

**INTERACTIVE FINANCIAL SERVICES LIMITED**  
[CIN: L65910GJ1994PLC023393]

**DIRECTORS' REPORT**

To,  
The Members

Your Directors have pleasure in presenting herewith their 20<sup>th</sup> Annual Report together with the Audited statements of Accounts for the period ended 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS**

<u>Particulars</u>	(Amount in Rupees)	
	<u>2013-14</u>	<u>2012-13</u>
Income from operations [including other income]	2097909	2075853
Less : Total Expenditure	<u>1561727</u>	<u>1989884</u>
Profit/Loss before Depreciation & Taxation	556114	85969
Less :		
1. Depreciation	27532	92325
2. Financial Expenses	19932	551
3. Provision for Taxation	110000	0
4. Excess Provision for Taxation	(110000)	(2718)
Net Profit / Loss for the Year	528582	(4189)
Add : Balance Brought Down from Previous Year	<u>(135799)</u>	<u>(131610)</u>
Net Profit /Loss carried to Balance Sheet	392783	(135799)

**BUSINESS REVIEW**

The activities in the field of finance were almost static as there is less chance to earn more profit. At present, the Directors have no other options but to wait till the appropriate opportunity to come. The total turnover was Rs. 20,94,693/- during 2013-14. The Company has made net profit of Rs. 5,28,582/-. The Directors are hopeful for growth and development in the future.

**DIVIDEND**

In view of carried forward losses, your directors do not recommend any dividend during the financial year ended on 31<sup>st</sup> March, 2014.

**DEPOSITS**

The Company has not received any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

**DIRECTORS**

Mr. Ashok Vithalani (DIN: 00023247), Managing Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Directors recommends his appointment as a Director liable to retire by rotation. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Board recommends Mr. Prashant Parikh (DIN: 00040591) and Mr. Ashvin Popat (DIN: 02510845), for the term of five years from 30.09.2014 to 30.09.2019 for approval of the Members at the ensuing Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217[2AA] of the Companies Act, 1956, your Directors state that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating departure.

2. The Company has 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 affairs of the Company at the end of 31<sup>st</sup> March, 2014 and of the profit or loss for the year ended on that date.
3. Proper and sufficient care has been taken 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 any frauds and other irregularities.
4. The annual account for the year ended 31<sup>st</sup> March, 2014 has been prepared on a going concern basis.

#### **CORPORATE GOVERNANCE**

Pursuant to the provision of Clause 49 of the Listing Agreement with the Stock Exchange, Corporate Governance Report for the financial year is given as a separate statement and also form part of this Report.

#### **AUDITORS**

M/s. M.R. Pandhi & Associates, Chartered Accountants, Ahmedabad, hold office until the conclusion of this Annual General Meeting and being eligible, have expressed their willingness to be re-appointed.

#### **CONSERVATION OF ENERGY ETC**

As the Company is not engaged in any manufacturing activity, the Particulars to be disclosed under the provision of Section 217 (1)(e) of Companies Act, 1956 read with the Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988 regarding conservation of energy and technology absorption are not applicable to the Company considering the nature of its business. There were no foreign exchange earnings or outgo during the period under consideration.

#### **PARTICULARS OF EMPLOYEES**

None of the employees of the Company had involved in respect of the remuneration in excess of the limit prescribed in Section 217(2A) of the Companies Act, 1956 read with Companies [Particulars of Employees] Rules, 1975.

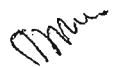
#### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the support received from the Company's Bankers, clients and associates. The Board commends the dedication of employees and thanks the shareholders for the confidence they have reposed in the Company and its management.

Date: 30.05.2014

FOR AND ON BEHALF OF  
THE BOARD OF DIRECTORS

Regd. office:  
4, Saujanya Raw House,  
Nr. Darpan Six Roads,  
Navrangpura, Ahmedabad - 9.

  
ASHOK VITHALANI  
CHAIRMAN  
DIN: 00023247

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has been following the principles of good corporate governance. The Company is professionally run. It follows a policy of transparency, compliance with all statutory guidelines and proper disclosures and has always acted in the best interest of all its stakeholders.

### 2. BOARD OF DIRECTORS

The Board of Directors consists of people drawn from various disciplines like finance, law, taxation and general management.

Mr. Ashok Vithalani, Chairman and Managing Director is entrusted with the responsibilities of the day to day management of the Company, subject to the superintendence, control and directions of the Board.

#### A. COMPOSITION

NAME	DESIGNATION	CATEGORY	NO. OF OTHER DIRECTORSHIP HELD IN OTHER COMPANIES	NO. OF COMMITTEE MEMBERSHIP OF OTHER COMPANIES
Mr. Ashok P. Vithalani	Chairman and Managing Director	Executive Director	9	NIL
Mr. Ashwin V. Popat	Director	Non-Executive Director/ Independent	2	NIL
Mr. Prashant D. Parikh	Director	Non-Executive Director/ Independent	2	NIL

#### B. BOARD MEETING AND ATTENDANCE

Meetings of the Board are scheduled well in advance. The Board meets at least once in a quarter inter alia to review the performance of the Company.

