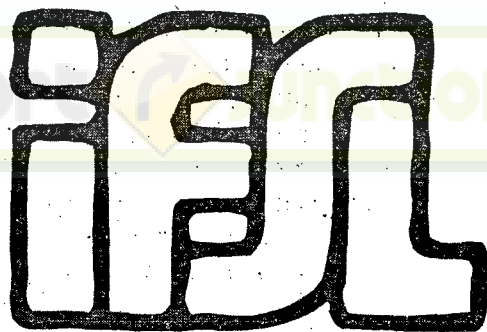


**18th  
Annual Report  
2008-09**



**INTEGRATED FINANCIAL SERVICES LTD.**



Integrated Financial Services Ltd.

## Integrated Financial Services Ltd.

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

### NOTICE

NOTICE is hereby given that **Eighteenth Annual General Meeting of INTEGRATED FINANCIAL SERVICES LTD** will be held on Wednesday, 30th day of September, 2009 at 10.00 A.M. at 303-304, 3<sup>rd</sup> Floor, New Delhi House, 27, Barakhamba Road, New Delhi-110001 to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009, 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 Ms. Rachna Batra who retires by rotation and being eligible offers herself for the 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.

By order of Board of Directors

Sd/-

S.C. Khaneja  
Director

Place : New Delhi  
Date : 31.07.2009

### NOTES :

1. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on a poll on his/her behalf and such proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited at the Registered office of the company not less than 48 hours before the commencement of this Annual General Meeting.
2. The Register of Members and the Share transfer books of the Company will remain closed from Wednesday, 23<sup>rd</sup> September, 2009 to Wednesday, 30<sup>th</sup> September, 2009 (both days inclusive).
3. The disclosures required under clause 49 of the listing agreement in respect of the directors being appointed/reappointed in this Annual General Meeting are given in the As annexure to this Notice.
4. Members holding shares in physical mode are requested to intimate any change in their address immediately. Members/Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting.
5. Those members who are still holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants registered with SEBI.
6. Members who hold shares in dematerialized form are requested to bring their Client-ID and DP-ID for easy identification of attendance at the meeting.

By order of Board of Directors

sd/-

S.C. Khaneja  
Director

Place : New Delhi  
Date : 31.07.2009



## Integrated Financial Services Ltd.

### DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March, 2009.

#### FINANCIAL RESULTS

(Rs. in Lakhs)

	YEAR ENDED	YEAR ENDED
	31ST MARCH, 2009	31ST MARCH, 2008
Income from Operation	114.56	496.20
Profit before Depreciation and Tax	92.10	473.17
Depreciation	1.69	2.02
Profit before Tax	90.41	471.15
Provision for Tax	6.55	51.87
Profit After Tax	83.86	419.27
Proposed Dividend	Nil	66.00
Tax on Dividend	Nil	11.22
Transfer to General Reserve	83.86	342.41

#### OPERATIONS

During the year under review, the performance of the company was affected by the global recession and in consequences thereof company's operating income suffered as compared to last year, yet it managed to post profit during the year under review. The Company's Income from operations stood at Rs. 114.56 Lacs in the year under review as against Rs. 496.20 Lacs in the previous year. The profit after tax stood at Rs. 83.86 Lacs during the year under review against Rs. 419.27 Lacs in the previous year.

#### DEPOSITS

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

#### DIVIDEND

In order to conserve resources, your Directors do not recommend the payment of Dividend.

#### DIRECTORS

In accordance with the provisions containing in section 256 of the Companies Act, 1956 and the Articles of Association of the company, Mrs. Rachna Batra, Director retires by rotation and being eligible offer herself for the reappointment.

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

1. followed in the preparation of annual accounts, for the year ended 2008-2009, the applicable accounting standards and that there is no material departure from the same;
2. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and of the profit or loss of your company for that period;



## Integrated Financial Services Ltd.

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

### CORPORATE GOVERNANCE

During the Financial Year 2008-09, the company has complied with all the norms of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management Discussion and Analysis also accompanies this report.

### LISTING OF SHARES

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

### AUDITORS

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

### AUDITORS REMARKS

The observations made by the Auditors with reference to notes on 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 OUT GO.

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

### ACKNOWLEDGMENTS

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

for and on behalf the order of Board of Directors

PLACE : NEW DELHI  
DATE : 31.07.2009

Sd/-  
S.C. KHANEJA  
CHAIRMAN



## Integrated Financial Services Ltd.

### MANAGEMENT DISCUSSION AND ANALYSIS

**ECONOMIC REVIEW :** During the year under review, the global economy has been in a severe recession caused by massive financial crisis and acute loss of confidence. After clocking an average annual growth of 8.9 % over the last five years (2003-2008), India registered a cyclical downturn in 2008-09. According to the Central Statistical Organization, the Real GDP growth rate estimated for 2008-09 has gone down significantly to 7.1 % from 9% in the previous year.

Indian Economy will continue to provide several attractive growth opportunities in view of the GDP growth forecasts of 6.8% in the year to come. The increased thrust on the Sectors like infrastructure, power, telecom etc will continue to provide excellent investment opportunities in the future.

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

**OPPORTUNITIES AND THREATS :** The Company as a NBFC is engaged predominantly in the business of investment, the future business prospects are closely linked with the variations in the stock market and also in the government policy and world economy. As the recent global economic recession has its impact on the stock markets, it had dampened the earlier buoyancy and optimism in the economy, still the overall outlook of the company continues to be positive in the current financial year.

