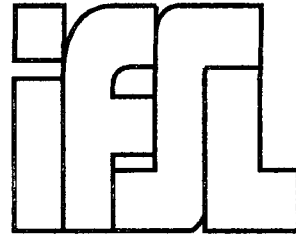


| | | | | | | |
|-----|---|---|---|--|-----|---|
| MD | ✓ | | | | BKC | ✓ |
| CS | ✓ | | | | DTY | ✓ |
| RO | ✓ | | | | DIV | ✓ |
| TRA | ✓ | | | | SC | ✓ |
| AGM | ✓ | ✓ | | | SHI | ✓ |
| YE | ✓ | ✓ | ✓ | | | ✓ |



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INTEGRATED FINANCIAL SERVICES LIMITED

Seventh Annual Report 1997-98



INTEGRATED FINANCIAL SERVICES LIMITED

NOTICE

NOTICE is hereby given that Seventh Annual General Meeting of INTEGRATED FINANCIAL SERVICES LTD. will be held on Wednesday, the 30th day of September, 1998 at 10.00 A. M. at 286, Gagan Vihar, Parwana Road, Delhi - 110051, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rajni Khaneja, who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.

RESOLVED THAT Mr. Virender Khaneja, who was appointed as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956 be and is hereby appointed as a regular Director of the Company.

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By order of the Board of Directors

Dated : 31.08.1998

Place : New Delhi

S. C. Khaneja

Director

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a "Proxy" to attend and vote on a poll on his behalf and such Proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of this Annual General Meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
3. The register of members and the share transfer books of the company shall remain closed from Saturday, 26th September, 1998 to Wednesday, 30th September, 1998 (both days inclusive).
4. Members/Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting.
5. Members are requested to intimate the change of address, if any.
6. Members who are holding shares in multiple accounts in identical names or joint accounts in same order in more than one folio, are requested to intimate the Company to enable the Company to consolidate their holdings in one folio.



INTEGRATED FINANCIAL SERVICES LIMITED

7. All documents referred in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company during office hours on all working days between 11 A. M. TO 1 P.M. upto the date of Annual General Meeting, except on Sundays and other holidays.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4.

Mr. Virender Khaneja was appointed as an Additional Director of the company with effect from 01.10.1997 pursuant to the provisions of Articles of Association of the Company. He holds office until the forthcoming Annual General Meeting and is eligible for reappointment. Due notice in writing under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Virender Khaneja as a Director of the Company alongwith the deposit of Rs. 500/-.

None of the Directors is interested in the resolution except Mr. Virender Khaneja, Mr. S. C. Khaneja and Mrs. Rajni Khaneja.

By order of the Board of Directors

Dated : 31.08.1998

S. C. Khaneja

Place : Registered Office
604, Nirmal Tower,
26, Barakhamba Road,
New Delhi - 110001.

Director

DIRECTORS' REPORT

To the members,

Your Directors feel pleasure in presenting the Seventh Annual Report and Audited Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS.

(Rupees in Lacs)

| | 1997-98 | 1996-97 |
|--------------|---------|----------|
| Income | 22.12 | 19.02 |
| P.B.D.T. | 14.67 | 6.07 |
| Depreciation | 5.52 | 6.95 |
| P.B.T | 9.15 | (-) 0.88 |
| Taxation | | - |
| P.A.T | 9.15 | (-) 0.88 |

During the year under review, the Company has earned a profit of Rs. 9.15 lacs after providing depreciation of Rs. 5.52 lacs as compared to loss of Rs. 0.88 lacs in the previous year. No dividend is being recommended for payment due to inadequacy of profits.

STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT

- a. **Utilisation of funds:** The Company had raised Rs. 85,00,000/- by issue of 8,50,000 equity shares of Rs. 10/- each for cash at par as per prospectus dated 31.5.1995, to meet the long term working capital requirements and to finance the cost of its assets. The funds have been utilised for the objects stated in the prospectus.