During the year 2013-2014, 7 (Seven) Board Meetings were held i.e. 30<sup>th</sup> April, 2013, 30<sup>th</sup> May, 2013, 30<sup>th</sup> July, 2013, 30<sup>th</sup> August, 2013, 30<sup>th</sup> October, 2013, 31<sup>st</sup> January, 2014 and 30<sup>th</sup> March, 2014.

#### Attendance at Board Meeting and Annual General Meeting (AGM)

Name of Director	No. of Board Meetings attended	Attendance at the AGM
Mr. Ashok P. Vithalani	7	Yes
Mr. Ashwin V. Popat	7	Yes
Mr. Prashant D. Parikh	7	Yes

### 3. AUDIT COMMITTEE

Composition of Audit Committee as on 31/03/2014

The Audit Committee comprises of total three Directors out of two Independent Non executive Directors as details below:

1. Mr. Ashwin V. Popat - Chairman – Independent Director
2. Mr. Prashant D. Parikh - Member -- Independent Director
3. Mr. Ashok P. Vithalani - Member -- Executive director

The terms of reference are wide enough covering the matters specified under the Listing Agreements and the Companies Act, 1956.

During the year 2013-2014, five meetings of the Audit Committee were held i.e. 26<sup>th</sup> April, 2013, 28<sup>th</sup> May, 2013, 27<sup>th</sup> July, 2013, 25<sup>th</sup> October, 2013 and 25<sup>th</sup> January, 2014. At every meeting of the audit committee, minimum quorum requirement as required under Listing Agreement has been observed.

#### 4. REMUNERATION OF DIRECTORS

Composition of Remuneration Committee as on 31.03.2014

The remuneration committee comprises of two Independent Non- Executive Directors as detailed below:

1. Mr. Ashwin V. Popat – Chairman
2. Mr. Prashant D. Parikh – Member

During the financial year 2013 – 2014, Mr. Ashok Vithalani, Managing director was paid Rs. 4,50,000/- as remuneration. No commission or sitting fees have been paid to him over and above remuneration paid to him.

#### 5. SHARE TRANSFER CUM INVESTOR'S GRIEVANCE COMMITTEE

- The Company has constituted the Share Transfer Cum Investors' Grievance Committee comprising of Mr. Prashant Parikh – Chairman and Mr. Ashok P. Vithalani – member.
- The Company has not received any transfer / transmission applications hence no meetings were held during the year.
- The Board has designated Mr. Paresh Shah – Company Secretary as compliance officer.
- The Company has not received any complaint during the year.
- There was no any pending transfer of shares as on 31.03.2014.

#### 6. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Venue
2012-13	30/09/2013	11.00 a.m.	4, Saujanya Row Houses, Darpan Six Roads, Navrangpura, Ahmedabad -9
2011-12	29/09/2012	11.00 a.m.	4, Saujanya Row Houses, Darpan Six Roads, Navrangpura, Ahmedabad -9
2010-11	30/09/2011	11.00 a.m.	4, Saujanya Row Houses, Darpan Six Roads, Navrangpura, Ahmedabad -9

#### 7. DISCLOSURE

- (A) There are no materially significant related party transactions made by the Company with its promoters, directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large. Transaction with the related parties is disclosed in Notes on Accounts - Schedule M - A - 14 to the accounts in the Annual Report.
- (B) During the last three years, there were no strictures or penalties imposed by SEBI or stock exchange or any statutory authority, for non-compliance of any matter related to the capital markets.
- (C) Director retiring by rotation: Mr. Prashant Parikh, a Director of the Company who retires by rotation. Further, Mr. Prashant Parikh is having more than 20 years of experience. He has vast business experience.

#### 8. MEANS OF COMMUNICATION

- Whether half yearly report sent to Shareholders No
- News papers in which quarterly result are publish Somehow the publication of quarterly results has been left out during the year.
- Website if any at which result are displayed Company does not have its website. Hence no publication is possible.
- The presentation made to Institutional Investors or the Analysts No such presentation made
- Whether Management Discussion & Analysis is part of Annual Report or Not Yes

## 9. CEO/CFO CERTIFICATION

Mr. Ashok Vitlani, Managing Director issued a certificate to the Board as prescribed under sub-Clause V of clause 49 of the Listing Agreement. The said certificate was placed before the meeting of Board of Directors held on 30<sup>th</sup> May, 2014.

## 10. GENERAL SHAREHOLDERS INFORMATION

- AGM Date, Time and Venue : 30<sup>th</sup> September, 2014
- Time : 04.00 P.M
- Venue : 4, Saujanya Row House,  
Nr. Darpan Six Roads,  
Navrangpura, Ahmedabad-09

Financial calendar 2012-13 (tentative)

Adoption of Quarterly Result for

Quarter ending	In the month of
June 2013	Last week of July 2013
September 2013	Last week of October 2013
December 2013	Last week of January 2014
March 2014	Last week of April 2014

