

INTERACTIVE FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting herewith their 19th Annual Report together with the Audited statements of Accounts for the period ended 31st March, 2013.

FINANCIAL RESULTS

Particulars	(Amount in Rupees)	
	2012-13	2011-2012
Income from operations [including other income]	2075853	1896504
Less : Total Expenditure	<u>1989884</u>	<u>1631690</u>
Profit/Loss before Depreciation & Taxation	85969	264814
Less :		
1. Depreciation	92325	92325
2. Financial Expenses	551	69198
3. Provision for Taxation	0	22400
4. Excess Provision for Taxation	(2718)	00
Net Profit / Loss for the Year	(4189)	80891
Add : Balance Brought Down from Previous Year	<u>(131610)</u>	<u>(212501)</u>
Net Profit /Loss carried to Balance Sheet	(135799)	(131610)

BUSINESS REVIEW

The activities in the field of finance were almost static as there is less chance to earn more profit. Due to the worldwide recession period, the Directors have no any other options but to wait till the appropriate opportunity to come. The total turnover was Rs. 19,77,959/- during 2012-13. The Company has made loss of Rs. 4,189/-. 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 31st March, 2013.

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. Ashvin Popat, 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.

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 31st March, 2013 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 31st March, 2013 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 give 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 this Annual General Meeting and being eligible, have express 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 earning or outgo during the period under consideration.

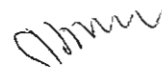
PARTICULARS OF EMPLOYEES

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.

FOR AND ON BEHALF OF THE BOARD



ASHOK P VITHLANI
CHAIRMAN

Place : Ahmedabad
Date : 30.05.2013

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 2012-2013, 6 Board Meetings were held i.e. 30th April, 2012, 30th June, 2012, 29th August, 2012, 30th October, 2012, 30th January, 2012 and 31st March, 2012.

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	6	Yes
Mr. Ashwin V. Popat	6	Yes
Mr. Prashant D. Parikh	6	Yes

3. AUDIT COMMITTEE

Composition of Audit Committee as on 31/03/2013

The Audit Committee comprises of three Independence 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 2012-2013, five meetings of the Audit Committee were held i.e. 29th April, 2012, 29th May, 2011, 29th August, 2012, 29th October, 2012 and 29th January, 2013. 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 31.03.2013

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 2012 – 2013, 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 31.03.2013.

6. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
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
2009-10	30/09/2010	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. Ashwin Popat, a Director of the Company who retires by rotation. Further, Mr. Ashwin Popat is a Commerce Graduate and having more than 27 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 Vithlani, 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 30th May, 2013.

10. GENERAL SHAREHOLDERS INFORMATION

- AGM Date, Time and Venue : 30th September, 2013
- Time : 11.00 A.M
- Venue : 4, Saujanya Row House,
Nr. Darpan Six Roads,
Navrangpura, Ahemdeabad-09

Financial calendar 2011-12 (tentative)

Adoption of Quarterly Result for

Quarterly ending	In the month of
June 2012	Last week of July 2011
September 2012	Last week of October 2011
December 2011	Last week of January 2013
March 2013	Last week of April 2013

- Book closure Date : 15th September 2013 to 30th September 2013
- 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 31/03/2013

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 Vithlani : 129100 equity shares

Distribution of shareholding as on 31/03/2013

Share holding of nominal value of	Share Holders		Share Amount			
	Rs. (1)	Rs. (2)	Number (3)	% to (4)	Number (5)	% to (6)
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: 30th May, 2013

ASHOK VITHLANI
CHAIRMAN & MANAGING DIRECTOR

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.19.78 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 **31st March, 2013** as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

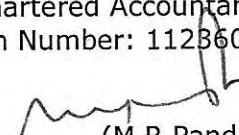
The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of condition of the Corporate Governance. It is neither an audit nor an expression of opinion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


(M.R.Pandhi)
Partner

Membership Number: 033057

Ahmedabad, 30th May, 2013



CLC

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 2013 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 2013;
- (b) in the case of Statement of Profit and Loss, of the Loss 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 and 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 March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Ahmedabad, 30th May, 2013



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

H. H. Kotecha

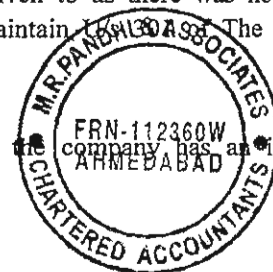
H. H. Kotecha
Partner

Membership No.141385

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. As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b. In our opinion, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- 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. 6.07 lacs during the year from one Party and two companies covered in the register maintained under section 301 of The Companies Act, 1956. The maximum amount involved during the year was Rs 5.46 lacs and the year end balance of loans taken from such parties was Rs 4.45 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 loans aggregating to Rs. 6.75 lacs during the year to two companies covered in the register maintained under section 301 of The Companies Act, 1956. The maximum amount involved (including opening Balance) during the year was Rs. 48.25 lacs and the year end balance of loans granted such parties was Rs. 43.75 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 transactions that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 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.
- 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.

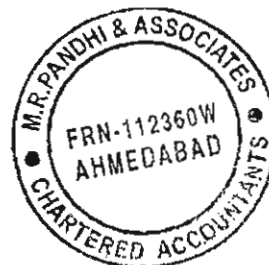


INTERACTIVE FINANCIAL SERVICES LTD.
ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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. Baring a few instances, 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 have, prima facie, have been used during the year for long term investment amounting to Rs.9,80,465/.
- 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, no fraud on or by the company was noticed or reported during the year.