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :** Your Company is mainly engaged in investment activities, which is the only business segment. Segment-wise reporting is not applicable to your company.

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

**RISK AND CONCERNS :** The Company like any other company is exposed to the risk factors relating to the business of the company and the industry in which it operates. The performance of your company to a major extent depends upon the Capital Market and therefore, it is exposed to the risk factors which are applicable to Capital Market. The Company recognizes the importance of risk management on account of market volatility and manages these risks by adherence to best practices, internal control measures and risk management systems.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :** Given the nature of business and size of operations, the Company's Internal Control System has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and policies.
- Compliance with applicable statutes, policies, listing requirements and management policies and procedures.
- Effective use of resources and safeguarding of assets.

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

#### HUMAN RESOURCES

The company has adequate human resources which is commensurate with the current volume of activity and is reviewed by the management periodically and the company would induct competent personnel on increase/expansion of the activity.

### CORPORATE GOVERNANCE REPORT:

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

The Company has always attributed utmost importance to Corporate Governance and endeavors to achieve the goals and objectives of the company without affecting or violating any society or people and has followed Corporate Governance in its operations to make them highly transparent, accountable, integrate and responsible, by adequate disclosures made in the report.



## Integrated Financial Services Ltd.

### BOARD OF DIRECTORS:

- a) **Composition :** The composition of the Board is governed by the Companies Act, 1956, the Listing Agreement and Article of Association of the company. The Board comprises of a Non-executive Chairman and five directors. Out of total strength of Six directors, three directors are promoter directors and three are non-promoter directors. One of the directors is Executive Director and remaining five directors are Non-executive Directors out of which three are independent directors. There are no nominee directors and institutional directors on the Board of the Company.
- b) **Board Meetings :** The Board meets at least once a quarter and the time gap between two Board Meetings is not more than four calendar months. During the financial year 2008-2009, the Board of Directors met six times on 30<sup>th</sup> April, 2008, 30<sup>th</sup> June, 2008, 31<sup>st</sup> July, 2008, 30<sup>th</sup> September, 2008, 31<sup>st</sup> October, 2008 and 31<sup>st</sup> January, 2009.

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

Name of Director	Category of Director	No. of meetings attended/Attendance of Board Meetings.	Total No. of other Directorship in public Ltd. Companies	Attendance at last AGM	Committee Membership	Committee Chairmanship
Sh. S.C.Khaneja	Chairman, Promoter, Non-Executive	6	1	Yes	1	—
Smt. Rajni Khaneja	Promoter, Executive	6	Nil	Yes	—	—
Sh. Virender Khaneja	Promoter, Non-Executive	6	Nil	Yes	—	—
Ms. Rachna Batra	Independent, Non-Executive	6	1	Yes	2	2
Sh. Sunil Sobti	Independent, Non-Executive	6	Nil	Yes	2	—
Sh. S. P. Oberoi	Independent, Non-Executive	5	Nil	Yes	—	—

Ms. Rachna Batra, Director of the Company, retires by rotation at the ensuing Annual General Meeting and offers herself for reappointment. Ms. Rachna Batra by qualification is B.COM (H) and Fellow Member of Institute of Company Secretaries of India (FCS). She has a rich experience of over 11 years in the financial and capital market.

### Relationship of Directors with other Directors

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

Other directors are not related to each other.

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



## Integrated Financial Services Ltd.

### COMMITTEE OF THE BOARD:

#### AUDIT COMMITTEE

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

The Audit Committee met six times during the year. The attendance of the members of the Committee during the financial year 2008-2009 is given as below :

Committee Member	Category	No. of Meetings Attended
Ms. Rachna Batra	Member, Chairperson	6
Mr. S.C. Khaneja	Member, Director	6
Mr. Sunil Sobti	Member, Director	6

#### REMUNERATION COMMITTEE:

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

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

#### SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE:

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

#### CONSTITUTION AND COMPOSITION.

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

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

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

The company had received one complaint from the shareholder during the year and the complaint was duly resolved. No share transfers were pending as on 31<sup>st</sup> March, 2009. No dematerialisation requests were pending as on 31<sup>st</sup> March, 2009.

#### GENERAL BODY MEETINGS:

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

Year	Venue	Date	Time	No. of Special Resolution passed at AGM
2007-2008	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	30.09.2008	10.00A.M	None
2006-2007	B-3/6-7, Asaf Ali Road, New Delhi-110002	29.09.2007	10:00 A.M.	None
2005-2006	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	30.09.2006	10.00 A.M.	None



## Integrated Financial Services Ltd.

### POSTAL BALLOT

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

### DISCLOSURES:

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

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

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

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

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

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

### MEANS OF COMMUNICATION

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

### GENERAL SHAREHOLDERS INFORMATION :

#### (a) Date, Time and Venue of Annual General Meeting:

TIME	10:00 a.m.
DAY	Wednesday
DATE	30 <sup>th</sup> September, 2009
VENUE	303-304, 3 <sup>rd</sup> Floor, New Delhi House, 27, Barakhamba Road, New Delhi – 110 001

#### (b) Financial Calendar 2009-2010 (Tentative):

Schedule Financial Reporting	Tentative Date
For the quarter ending June 2009	End of July 2009
For the quarter ending September 2009	End of October 2009
For the quarter ending December 2009	End of Jan 2010
Annual Result for the year March 2010	End of June 2010