- Book closure Date : 15<sup>th</sup> September 2014 to 30<sup>th</sup> September 2014
- Listing on Stock Exchange : 1. The Stock Exchange – Ahmedabad  
2. The Madras Stock Exchange- Chennai
- Stock Code – Physical : 26076
- Market Price Data and Stock Performance  
The Shares of Company are not actively traded on the stock exchanges during the period under review. Hence Price Data of Shares is not available
- Registrar and Share Transfer Agent :  
Company has not appointed any Registrar and Share Transfer Agent as the Company has in house share transfer facility.
- Share Transfer System : All transfer received are processed by the Company in house and approved by the Share Transfer Committee and Share Certificate are returned within period of 15-20 days from the date of receipt, if the documents are clear in all respects.
- Distribution of Shareholding and shareholding pattern as on 31/03/2014

Category	No. of Shares held	Percentage of Shareholdings
Promoters' holdings	12,78,100	42.42
Private Corporate Bodies - other than promoters' Group	69,600	2.31
Indian Public	16,65,400	55.27
Total	30,13,100	100.00

Directors' Shareholding :

Mr. Ashok Vitlani : 129100 equity shares

Distribution of shareholding as on 31/03/2014

Share holding of nominal value of	Share Holders		Share Amount	
	Rs. (1)	Rs. (2)	Rs. (4)	Rs. (5)
Up to 5000	1046	60.74	3125000	10.37
5001 to 10,000	386	22.42	2759000	9.16
10,001 to 20,000	132	7.67	2239000	7.43

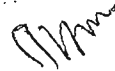
20,001 to 30,000	76	4.41	1934000	6.42
30,001 to 40,000	21	1.22	806000	2.67
40,001 to 50,000	26	1.51	1278000	4.24
50,0001 to 1,00,000	20	1.16	1489000	4.94
1,00,001 and above	15	0.87	16501000	54.76
Total	1722	100.00	3,01,31,000	100.00

- Dematerialization of Shares : Company has not yet opted for Dematerialization of its equity
- Address for the correspondence  
4, Saujanya Row House, Nr. Darpan Six Roads,  
Navrangpura,  
Ahmedabad - 380009

#### DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

All the Directors and senior management personnel have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

For INTERACTIVE FINANCIAL SERVICES LIMITED



Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2014

ASHOK VITHLANI  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00023247

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Company has concentrated on software activity. Now financial activity is at low level of operations.

### OPPORTUNITIES, THREAT, OUTLOOK, RISKS AND CONCERNS

The growth rate is slow. In fact, the Company has negative rate during last few years in finance sector. With the increased dependence on computers and in all areas, the Company expects high growth rate in software activity. Looking to the demand - supply gap, the management does not envisage any threat from competitors. The only risk involved is high rate of employee turnover.

### SEGMENT WISE PERFORMANCE

There is one segment in which Company has operated i.e. financial activities. The income from segment was Rs. 20.95 Lacs.

### INTERNAL CONTROL

The Company has adequate internal control system commensurate with size of its operations and nature of activity. Adequate records and documents have been regularly maintained as required under applicable laws. The same further checked by regular inspection and checks.

M.R.PANDHI & ASSOCIATES  
Chartered Accountants

101, Panchdeep Complex, Mayur Colony, Near Mithakhali Six Roads, Navrangoura, Ahmedabad – 380009  
Phones: (079) 26565949, 26420994 email: mpandhi@gmail.com

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Interactive Financial Services Limited

We have examined the compliance condition of Corporate Governance by INTERACTIVE FINANCIAL SERVICES LIMITED for the year ended on **31<sup>st</sup> March, 2014** as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement barring publication of quarterly results, maintenance of web site.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor Grievances Committee.

We further state that such compliance is neither an assurance to the further viability of the Company nor the effectiveness with which the management conduct the affairs of the Company.

For, M.R.Pandhi & Associates  
Chartered Accountants

Firm Registration Number: 112360W



*N.R. Pandit*

(N.R.Pandit)  
Partner

Membership Number: 033436

Ahmedabad, 30<sup>th</sup> May, 2014



**M. R. PANDHI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

101, Panchdeep Complex, Mayur Colony, Nr.Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009.

Phones : (079) 26565949 • 26420994 • E-Mail: mrpandhi@gmail.com

**INDEPENDENT AUDITORS' REPORT**

To The Members

**Interactive Financial Services Ltd.**

Ahmedabad

**Report on the Financial Statements**

We have audited the accompanying financial statements of Interactive Financial Services Ltd., Ahmedabad which comprise the Balance sheet as at 31st March 2014 and Statement of Profit and Loss and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

*Auditor's Responsibility for the Financial Statements*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with and subject to notes thereon gives, the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date, and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date

**Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2003, ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.



2 As required by section 227(3) of the Act, we report that:

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) in our opinion, the Company has kept proper books of account as required by law, so far, as appears from our examination of those books.
- (c) the Balance Sheet, the Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
- (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the statement of cash flow comply with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For, M. R. Pandhi & Associates  
Chartered Accountants  
Firm Registration No.112360W



N. R. Pandit  
Partner

Membership No.033436

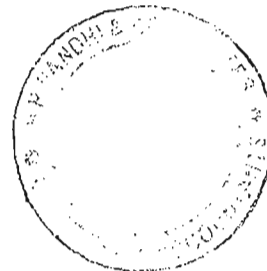
Ahmedabad, 30th May, 2014



INTERACTIVE FINANCIAL SERVICES LTD.  
ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

