



Integrated Financial Services Ltd.

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

NOTICE

NOTICE is hereby given that **Twentieth Annual General Meeting** of INTEGRATED FINANCIAL SERVICES LTD will be held on Friday, 30th day of September, 2011 at 10.00 A.M. at 303-304, 3rd 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, 2011, the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2011
3. To appoint a Director in place of Mr. S.C. Khaneja who retires by rotation and being eligible offers himself for the reappointment.
4. To appoint a Director in place of Mr. Virender Khaneja who retires by rotation and being eligible offers himself for the reappointment.
5. 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 : 29.05.2011**

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 Friday, 23rd September 2011 to Friday, 30th September 2011 (both days inclusive).
3. The disclosures required under clause 49 of the listing agreement in respect of the directors being appointed/reappointed at this Annual General Meeting are given in the 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 : 29.05.2011**



DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March, 2011.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	YEAR ENDED 31ST MARCH, 2011	YEAR ENDED 31ST MARCH, 2010
Income from Operation	454.11	296.11
Profit before Depreciation and Tax	424.75	266.75
Depreciation	3.96	2.17
Profit before Tax	420.79	264.58
Provision for Tax	81.88	42.27
Profit After Tax	338.91	222.31
Proposed Dividend	54.00	36.00
Tax on Dividend	8.97	6.12
Transfer to General Reserve	276.58	180.19

OPERATIONS

The year under review witnessed a revival of real economy and financial markets across the globe, more particularly in India. On a Consolidated basis, the Income from Operations of the Company for the financial year 2010-2011 stood at Rs.454.11 Lacs against of Rs. 296.11 Lacs in the previous year. The profit after tax stood at Rs. 338.91 Lacs during the year under review against Rs. 222.31 Lacs during 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

The Directors are pleased to recommend the payment of dividend of 9% (Paise Ninety per share) for the year under review. The dividend, if declared, at the ensuing Annual General Meeting, will be paid to those members whose name appears in the Register of Members on 23rd September 2011. In respect of the shares held in electronic form, the dividend will be paid to those persons whose names shall appear as beneficial owners at the close of the business hours on Thursday, 22nd September 2011 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. The Payment of dividend will entail an outlay of Rs. 54 Lacs. The Company will also have to bear the distribution tax of Rs. 8.97 Lacs.

DIRECTORS

In accordance with the provisions in section 256 of the Companies Act, 1956 and the Articles of Association of the company, Mr. S.C. Khaneja and Mr. Virender Khaneja, Directors retire by rotation and being eligible offer themselves for the reappointment.

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

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of section 217(2AA) of the Companies Act, 1956, your Directors wish to state that:

1. in the preparation of the annual accounts, for the year ended 2010-2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they 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 as at 31st March, 2011 and of the profit of your company for that period;



3. they had 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. they had prepared the Annual Accounts of the Company on a 'Going Concern' basis.

CORPORATE GOVERNANCE

During the Financial Year 2010-11, 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 report 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 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.

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 esteemed shareholders for their continued cooperation, support and the confidence reposed by them in the company.

By order of Board of Directors

Sd/-

**S.C. Khaneja
CHAIRMAN**

**PLACE : NEW DELHI
DATE : 29.05.2011**



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW: The Indian Economy is estimated to have grown by 8.50% during the year 2010 – 11 and retained its position as the second fastest growing economy, after China. On a global level, economic growth during FY 2010- 2011 outpaced expectations. The year 2010-11 was hallmarked with robust growth and fiscal consolidation in the Indian economy with a GDP growth.

Further, a spell of good news to the Non-Banking Finance sector is that they will be subject to more stringent provisions applicable to banks and will lose the relaxation granted to NBFCs. The Non-Banking Finance sector had supported a good credit growth and has complemented the banking sector in providing a surge to the economic activity.

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 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.

However prudent business and 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: Your Company is mainly engaged in investment of shares and 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., MCX-SX Stock Exchange and Depository Participant of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL).

RISK AND CONCERNS: The Company's operation involves inbuilt risk due to uncertain economic condition and unforeseen events beyond the Company's control.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY: The Company has an adequate and effective system of internal controls for business processes, with regard to operations, financial reporting, compliance with applicable laws and regulations, etc. 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. Regular Internal Audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors always look into core areas where there are deficiencies to be addresses and areas of improvement and submit their suggestions to the Audit Committee of Board of Directors on a quarterly basis or earlier, if so required.

HUMAN RESOURCES

Success of every business depends on proper human resource planning. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development. The company places significant importance to its human capital. The Company believes in sharing the growth and prosperity based on performance and potential. The Company has adequate and experiences professionals having varied experience related to the Industry to carry out its various operation.



The Company has been paying special attention to improve the skill set of the employees through various training programs. All employees are encouraged and incentivised to get themselves certified in relevant industry standard certifications.

CORPORATE GOVERNANCE REPORT:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The basic philosophy of the Company on Corporate Governance is to achieve business excellence and to create and enhance the value for its Stakeholders. Corporate Governance deals with conducting the affairs of the Company in such a manner as to ensure that there is fairness to all the stakeholders and action benefit the greatest number of stakeholder.

Our policies and practices are framed keeping in view long term shareholder values without compromising on the ethical standards and corporate responsibilities. We uphold the core values of integrity, transparency and accountability which form the foundation upon which our business is built.

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 2010-2011, the Board of Directors met five times on 19th May 2010, 31st July, 2010, 29th September 2010, 29th October, 2010 and 14th February, 2011.

