



## **INTEGRATED FINANCIAL SERVICES LIMITED**

**THIRTEENTH ANNUAL REPORT 2003-2004**

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# INTEGRATED FINANCIAL SERVICES LIMITED

## NOTICE

NOTICE is hereby given that Thirteenth Annual General Meeting of INTEGRATED FINANCIAL SERVICES LTD. will be held on Thursday, 30th day of September, 2004 at 10.00 A.M. at 286, Gagan Vihar, Delhi-110051 to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2004, the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Virender Khaneja, who retires by rotation and being eligible offers himself for the reappointment.
3. To appoint a Director in place of Ms. Rachna Batra, who retires by rotation and being eligible offers herself for the reappointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of Board of Directors

Place : New Delhi  
Date : 04.09.2004

Rachna Batra  
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 Company. Proxies, in order to be effective, must be deposited at the Registered office of the company not less than 48 hours before the commencement of this Annual General Meeting.
2. The Register of Members and the Share transfer books of the Company will remain closed from Thursday, 23<sup>rd</sup> September, 2004 to Thursday, 30<sup>th</sup> September, 2004 (both days inclusive).
3. 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.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of meeting so as to enable the management to keep the information ready.
5. Members are requested to notify any change in address to the Company including PINCODE to the Registrar and Share Transfer Agent of the Company namely, Mas Services (P) Limited, AB-4, Saldarjung Enclave, New Delhi-110029.
6. Members can avail of the nomination facility by filing Form 2 B with the company. Blank forms will be supplied on request.

By order of Board of Directors

Place : New Delhi  
Date : 04.09.2004

Rachna Batra  
Director



## **INTEGRATED FINANCIAL SERVICES LIMITED**

### **DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in presenting the thirteenth Annual Report and Audited Accounts of the company for the year ended 31st March, 2004.

		(Rs. in Lakhs)
<b>FINANCIAL RESULTS</b>		
	<b>2003-2004</b>	<b>2002-2003</b>
Income	139.16	93.50
Profit before Depreciation & Tax	122.36	77.75
Depreciation	2.82	3.14
Profit before taxation	119.54	74.61
Tax	12.00	15.00
Profit after taxation	107.54	59.61

### **DIVIDEND**

The Directors regret their inability to propose any dividend for the year under review so as to conserve its resources.

### **FIXED DEPOSITS**

The company has neither accepted nor invited any fixed deposit within the meaning of Company's (Acceptance of Deposits) Rules, 1975 from the public, during the year. There is no unpaid or unclaimed deposits lying with the company.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Virender Khaneja and Ms. Rachna Batra directors retire by rotation and being eligible offer themselves for the reappointment.

Brief resume of the above named directors, nature of their expertise and names of the companies in which they hold directorship or chairmanship/membership of committees of the Board, as stipulated under Clause 49 of the Listing Agreement, are given in the Corporate Governance Section in this Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217(2AA) of the Companies Act, 1956, your directors confirm :

1. That in the preparation of annual accounts for the year ended 2003-2004, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
2. That the directors have selected such accounting policies and applied them consistently and made judgements 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 or loss of the company for that period;
3. That the directors have 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;
4. That the directors have prepared the annual accounts on a going concern basis.



## **INTEGRATED FINANCIAL SERVICES LIMITED**

### **CORPORATE GOVERNANCE**

During the Financial year 2003-2004, the company has complied with all the recommendations of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

A separate report on Corporate Governance is published in the Annual report as a part of the Annual Report of the Company. A certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Corporate Governance Clause of the Listing Agreement(s) is annexed to the Report on Corporate Governance.

A Management Discussion and Analysis also accompanies this report.

### **LISTING OF SHARES**

During the year the shares of the company have been delisted from Delhi Stock Exchange.

Presently, the shares of the company are listed with the Stock Exchange, Mumbai.

The company has paid the Annual Listing fee for the period 1<sup>st</sup> April, 2004 to 31<sup>st</sup> March, 2005 to both the stock exchanges.

### **AUDITORS**

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

### **AUDITORS' REMARKS**

The observations made by the Auditors with reference to notes on 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(2AA) of the Companies Act, 1956 are called for.

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

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

### **ACKNOWLEDGEMENTS**

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

*for and on behalf of the Board of Directors*

Date : 04.09.2004  
Place : New Delhi

**S.C. KHANEJA**  
**CHAIRMAN**



## **INTEGRATED FINANCIAL SERVICES LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Industry Structure and Developments**

The Indian Capital Market witnessed reasonable buoyancy during the Financial Year. The performance of the company has been quite satisfactory.

#### **Opportunities and Threats**

Being an investment company, the opportunities and threats to the company are those which are applicable to all the companies operating in the Capital Market keeping in view the present market sentiments and government policies.

#### **Segment-wise or product-wise performance**

Your company is mainly engaged in investment activities which is the only business segment. Other segments are not applicable to the company.

#### **Outlook**

Your company is mainly engaged in investment of shares and debentures of other companies. It has 46% equity stake in Integrated Master Securities (P) Ltd which is a member of National Stock Exchange of India Ltd., The Stock Exchange, Mumbai, The Delhi Stock Exchange Association Ltd, The Ludhiana Stock Exchange Association Ltd and Vadodara Stock Exchange Ltd and Depository Participant of National Securities Depository Ltd and Central Depository Services (India) Ltd.