*Referred to in paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements of our report of even date,"*

- 1 In respect of Fixed Assets
  - a. The Company has maintained proper records showing full particulars including quantitative details and location of the fixed assets.
  - b. The management during the year has physically verified all the fixed assets. According to the information and explanations given to us, there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. In our opinion and according to the information and explanations given to us the company has not made any substantial disposals during the year.
- 2 In respect of Inventories
  - a. The company's nature of operation does not require it to hold inventories. Accordingly clause 4(ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- 3 In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or others parties covered in the register maintain u/s 301 of the Companies Act 1956, according to the information and explanation given to us:
  - A. In Respect of Loan Taken;
    - 1 The Company has taken unsecured loans aggregating to Rs. 34.28 lacs during the year from one Party and one company covered in the register maintained under section 301 of The Companies Act, 1956. The maximum amount involved during the year was Rs.38.87 lacs and the year end balance of loans taken from such parties was Rs.38.87 lacs.
    - 2 The rate of interest and other terms and conditions of such loans are, in our opinion prima facie not prejudicial to the interest of the company.
    - 3 The payment of principal amount and interest in respect of such loans are regular as per stipulation.
    - 4 There is no overdue amount in respect of loan taken by the company.
  - B. In Respect of Loan Granted;
    - i The Company has granted loan aggregating to Rs. 22.00 lacs during the year to one company covered in the register maintained under section 301 of The Companies Act, 1956. The maximum amount involved (including opening Balance of loan granted to one company in past) during the year was Rs.65.75 lacs and the year end balance of loans granted such parties was Rs.69.84 lakhs.
    - ii The rate of interest, other terms and conditions of such loans are, in our opinion prima facie not prejudicial to the interest of the company.
    - iii As per the information and explanations given to us, in respect of loan granted, the repayment of loan is regular.
    - iv There is no overdue amount in respect of loan granted by the company.
- 4 As per the information and explanations given to us, there are, in our opinion, adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of Inventory and Fixed Assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5 In respect of transactions entered in the register maintained in the pursuance of section 301 of The Companies Act 1956.
  - a. To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the particulars of all transactions in which directors were interested, as contemplated under Section 297 and Section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act have been so entered.
  - b. In our opinion and according to the information and explanation given to us there was no transaction made in pursuance of contracts or arrangements entered in the registered maintain U/s 301 of The Companies Act, 1956 exceeding value of Rs. 5 lacs in respect of any party during the year.
- 6 The Company has not accepted any deposits from public during the year within the meaning of Section 58A and Section 58AA of the Companies Act, 1956. Therefore the requirements of clauses (VI) of paragraph 4 of the Order are not applicable.
- 7 As per the information and explanations given to us, in our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.

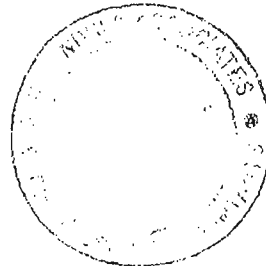


INTERACTIVE FINANCIAL SERVICES LTD.  
ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements of our report of even date;

- 8 As per information & explanation given by the management, maintenance of cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 is not applicable to the company.
- 9 According to information and explanations given to us in respect of statutory and other dues:
  - a. According to the records of the Company apart from certain instances of delays in depositing undisputed statutory dues, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities during the year. The provisions of provident fund and ESIC Scheme is not applicable to the company under review.
  - b. According to the information and explanation given to us, there were no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, service-tax, custom duty, excise duty and cess were in arrears as at last day of Financial year for a period of more than six months from the date they became payable.
  - c. According to the information and explanation given to us, there are no dues of sales tax, income tax, wealth-tax, service tax, custom duty, excise duty and cess, which have not been deposited on account of any dispute.
- 10 The company does not have accumulated losses at the end of the year. The Company has not incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.
- 11 Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to any financial institutions, Banks or debenture holders during the year. Accordingly clause 4(xi) of the Order, 2003 is not applicable.
- 12 According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- 13 In our opinion the Company is not a chit fund / nidhi / mutual benefit society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the company.
- 14 In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the company.
- 15 In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- 16 In our opinion and according to the information provided to us the Company has not availed any term loan during the year.
- 17 According to the Cash Flow statement and other information and explanation given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short term basis, prima facie, have been used during the year for long term investment amounting to Rs.802,716/.
- 18 According to the information and explanations given to us the company has not made any preferential allotment of share to parties and Companies covered in the register maintained u/s 301 of the Act.
- 19 According to the information and explanations given to us, and the records examined by us, the company has not issued any debenture during the financial year
- 20 The company has not raised any money by public issue during the year.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, neither material fraud on or by the Company was noticed or reported during the year nor we have been informed of such case by the management.