INTEGRATED FINANCIAL SERVICES LIMITED

b. **Projections Versus performance** for the year 1997-98 as per the clause 43 of the listing agreement are furnished hereunder :

| Particulars | (Rupees in lacs) | |
|-------------|-----------------------|---|
| | Actual Performance | Projection in the Prospectus dated 31.05.1995 |
| Income | 22.12 | 405.00 |
| P.B.D.T | 14.67 | 190.00 |
| P.A.T | 9.15 | 155.00 |

The decline of income and profit is due to bad market conditions prevailing in the financial services sector.

SUBSIDIARY COMPANY

Statement pursuant to Section 212(1)(e) read with the sub-section (3) of the said section of the Companies Act, 1956 for the Financial Year 1997-98 in respect of the subsidiary company, Integrated Securities Broking Limited, along with its respective Annual Report for the year ended 31st March, 1998 is enclosed.

FIXED DEPOSITS

The company has neither accepted nor invited any fixed deposit from the public, during the year.

DIRECTORS

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company, Mrs. Rajni Khaneja is liable to retire by rotation and being eligible, offers herself for the re-appointment.

Mr. Virender Khaneja was appointed as an Additional Director of the Company during the year to broad base the Board. The Board recommends his appointment as regular Director in the forthcoming Annual General Meeting.

AUDITORS

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

AUDITORS' REMARKS

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

PARTICULARS OF EMPLOYEES.

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

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

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

ACKNOWLEDGEMENTS

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

for and on behalf of the Board of Directors

Dated : 31.08.1998
Place : New Delhi

S. C. Khaneja
Chairman



INTEGRATED FINANCIAL SERVICES LIMITED

AUDITORS' REPORT

To,

THE MEMBERS OF INTEGRATED FINANCIAL SERVICES LTD.

We have audited the attached Balance Sheet as at 31st March, 1998 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and we report that :-

- A) As required by the Manufacturing and Other Companies (AUDITORS' REPORT) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- B) Further to our comments in annexure referred to in paragraph (A) above, we also report that :-
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our Audit.
 - b) In our opinion proper books of account as required by Law have been kept by the company, so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account and,
 - d) In our opinion and to the best of our information and according to the explanations given to us, the account give the information required by the Companies Act, 1956, in the manner required read together with other notes given in Schedule 11, give a true and fair view :-
 - i) In the case of Balance Sheet of the state of affairs of the Company as on 31st March, 1998; and
 - ii) In the case of Profit and Loss Account of the profit of the Company for the year ended on that date.

for DUA & KUMAR
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATE : 31.08.1998

MAHESH KUMAR
PROPRIETOR

REFERRED IN PARAGRAPH (A) IN OUR REPORT OF EVEN DATE

1. The Company has maintained proper records to show the full particulars including quantitative details and situations of fixed assets. We are informed by the management that the fixed assets of the Company were physically verified during the year under review and no material discrepancies were noticed on such verification.
2. None of the fixed assets of the company have been revalued during the year.
3. Physical verification has been conducted by the management at reasonable intervals in respect of shares & stocks held by the Company.
4. The procedure of physical verification of shares & securities followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
5. The discrepancies noticed on physical verification of shares & securities as compared to book record were not material and the same have been properly dealt with in the books of account.
6. On the basis of our examination of securities record, the valuation of securities is considered fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year.