#### **Risk and Concerns**

The performance of your company to a major extent depends upon the Capital Market Scenario and therefore, it is exposed to the risk factors which are applicable to Capital Market. The company manages these risks by adherence to best practices, all internal control policies and risk management systems.

#### **Internal Control Systems and their adequacy**

The company has adequate internal control systems to ensure monitoring and controlling against unauthorized use/disposition of assets and ensuring that all the transactions are authorized, recorded and reported correctly.

The company ensures compliance with all the regulations applicable to the company.

The Audit Committee of the Board reviews Internal Control systems of the company on periodical basis.

#### **Financial Performance with respect to Operational Performance**

The net profit after tax during the year stood at Rs. 107.54 Lacs as against Rs. 59.61Lacs during the previous year.

#### **Material Development in Human Resources/Industrial Relations Front**

The company is managed by a team of young Professionals and follows all good management practices.

The relationship with all the employees of the company have been cordial during the year under review.



## **INTEGRATED FINANCIAL SERVICES LIMITED**

### **CORPORATE GOVERNANCE REPORT:**

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

The Company attributes utmost importance to Corporate Governance. The Company has followed Corporate Governance in its operations to make them transparent.

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

- (a) Composition: The Board comprises of a Chairman and five Directors. Out of total strength of six directors, three directors are Promoter Directors and three are independent and Non-Executive Directors.

There are no nominee directors and institutional directors on the Board of the company.

- (b) Board Meetings: During the financial year 2003-2004, the meeting of the Board of Directors were held on 09.04.2003, 30.06.2003, 31.07.2003, 30.08.2003, 30.09.2003, 31.10.2003, 29.11.2003 and 31.01.2004.

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

Name of Director	Category of Director	No. of meetings attended/Attendance of Board Meetings.	Total No. of other Directorship in public Ltd. Companies	Attendance at last AGM	Committee Membership	Committee Chairmanship
Sh S.C.Khaneja	Chairman	8	1	Yes	---	---
Smt Rajni Khaneja	Wholetime Director	8	Nil	Yes	---	---
Sh Virender Khaneja	Director	8	Nil	Yes	---	---
Sh Vijay Kathuria	Director	8	1	Yes	2	2
Sh Naval Kishore Kalra	Director	8	Nil	Yes	1	---
Ms. Rachna Batra	Director	8	1	Yes	2	---

Mr.Virender Khaneja retires by rotation and is eligible for reappointment. His brief resume is furnished below:

Mr. Virender Khaneja is a director of the company since 1995.

Mr. Virender Khaneja has experience of nearly 10 years.

He is a director of the following companies.

1. Integrated Master Securities (P) Ltd
2. Integrated Commodity Trades (P) Ltd

Mrs. Rachna Batra retires by rotation and is eligible for reappointment. Her brief resume is furnished below:

Mrs. Rachna Batra is a director of the company since 1<sup>st</sup> September, 2001.

She is an Associate Member of the Institute of Company Secretaries of India.

She has experience of 8 years.

She is also a director of Integrated Risk Insurance Brokers Ltd.

She is a member of the Audit Committee and Investor Grievance Committee of the company.



## **INTEGRATED FINANCIAL SERVICES LIMITED**

### **COMMITTEE OF THE BOARD:**

The Audit Committee of the company as re-constituted on 27.03.2002 comprises of 3 directors i.e. Shri Vijay Kathuria, Shri Naval Kishore Kalra and Ms. Rachna Batra, all being Non-executive independent directors. Shri Vijay Kathuria is the Chairman of the Committee. The terms of reference of the Audit Committee are as contained in Section 292A of the Companies Act, 1956 and also as contained in Corporate Governance Clause of the Listing Agreement.

The Audit Committee met thrice during the year. The attendance of present members of the Committee is given as below:-

Committee Member	Category	No. of Meetings Attended
Shri Vijay Kathuria,	Member, Chairman	3
Shri Naval Kishore Kalra	Member, Director	3
Ms. Rachna Batra.	Member, Director	3

### **REMUNERATION COMMITTEE:**

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

Mrs. Rajni Khaneja, Executive Director has drawn a remuneration of Rs. 17500/- per month (including conveyance expenses of Rs. 2,500/- per month) from the company subject to TDS. Other directors have not drawn any remuneration from the company.

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

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

#### **Constitution and Composition.**

The Committee was constituted with two non-executive (all being independent) directors as members as per detail given below:

Committee Member	Category
Shri Vijay Kathuria,	Member, Chairman
Ms. Rachna Batra	Member, Director

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

The company has not received any complaint from the shareholders during the year. No share transfers and dematerialisation requests were pending as on 31<sup>st</sup> March, 2004.

### **GENERAL BODY MEETINGS:**

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

Meeting	Day	Date	Time	Venue	No. of Special Resolution
Twelveth AGM	Tuesday	30.09.2003	10:00 A.M.	48, Todar Mal Road, Bengali Market, New Delhi-110001	One
Eleventh AGM	Monday	30.09.2002	10:00 A.M.	48, Todar Mal Road, Bengali Market, New Delhi - 110 001	Two
Tenth AGM	Saturday	29.09.2001	10.00 A.M.	48, Todar Mal Road, Bengali Market, New Delhi - 110 001.	One