Ahmedabad, 30th May, 2014



For M. R. Pandhi & Associates  
Chartered Accountants  
Firm Registration No. 112360W

*N. R. Pandit*

N. R. Pandit  
Partner

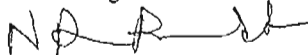
Membership No.033436

**INTERACTIVE FINANCIAL SERVICES LTD.  
BALANCE SHEET AS AT 31ST MARCH 2014**

Particulars	Note No	As at 31st March 2014	As at 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	30,131,000	30,131,000
(b) Reserves and Surplus	2	392,783	(135,798)
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	3	73,811	73,811
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	4	3,886,641	444,809
(b) Trade payables	5	52,257	49,136
(c) Other current liabilities	6	580,704	443,613
(d) Short-term provisions	7	64,584	-
<b>Total</b>		<b>35,181,780</b>	<b>31,006,571</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	8	533,285	560,817
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	9	34,091,429	30,251,914
(e) Other non-current assets	10	65,116	58,998
<b>(2) Current assets</b>			
(d) Cash and Bank balances	11	486,986	131,468
(e) Short-term loans and advances	12	4,965	3,374
Significant Accounting Policies and Notes on Financial Statements	A to M 1 to 31		
<b>Total</b>		<b>35,181,780</b>	<b>31,006,571</b>

See accompanying notes forming part of the financial statements

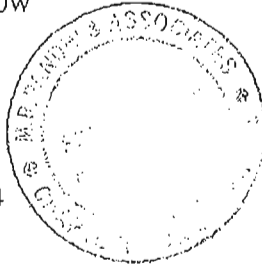
For, M. R. Pandhi & Associates  
Chartered Accountants  
Firm Registration No.112360W

  
N. R. Pandit

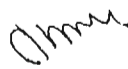
Partner

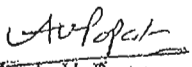
Membership No.033436

Ahmedabad, 30th May, 2014



For and on Behalf of the Board of Directors

  
Mr. Ashok P. Vithlani  
Chairman

  
Mr. A. V. Popat  
Director

P. N. Shah  
Mr. Paresh N. Shah  
Company Secretary  
Ahmedabad, 30th May, 2014

INTERACTIVE FINANCIAL SERVICES LTD.  
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014

[Amount in Rupees]

Particulars	2013-2014	2012-2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation and extraordinary items	528,582	(6,907)
<b>Adjustment for :-</b>		
Depreciation and Amortization	27,532	92,325
Foreign Exchange Rate Fluctuation	-	-
Finance Costs	19,932	551
Excess provision w/back for Taxation of earlier years	-	2,718
Provision for doubtful debt and other loans and Advances	-	1,041,207
sub-total	47,464	1,136,801
Profit on sales of fixed assets	-	-
Interest income	-	-
	47,464	1,136,801
Operating Profit before working capital changes	576,046	1,129,894
<b>Change in working Capital :</b>		
<b>Adjustment for Decrease (Increase) in operating assets</b>		
Inventories	-	-
Trade receivables	-	-
Short Term loans & advances	(1,591)	(3,321)
Long Term loans & advances	(3,794,099)	(961,342)
Other Current Assets	-	-
Other Non-current Assets	(6,118)	(30,998)
<b>Adjustment for (Decrease) Increase in operating liabilities</b>		
Trade payables	3,121	(27,741)
Other current liabilities	137,091	(29,750)
Other long term liabilities	-	-
Short term provision	64,584	-
Long term provision	-	-
Cash Generated from Operations	(3,020,966)	76,742
Direct tax Paid	45,416	42,251
Cash Flow before extraordinary items	(3,066,382)	34,491
Extraordinary Items/Prior Period Items	-	-
<b>Net cash from Operating Activities</b>	<b>(3,066,382)</b>	<b>34,491</b>
<b>B. NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	-	-
interest income	-	-
Proceeds from sale of fixed assets	-	-
<b>Net Cash from Investment Activities</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Expense	(19,932)	(551)
Proceeds of long term borrowings	-	-
Repayment of long term borrowings	-	-
Proceeds of short term borrowings	3,441,832	(33,696)
<b>Net Cash from financial activities</b>	<b>3,421,900</b>	<b>(34,247)</b>
<b>NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>355,518</b>	<b>244</b>
<b>FOREIGN EXCHANGE RATE FLUCTUATION</b>	<b>-</b>	<b>-</b>
<b>OPENING BALANCE IN CASH AND CASH EQUIVALENTS</b>	<b>131,468</b>	<b>131,224</b>
<b>CLOSING BALANCE IN CASH AND CASH EQUIVALENTS</b>	<b>486,986</b>	<b>131,468</b>

Notes on Cash Flow Statement:

- The above statement has been prepared following the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statement issued by the Institute Of Chartered Accountants of India.
- Cash and Cash Equivalents represent Cash and Bank (excluding fixed deposits).

As per our report of even date attached.