INTEGRATED FINANCIAL SERVICES LIMITED

7. As informed to us, the company has not taken any loans from companies, firms & other parties listed in the register maintained under section 301 of the Companies Act, 1956 or from the companies under the same management as defined under section 370(1B) of the Companies Act, 1956.
8. As informed to us, the Company has not granted any other loans, secured, unsecured to any firm or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to the companies under the same management as defined under section 370(1B) of the Companies Act, 1956.
9. The company has given loans & advances in the nature of loan to employees and other parties, who are not repaying the principal.
10. The transaction of purchases of goods and securities and sale of goods, securities and services, made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- (Rupees Fifty thousand only) or more in respect of each party, have regard to prevailing market prices for such goods, securities and services or the prices at which transactions for similar goods, securities and services have been made with other parties.
11. The company has not accepted any deposits from the public.
12. In our opinion, the company has internal audit system commensurate with the size & nature of Business.
13. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
14. According to record of the Company, Provident Fund Act and Employees State Insurance Act are not applicable.
15. As explained to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Customs Duty, Excise Duty and Sales Tax were outstanding as at the last day of the financial year concerned for a period of more than six months.
16. According to the information and explanations given to us and the records examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
17. The Company is not a sick industrial company, within the meaning of Clause (O) of sub-section 1 of section 3 of Sick Industrial Companies (Special Provisions) Act, 1985.
18. The company has maintained proper record of transactions and contract in respect of trading in shares/ debentures. All the shares have been held by the Company in its own name.
19. We are informed that provision of any Special Statute applicable to chit fund, nidhi or mutual benefit does not apply to the company.

for **DUA & KUMAR**
CHARTERED ACCOUNTANTS

MAHESH KUMAR
PROPRIETOR

**INTEGRATED FINANCIAL SERVICES LIMITED****BALANCE SHEET AS AT 31ST MARCH, 1998.**

| | Schedule | | As At 31st March, 1998 (Rupees) | | As At 31st March, 1997 (Rupees) |
|---|----------|---------------------|---------------------------------------|---------------------|---------------------------------------|
| I. SOURCES OF FUNDS | | | | | |
| 1) Shareholder's Funds | | | | | |
| a) Capital | 1 | 3,10,00,000.00 | | 3,10,00,000.00 | |
| b) Reserve & Surplus | 2 | <u>15,61,394.81</u> | 3,25,61,394.81 | <u>8,77,897.70</u> | 3,18,77,897.70 |
| 2) Loan Funds | | | | | |
| Unsecured Loans | 3 | | <u>3,00,000.00</u> | | <u>3,00,000.00</u> |
| TOTAL | | | <u>3,28,61,394.81</u> | | <u>3,21,77,897.70</u> |
| II. APPLICATION OF FUNDS | | | | | |
| 1) Fixed Assets | 4 | | | | |
| a) Gross Block. | | 90,25,265.24 | | 90,25,265.24 | |
| b) Less : Depreciation | | <u>22,66,848.00</u> | | <u>17,15,003.70</u> | |
| c) Net Block. | | | 67,58,417.24 | | 73,10,261.54 |
| 2) Investments. | 5 | | 1,96,42,780.33 | | 1,69,68,809.94 |
| 3) Current Assets. Loans & Advances. | | | | | |
| a) Cash & Bank Balances. | 6 | 27,11,414.30 | | 63,68,091.97 | |
| b) Other Current Assets. | 7 | <u>6,24,500.00</u> | | <u>4,40,000.00</u> | |
| c) Loans & Advances. | 8 | <u>31,60,006.94</u> | | <u>11,48,958.25</u> | |
| | | <u>64,95,921.24</u> | | <u>79,57,050.22</u> | |
| Less : Current Liabilities & Provisions. | | | | | |
| Liabilities. | 9 | 35,724.00 | | 58,224.00 | |
| | | <u>35,724.00</u> | | <u>58,224.00</u> | |
| Net Current Assets | | | 64,60,197.24 | | 78,98,826.22 |
| TOTAL | | | <u>3,28,61,394.81</u> | | <u>3,21,77,897.70</u> |
| Notes to the Accounts. | 11 | | | | |

As per our report of even date attached
for Dua & Kumar
Chartered Accountants

On behalf of the Board

Place : New Delhi
Dated : 31.08.1998

Mahesh Kumar
Proprietor

S.C. Khaneja
Director

Rajni Khaneja
Director