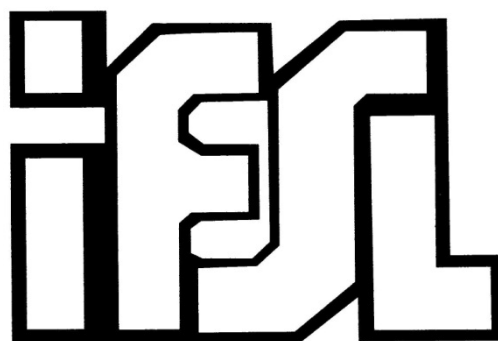


25th Annual Report
2015-2016



INTEGRATED FINANCIAL SERVICES LIMITED

CORPORATE INFORMATION

CORPORATE IDENTITY NUMBER

L74140DL1992PLC047849

BOARD OF DIRECTORS

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

Shri. Kunal Khaneja

COMPANY SECRETARY

Shri S. C. Khaneja

REGISTERED OFFICE

304, 3rd Floor,
New Delhi House,
27, Barakhamba Road,
New Delhi-110 001.

STATUTORY AUDITORS

M/s Dua& Kumar
Chartered Accountants
P-1, Pilanji, Sarojni Nagar,
New Delhi-110 023.

SECRETARIAL AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENTS

Beetal Financial & Computer Services (P) Ltd.
99, Beetal House,
Madangir,
New Delhi-110 062

BANKERS

HDFC Bank Ltd.

STOCK CODE & ISIN

Scrip code : 500212
ISIN : INE898B01017

WEBSITE & EMAIL

www.integratedfinancial.in
investors@integratedfinancial.in
compliance@integrateddrinancial.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 st 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



DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the Audited Statement of Accounts of the company for the Financial Year ended 31st March, 2016.

FINANCIAL RESULTS

	(Rs. In Lakhs)	
	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Income from Operation	340.30	382.03
Profit before Depreciation and Tax	291.08	330.51
Depreciation	0.75	11.07
Profit before Tax	290.33	329.45
Provision for Tax	51.33	58.97
Profit after Tax	239.06	270.48
Proposed Dividend	48.00	
.0x	54.00	
Tax on Dividend	9.77	10.79
Transfer to General Reserve	179.76	203.71

OPERATIONS

The Income from Operations of the Company for the financial year 2015-2016 stood at Rs.340.30 Lacs as against Rs. 382.03 Lacs in the previous year. The profit after tax stood at Rs. 239.06 Lacs during the year under review against Rs. 270.48 Lacs during the previous year.

SHARE CAPITAL

The Authorised Share Capital of the company stands at Rs. 6,00,00,000/- (divided into 60,00,000 shares of Rs. 10 each) fully paid up. During the year under review, there has been no change in the authorised, paid-up share capital of the company.

Your company has neither issued any shares with differential voting rights nor any Sweat Equity shares during the year under review.

DEPOSITS

During the year under review, your company has neither accepted nor invited any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 and Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

RESERVES

During the year under review, your company transferred a sum of Rs. 179.76 lakhs to General Reserve.

DIVIDEND

The Directors are pleased to recommend the payment of dividend at the rate of 8% i.e. Paisa Eighty 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 Thursday, 22nd September 2016. 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 2016 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. 48Lacs. The Company will also have to bear the distribution tax of Rs. 9.77 Lacs.



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 24th Annual General Meeting held on Tuesday, 30th 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 25th 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.



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:-

Sl. No.	Name of Directors	DIN	Category	Shareholding along with convertible instrument
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 30th May, 2015, 12th August, 2015, 13th November, 2015 and 12th 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 30th 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;