For, M. R. Pandhi & Associates  
Chartered Accountants

Firm Registration No.112360W

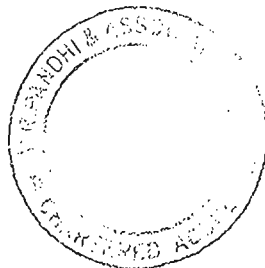


N. R. Pandit

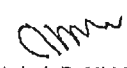
Partner


Membership No.033436

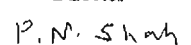
Ahmedabad, 30th May, 2014



For and on behalf of Board of directors

  
Mr. Ashok P. Vithlani  
Chairman

  
Mr. A. V. Popat  
Director

  
Mr. Paresh N. Shah  
Company Secretary  
Ahmedabad, 30th May, 2014

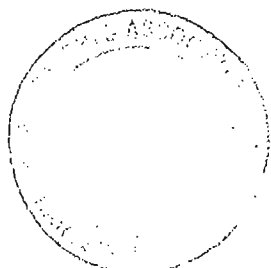
Interactive Financial Services Ltd.  
Notes forming part of the Financial Statements as at 31st March 2014

Note No	Particulars	As at 31st March 2014		As at 31st March 2013	
1	<u>Share Capital</u>				
	Equity Share Capital				
	Authorised Share capital : 8,000,000 (Previous year 8,000,000) Equity Shares of Rs.10/-each	80,000,000		80,000,000	
	Issued, subscribed & paid up: 3,013,100 (Previous year 3,013,100) Equity Shares of Rs.10/-each	30,131,000		30,131,000	
Total		30,131,000		30,131,000	
Notes:					
i All the equity shares carry equal rights and obligation including for dividend and with respect to voting.					
ii The Reconciliation of the number of shares and amount outstanding as at the year end is set as below:					
<u>Particular</u>		As at 31st March 2014		As at 31st March 2014	
		Number of shares	Amount Rs.	Number of shares	Amount Rs.
Equity shares at the beginning of the year		3,013,100	30,131,000	3,013,100	30,131,000
Add: Equity Shares issued during the year		-	-	-	-
Equity shares at the end of the year		3,013,100	30,131,000	3,013,100	30,131,000
iii The details of shareholders holding more than 5% of the equity shares of the Company as at year end is as below :					
<u>Particulars</u>		As at 31st March 2014		As at 31st March 2014	
Medrick Investment & Finance P Ltd		867,400	28.79%	867,400	28.79%
iv The company is neither Holding Company nor a subsidiary of any other company.					
v During preceding 5 years, there was no shares have been allotted for consideration other than cash,bonus shares neither any shares have been bought back					
2	<u>Reserves and Surplus</u>				
	a. Other Reserve				
	Profit and loss account				
	Opening Balance	(135,799)		(131,610)	
	Add : net profit / (loss) after tax from continuing operations	528,582		(4,189)	
Closing balance		392,783		(135,799)	
Total		392,783		(135,799)	
3	<u>Deferred Tax Liabilities</u>				
	Deferred Tax Liabilities				
	On timing differences on depreciation on fixed assets	-		74,910	
	Deferred Tax (Assets)				
	Unabsorbed Depreciation & Business Losses	-		1,119,143	
	Provision for Doubtful debts	-		-	
	Net Deferred Tax Liability / (Asset) on the date of Balance Sheet	-		(1,044,233)	
	Less :				
Provided for in the previous years	73,811		73,811		
Deferred Tax Provided / (Reversed) during the year	(73,811)		(1,118,044)		
The Company has provided for deferred tax in accordance with the Accounting Standard on " Accounting for Taxes on Income " (AS 22) issued by the Institute of chartered Accountants of India. The details deferred tax assets and liabilities of the company as on the date of balance sheet are as above. As on 31-03-2013 the company has net deferred tax asset and as per the general prudence, the Company has not provided for deferred tax asset in the absence of virtual certainty.					
4	<u>Short-term borrowings</u>				
	- Unsecured				
	Loans and advances from KMP	1,039,809		444,809	
	Loans and advances from Inter Corporate Company	2,846,832		-	
Total		3,886,641		444,809	
5	<u>Trade Payable</u>				
	A) Trade Payable				
	Sundry Creditors	52,257.00		49,136.00	
Total		52,257		49,136	



Interactive Financial Services Ltd.  
Notes forming part of the Financial Statements as at 31st March 2014