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	5	1	Yes	1	----
Smt Rajni Khaneja	Promoter, Executive	5	Nil	Yes	----	----
Sh Virender Khaneja	Promoter, Non-Executive	5	Nil	Yes	----	----
Ms. Rachna Batra	Independent, Non-Executive	5	1	Yes	2	2
Sh Sunil Sobti	Independent, Non-Executive	5	Nil	Yes	2	----
Sh. S. P. Oberoi	Independent, Non-Executive	5	Nil	Yes	----	----

Mr.S.C. Khaneja, Chairman of the Company, retires by rotation at the ensuing Annual General Meeting and offers himself for reappointment. Mr. S.C. Khaneja by qualification is M.Com (Delhi University). LLB (1st Class, Delhi University), Fellow Member of The Institute of Company Secretaries of India, Associate Member of The Institute of cost and works accountants of India and Ph.D in commerce. He has a rich experience of over 31 years in the financial and Capital Market.

Mr. Virender Khaneja, Director of the Company, retires by rotation at the ensuing Annual General Meeting and offers himself for reappointment. Mr. Virender Khaneja by qualification is B.com. He has a rich experience of nearly 16 years in the financial and Capital Market. He also holds directorship in Integrated Commodity Trades (P) Ltd.

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, legislations, rules and regulations applicable to the company have been identified and compliance with such Legislations, rules and regulations is monitored by the compliance officer on a regular basis.

COMMITTEES 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 Five times during the year. The attendance of the members of the Committee during the financial year 2010-2011 is given as below:

Committee Member	Category	No. of Meetings Attended
Ms. Rachna Batra	Member, Chairperson	5
Mr. S.C. Khaneja	Member, Director	5
Mr. Sunil Sobti	Member, Director	5

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/- (Rupees Twenty Thousand) 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
Mrs. 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.

No complaint has been received from the shareholders during the year. No share transfers were pending as on 31st March 2011. No dematerialisation requests were pending as on 31st March 2011.

POSTAL BALLOT

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

GENERAL BODY MEETINGS:

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

Year	Venue	Date	Time	No. of Special Resolution Passed at AGM
2009-2010	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	29.09.2010	10.00 A.M	None
2008-2009	303-304, New Delhi House, 27, Barakhamba Road,	30.09.2009	10.00 A.M	None



New Delhi-110001

2007-2008	303-304, New Delhi House, 27, Barakhamba Road, New Delhi-110001	30.09.2008	10.00 A.M	None
-----------	---	------------	-----------	------

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 Standard-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 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 "Money Maker" (English Edition), "Dainik Mahalakshmi" (Hindi Edition).
- **Website:** There is no Website of the company. Financial results/Shareholding Pattern/Important announcements are being sent to the Bombay Stock Exchange Limited where the shares of the company are listed, for putting in their 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 'investorrelations@rediffmail.com' exclusively for redressal of shareholders complaints/grievance. For any query please write us at investorrelations@rediffmail.com.

GENERAL SHAREHOLDERS INFORMATION:**(a) Date, Time and Venue of Annual General Meeting:**

TIME	10:00 a.m.
DAY	Friday
DATE	30 th September, 2011
VENUE	303-304, 3 rd Floor, New Delhi House, 27, Barakhamba Road, New Delhi – 110 001

(b) Financial Calendar 2011-2012 (Tentative) :

Schedule Financial Reporting	Tentative Date
For the quarter ending June 2011	Mid of Aug. 2011
For the quarter ending September 2011	Mid of Nov. 2011
For the quarter ending December 2011	Mid of Feb. 2012
Annual Result for the year March 2012	End of May 2012

(c) Dates of Book Closure:

The Share transfer books of the company will remain closed from 23rd September 2011 to 30th September, 2011 (both days inclusive) for the purpose of AGM.

(d) Dividend Payment Date: The Dividend if declared at the AGM, shall be paid to those shareholders whose name appears on the Register of members as on 23rd September, 2011.

**(e) Listing:**

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

Annual Listing fee for the year 2011-12, has been paid by the Company to BSE.

(f) Stock Code:

Bombay Stock Exchange Limited : 500212
ISIN for Equity Shares : INE898B01017

(g) Registrar & Transfer Agent:

The Company has appointed Mas Services Limited, T-34, 2nd Floor, Okhala, Industrial Area, Phase – II, New Delhi-110 020 as Physical and Electronic Registrar through which the shares of the Company are available for transfer as well as dematerialization.

(h) Share Transfer System:

Shares lodged for transfer are normally processed within 15 days from the date of lodgment, if the documents are clear and in order in all respects.

The shares of the Company are traded on the Bombay Stock Exchange 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.

(i) Distribution of shareholding: As on 31st March 2011

	Category	No. of Shares held	%age of Shareholding
A.	Promoter's Holding		
1.	Indian Promoters	4474192	74.57
	Foreign Promoters	Nil	Nil
	Sub- Total	4474192	74.57
B.	Non-Promoters Holding		
a.	Institutional Investors	Nil	Nil
b.	Mutual Funds and UTI	Nil	Nil
c.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non- government Institutions)	Nil	Nil
d.	FII's	Nil	Nil
	Sub-Total	NIL	NIL
C.	Others		
a.	Private Corporate Bodies	268593	4.476
b.	Individual	1216516	20.276
c.	Other		
	i. Non- Resident Indian	40006	0.667
	ii. Clearing Member	693	0.012
	Sub-Total	1525808	25.43
	Grand Total	60,00,000	100.00

(j) 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.

(k) Dematerialization of shares:

As on 31st March 2011, 85.43% of the capital comprising 51,25,902 shares was dematerialized with Depository Participants.