| TATA STEEL                            | 21000  | 6,875,625.37          | 15000  | 5,353,749.38          |
| TATA POWER LIMITED                    | 25000  | 1,476,837.36          | 25000  | 1,898,842.51          |
| TAMILNADU PETRO PRODUCTS LTD          | 30000  | 348,300.00            | 30000  | 348,300.00            |
| TERA SOFTWARE LTD                     | 5000   | 252,483.75            | 10000  | 504,967.50            |
| TULSYAN                               | -      | -                     | 20000  | 300,000.00            |
| USHA MARTIN                           | -      | -                     | 10000  | 339,636.70            |
| UJAAS ENERGY LIMITED                  | 75000  | 1,194,003.05          | 75000  | 1,194,003.05          |
| UNITECH                               | -      | -                     | 30000  | 651,883.76            |
| VALSON INDUSTRIES LTD                 | 10000  | 277,600.00            | 12000  | 333,120.00            |
| VARDHAMAN ACRYLICS LTD                | 100000 | 381,000.00            | 100000 | 381,000.00            |
| VEDANTA LIMITED                       | 17000  | 1,509,674.80          | 11000  | 1,841,984.72          |
| VIJAYA BANK LTD                       | 35000  | 1,113,052.51          | 31000  | 1,477,050.90          |
| VIPUL LTD                             | 25000  | 261,925.00            | 70000  | 732,041.26            |
| ZENITH FIBRES LTD                     | 50000  | 1,216,182.70          | 72000  | 1,751,303.07          |
| <b>TOTAL OF QUOTED SHARES (A)</b>     |        | <b>141,439,301.47</b> |        | <b>140,049,597.86</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                           | 3850   | 4,331,466.37          | -      | -                     |
| NATIONAL HIGHWAYS AUTHORITY OF INDIA  | 6767   | 7,321,858.31          | -      | -                     |
| <b>TOTAL OF TAX FREE BOND (C)</b>     |        | <b>11,653,324.68</b>  |        |                       |
| <b>GRAND TOTAL (A)+(B)+(C)</b>        |        | <b>205,242,626.15</b> |        | <b>192,199,597.86</b> |

MARKET VALUE OF QUOTED INVESTMENTS AS ON 31.03.2016 is Rs


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

|   | As at<br>31 <sup>st</sup> March 2016 | As at<br>31 <sup>st</sup> March 2015 |
|---|--------------------------------------|--------------------------------------|
| <b>2.8 Cash and Bank Balances</b>             |                                      |                                      |
| <b>Cash and Cash equivalent</b>               |                                      |                                      |
| Balances with Bank                            |                                      |                                      |
| -in Current accounts                          | -5875636.68                          | 3,326,723.44                         |
| -in Fixed Deposit                             | 22,696,097.90                        | 21,037,581.20                        |
|   | <b>16,820,461.22</b>                 | <b>24,364,304.64</b>                 |
| <b>2.9 Short term loans and advances</b>      |                                      |                                      |
| <b>Unsecured</b>                              |                                      |                                      |
| Loans and advances to employees               | 9,375.00                             | 46,875.00                            |
| 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) | 4,789,554.30                         | 5,062,705.80                         |
|   | <b>5,746,957.30</b>                  | <b>6,057,608.80</b>                  |
| <b>2.10 Other Current Assets</b>              |                                      |                                      |
| Integrated Master Securities (P) Limited      | 110,175,000.00                       | 98,600,000.00                        |
| Suresh Kumar Thakur                           | 132,068.9                            | 277,461.76                           |
|   | <b>110,307,068.90</b>                | <b>98,877,461.76</b>                 |
| <b>3.1 Interest Income</b>                    |                                      |                                      |
| On loan                                       | 11,920,156.69                        | 9,665,740.20                         |
|   | <b>11,920,156.69</b>                 | <b>9,665,740.20</b>                  |
| <b>3.2 Income From Operation</b>              |                                      |                                      |
| Profit on Sale of Shares                      | 18,224,633.00                        | 24,852,269.79                        |
| Dividend Received                             | 3,885,970.88                         | 3,472,651.50                         |
| Interest on Income Tax Refund                 | 0.00                                 | 213,297.00                           |
|   | <b>22,110,603.88</b>                 | <b>28,538,218.29</b>                 |
| <b>3.3 Employee benefit expenses</b>          |                                      |                                      |
| Salaries and wages                            | 1,496,221.00                         | 1,234,299.00                         |
| Staff welfare expenses                        | 110,238.00                           | 170,979.00                           |
|   | <b>1,606,459.00</b>                  | <b>1,405,278.00</b>                  |




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**Notes to the financial Statements (Continued)**
**(Currency: Indian Rupees)**


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|   | As at<br>31 March 2016 | As at<br>31 March 2015 |
|---|------------------------|------------------------|
| <b>3.4 Other Expenses</b>               |                        |                        |
| Advertisement Expenses                  | 24,360.00              | 19,460.00              |
| Auditor's Remuneration                  | 22,900.00              | 22,800.00              |
| Computer Expenses                       | 101,788.00             | 94,750.00              |
| Conveyance                              | 145,581.00             | 125,865.00             |
| Custody Fee                             | 51,526.00              | 33,708.00              |
| Fees Registration & annual subscription | 25,400.00              | 24,600.00              |
| Festival expenses                       | 122,400.00             | 110,177.00             |
| Meeting Expenses                        | 98,704.00              | 99,502.00              |
| Insurance Charges                       | 11,286.00              | 11,037.00              |
| Interest Paid                           | 432,039.35             | 1,171,276.45           |
| Listing fee                             | 224,970.00             | 112,360.00             |
| Newspaper & Periodicals                 | 111,477.00             | 105,761.00             |
| Office Repair, Maintenance Expenses     | 160,578.00             | 164,160.00             |
| Postage & Telegram                      | 263,709.00             | 291,290.00             |
| Printing & Stationery                   | 308,734.00             | 380,625.34             |
| Registrar and Transfer agent charges    | 8,989.00               | 8,989.00               |
| Rent                                    | 360,000.00             | 240,000.00             |
| Securities Transaction Tax              | 262,867.91             | 165,619.64             |
| Sitting Fee                             | 60,000.00              | 55,000.00              |
| Telephone Expenses                      | 15,275.00              | 34,917.91              |
| Tour & Travels                          | 273,383.00             | 251,881.00             |
| Vehicle Maintenance                     | 229,357.00             | 223,504.00             |
|   | <b>3,315,324.26</b>    | <b>3,747,283.34</b>    |

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**If undelivered please return to:**

**INTEGRATED FINANCIAL SERVICES LIMITED**

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