Note No	Particulars	As at 31st March 2014		As at 31st March 2013							
6	<u>Other current liabilities</u>										
	Outstanding Liabilities		575,475		434,714						
	Statutory Liabilities		5,229		8,899						
	Total		580,704		443,613						
7	<u>Short-term provisions</u>										
	Provision for Income tax (net of advance tax/TDS Rs.42,251/-)		64,584		-						
	Total		64,584		-						
8	<u>Fixed assets</u>										
		Gross Block			Depreciation Fund			Net Block			
	Particulars	As On 01-Apr-13	Addition during the year	Deduction during the year	Total As on 31-Mar-14	Up To 31-Mar-13	Provided during the year	Deduction during the year	Total As on 31-Mar-14	Total As on 31-Mar-13	Total As on 31-Mar-13
	<u>Tangible Assets</u>										
	Office Building	501,900	-	-	501,900	149,767	8,181	-	157,948	343,952	352,133
	Office Equipments	371,732	-	-	371,732	237,070	17,658	-	254,728	117,004	134,662
	Furniture Fixtures	1,050,340	-	-	1,050,340	1,016,436	1,693	-	1,018,129	32,211	33,904
	Computers	779,250	-	-	779,250	740,287	-	-	740,287	38,963	38,963
	Vehicles	26,079	-	-	26,079	24,924	-	-	24,924	1,155	1,155
	Total Rs.	2,729,301	-	-	2,729,301	2,168,484	27,532	-	2,196,016	533,285	560,817
9	<u>Long Term Loans and Advances</u>										
	Sub Standard Asset										
	Other Advances								6,449,757		6,449,757
	Less : Provision for doubtful Debts								2,257,415		2,257,415
	Net Other Advances								4,192,342		4,192,342
	Business Advances								28,133,031		24,403,515
	Advance for Capital Assets								625,000		625,000
Balance with Government Authorities								1,141,056		1,031,056	
	Total								34,091,429		30,251,914
<b>Notes :</b>											
i Loans & Advances includes due from a company in which one of director is director / member,											
	Particular	2013-2014		2013-2014							
	AAA IT Solutions P Ltd.	4,784,040		4,375,300							
	Total	4,784,040		4,375,300							
10	<u>Other non-current assets</u>										
	Deposits										
	Total		65,116.00		58,998.00						
	Total		65,116.00		58,998.00						
11	<u>Cash and Bank Balances</u>										
	<u>a. Cash and Cash Equivalents</u>										
	<u>Cash</u>										
	Cash on hand										
	Cash Equivalents										
	Balances with banks										
	- in current accounts										
	Total		462,083		106,314						
	Total		24,903		25,154						
	Total		486,986		131,468						
12	<u>Short term loans and advances</u>										
	Prepaid Expense										
	Total		4,965		3,374						
	Total		4,965		3,374						





## Interactive Financial Services Ltd.

### : Significant Accounting Policies :

#### A Basis of preparation of financial statements and revenue recognition:-

- 1 The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company.
- 2 Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the company.
- 3 Sale of Software is recognized on the basis of the terms of the contract and billed to client. Revenue in respect of insurance / other claims, interest, commission etc is recognized only when it reasonably certain that the ultimate collection will be made. Income on sub-standard assets is recognized as and when received. Sales is exclusive of Service tax and other government levies.

#### B Fixed Assets & Depreciation / Amortisation: -

- 1 Fixed assets are stated at cost of acquisition less accumulated depreciation. All cost, till commencement of commercial production is capitalized.
- 2 Depreciation on fixed assets is provided on the straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956. Intangible assets are amortized equally over five years and depreciation / amortization on the assets acquired during the year is provided on pro-rata basis.
- 3 Pursuant to accounting standard 28 " Impairment of Assets" issued by the ICAI, The Company has a system to review the carrying cost of all the assets vis-à-vis recoverable value and impairment loss, if any is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.

#### C Employee Retirement Benefit :-

- a. The Provident Fund Act, Employee State Insurance Act and the payment of Gratuity Act are not applicable to the company. Therefore, the company has no such liability.
- b. Wages, salaries, paid annual leave, sick leave and bonuses are accrued in the year in which he services are rendered by the employees. The company does not permit accumulating of unused leaves.
- c. In view of the above, the disclosure as required under Accounting Standard - 15 (Revised) is not given.

#### D Taxation:-

Taxation expense comprises current tax and deferred tax charge or credit. Provision for income tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. Advance tax and tax deducted at source are adjusted against provision for taxation and balance, if any, are shown in the balance sheet under respective heads

#### E Deferred Taxation

Deferred tax resulting from timing differences between book and tax profit is accounted for under the liability method at the current rate of Income tax to the extent that the timing differences are expected to crystallize as deferred tax charge/benefit in the profit and loss a/c and as deferred tax Assets/Liability in the Balance-Sheet.

#### F Insurance Claim

Insurance and other claims to the extent considered recoverable are accounted for in the year of claim based on the amount assessed by the surveyor. However, claims and refund whose recovery cannot be ascertained with reasonable certainty, are accounted for on acceptance/actual receipts basis.

#### G Dividend Income

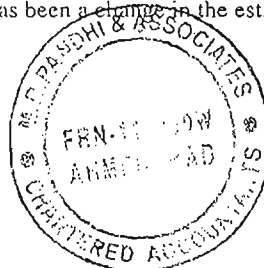
Dividend is accounted in the year in which the same is declared. Interim dividend is accounted as and when received.

#### H Use of Estimates

In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period;; actual results could differ from those estimates.

#### I Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



## Interactive Financial Services Ltd.

### : Significant Accounting Policies :

#### **J Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes, Contingent assets are neither recognised nor disclosed in the financial statements.

#### **K Related Party Transaction**

Parties are considered to be related if at any time during the year; one party has the ability to control the other party or to exercise significant influence over the other party in making financial and / or operating decision.

#### **L Earning Per Share (EPS)**

The earning considered in ascertaining the company's EPS comprises the net profit for the period after tax attributed to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

#### **M Investments**

Investments are stated at cost. Cost is inclusive of brokerage, fees and duties.



**INTERACTIVE FINANCIAL SERVICES LTD.**

: General Notes forming the parts of Accounts:

- 18 Previous year's figures have been regrouped, reclassified and rearranged wherever necessary.
- 19 Figures have been rounded off to nearest of rupee.
- 20 In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value, if realized, during the ordinary course of business.
- 21 The balances of sundry debtors and sundry creditors are subject to confirmation from respective parties. Necessary adjustments, if any, will be made when accounts are reconciled / settled.

22 Payment to Auditors : (exclusive of service tax)

Particulars	2013-2014	2012-2013
i) For Audit Fees	25,000	25,000
ii) For Taxation services	8,000	8,000
<b>Total Rs.</b>	<b>33,000</b>	<b>33,000</b>

23 Value of Imports on C. I. F. Basis in respect of

Particulars	2013-2014	2012-2013
Raw Material / Capital Goods etc.	NIL	NIL

24 Expenditure in Foreign currency

Particulars	2013-2014	2012-2013
Business Tour / Dividend etc.	NIL	NIL

25 Earnings in Foreign currency

Particulars	2013-2014	2012-2013
Exports at FOB value	NIL	NIL

26 As at 31st March 2014, no supplier has intimated the company about its status as Micro, Small and Medium Enterprise or its registration with the appropriate authority under the Micro, Small and medium enterprises development Act, 2006 in view of this Disclosure a/s 22 of the Micro, Small and medium enterprises development Act, 2006 is not furnished for the year ended 31st March 2014.

27 Segment Reporting

The Company is mainly engaged only one segment. The products i.e. Interest Income & Rent Income, earned in Indian markets only. Hence there are no reportable business segments and/or geographical segment.

28 Related party Disclosure :-

Disclosures as required by Accounting Standard 18 "Related Party Disclosures" are given below.

A. Key Management Personnel

- 1 Mr. Ashok P. Vaidyan - Chairman  
2 Mr. Ashwin V. Popat - Director

B. Related Parties

- 1 Distribution Point  
2 Honraj Nanji HUF  
3 Polad Traders P Ltd.  
4 Polad Finance Ltd  
5 Expression Advt & Mktg. P Ltd  
6 Search Solutions P Ltd  
7 AAA IT Solutions P Ltd.  
8 Interactive Manpower Solutions P Ltd.  
9 Cross Dryne Design Studio P Ltd.  
10 SAP Infotech P Ltd.

C. Transactions with related parties

Amount Rs. in lakhs

SN	Nature of Transaction	Related Parties		Key Management Personnel		Relative of KMP	
		2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
1	Receipt of Loan	28.33	NIL	5.95	5.22	NIL	NIL
2	Repayment of Loan	NIL	NIL	NIL	5.56	NIL	NIL
3	Other Payment Received	1.38	0.85	NIL	NIL	NIL	NIL
4	Other Payment Repaid	NIL	0.88	NIL	NIL	NIL	NIL
5	Loan Given	22.00	6.75	NIL	NIL	NIL	NIL
6	Loan Refund Received	NIL	4.30	NIL	NIL	NIL	NIL
7	Interest Paid	0.15	NIL	NIL	NIL	NIL	NIL
8	Interest Received	4.54	4.23	NIL	NIL	NIL	NIL
9	Remuneration Paid	NIL	NIL	4.50	4.50	NIL	NIL
10	Balance Outstanding						
a	Short Term Borrowings	28.47	NIL	NIL	4.45	NIL	NIL
b	Loan & Advances	69.84	43.75	NIL	NIL	NIL	NIL



INTERACTIVE FINANCIAL SERVICES LTD.

: General Notes forming the parts of Accounts:

29 Particulars of Earnings Per Share:

Earning per share computed in accordance with Accounting Standard 20 issued by The Institute of Chartered Accountants of India

Particulars	2013-2014	2012-2013
Net Profit attributable to Share Holders	528,582	(4,189)
Number of Equity shares/Weighted Equity Shares	3,013,100	3,013,100
Nominal value of share	0.18	(0.00)
Earning per share	0.18	(0.00)

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and dilutive earning per share of the Company remain the same.

30 Expenditure incurred by the company on employees:

- if employed throughout the financial year or were in receipt of remuneration for that year which in aggregate was not less than Rs.6,000,000/- Rs. Nil (Previous year Rs. Nil)
- if employed for a part of the financial year or were in receipt of remuneration for any part of that year at the rate, which in aggregate was not less than Rs.500,000/- per month Rs. Nil (Previous year Rs. Nil)

31 Additional information pursuant to Note 5 of Part II of Revised Schedule VI of the Companies Act, 1956:

A) TURNOVER:

SL. CLASS OF GOODS	Amount Rs. in Lakhs	
	Turnover for the year : 2013 2014	Turnover for the year : 2012 2013
A Interest Income	2,094.693	1,977.955
TOTAL	2,094.693	1,977.955

For, M. R. Pandhi & Associates  
Chartered Accountants

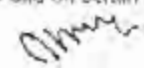
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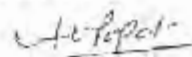
  
N. R. Pandhi  
Partner

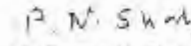
Membership No. 033436  
Ahmedabad, 30th May, 2014



For and on behalf of the Board of Directors

  
Mr. Ashok P. Vihlani  
Chairman

  
Mr. A. V. Popat  
Director

  
Mr. P. N. Shah  
Company Secretary  
Ahmedabad, 30th May, 2014