Ahmedabad, 30th May, 2013



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

H. H. Kotecha

H. H. Kotecha
Partner
Membership No.141385

**INTERACTIVE FINANCIAL SERVICES LTD.
BALANCE SHEET AS AT 31ST MARCH 2013**

Particulars	Note No	As at 31st March 2013	As at 31st March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	30,131,000	30,131,000
(b) Reserves and Surplus	2	(135,798)	(131,610)
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	73,811	73,811
(4) Current Liabilities			
(a) Short-term borrowings	4	444,809	478,505
(b) Trade payables	5	46,814	74,555
(c) Other current liabilities	6	445,935	475,686
(d) Short-term provisions	7	-	-
Total		31,006,571	31,101,947
II. Assets			
(1) Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		560,817	653,142
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	9	30,251,914	30,289,528
(e) Other non-current assets	10	58,998	28,000
(2) Current assets			
(d) Cash and Bank balances	11	131,468	131,224
(e) Short-term loans and advances	12	3,374	53
Significant Accounting Policies and Notes on Financial Statements	A to M 1 to 31		
Total		31,006,571	31,101,947

See accompanying notes forming part of the financial statements

For, M. R. Pandhi & Associates
Chartered Accountants

Firm Registration No.112360W

H. H. Kotecha

H. H. Kotecha

Partner

Membership No.141385

Ahmedabad, 30th May, 2013



For and on Behalf of the Board of Directors

AM

Mr. Ashok P. Vithlani
Chairman

A. V. Popat

Mr. A. V. Popat
Director

P. N. Shah

Mr. Paresh N. Shah
Company Secretary

Ahmedabad, 30th May, 2013

INTERACTIVE FINANCIAL SERVICES LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2013

[Amount in Rupees]

Particulars	2012-2013	2011-2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation and extraordinary items	(6,907)	103,291
Adjustment for :-		
Depreciation and Amortization	92,325	92,325
Foreign Exchange Rate Fluctuation	-	-
Finance Costs	551	69,198
Excess provision w/back for Taxation of earlier years	2,718	-
Provision for doubtful debt and other loans and Advances	1,041,207	521,232
sub-total	1,136,801	682,755
Profit on sales of fixed assets	-	-
Interest income	-	-
	1,136,801	682,755
Operating Profit before working capital changes	1,129,894	786,046
Change in working Capital :		
Adjustment for Decrease (Increase) in operating assets		
Inventories	-	-
Trade receivables	-	-
Short Term loans & advances	(3,321)	(25)
Long Term loans & advances	(961,342)	(480,577)
Other Current Assets	-	-
Other Non-current Assets	(30,998)	-
Adjustment for (Decrease) Increase in operating liabilities.		
Trade payables	(27,741)	(174,192)
Other current liabilities	(29,750)	(59,550)
Other long term liabilities	-	-
Short term provision	-	(61,716)
Long term provision	-	-
Cash Generated from Operations	76,742	9,986
Direct tax Paid	42,251	39,519
Cash Flow before extraordinary items	34,491	(29,533)
Extraordinary Items/Prior Period Items	-	-
Net cash from Operating Activities	34,491	(29,533)
B. NET CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	-	-
interest income	-	-
Proceeds from sale of fixed assets	-	-
Net Cash from Investment Activities	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Expense	(551)	(69,198)
Proceeds of long term borrowings	-	-
Repayment of long term borrowings	-	-
Proceeds of short term borrowings	(33,696)	37,816
Net Cash from financial activities	(34,247)	(31,382)
NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALE	244	(60,915)
FOREIGN EXCHANGE RATE FLUCTUATION	-	-
OPENING BALANCE IN CASH AND CASH EQUIVALENTS	131,224	192,139
CLOSING BALANCE IN CASH AND CASH EQUIVALENTS	131,468	131,224

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

H. H. Kotecha
H. H. Kotecha
Partner

Membership No.141385
Ahmedabad, 30th May, 2013



For and on behalf of Board of directors

Ashok P. Vithlani
Mr. Ashok P. Vithlani
Chairman

A. V. Popat
Mr. A. V. Popat
Director

P. N. Shah
Mr. Paresh N. Shah
Company Secretary
Ahmedabad, 30th May, 2013

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

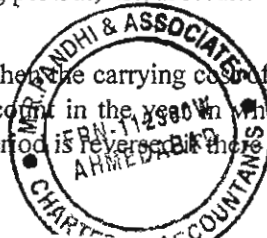
Dividend is accounted in the year in which the same is declared. Interim dividend is accounted as and when received.

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.

Notes forming part of the Financial Statements as at 31st March 2013

Note No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Share Capital		
	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:

- All the equity shares carry equal rights and obligation including for dividend and with respect to voting.
- The Reconciliation of the number of shares and amount outstanding as at the year end is set as below:

Particular	As at 31st March 2013		As at 31st March 2012	
	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

- The details of shareholders holding more than 5% of the equity shares of the Company as at year end is as below :

Particulars	As at 31st March 2013		As at 31st March 2012	
Medrick Investment & Finance P Ltd	867,400	28.79%	867,400	28.79%

- The company is neither Holding Company nor a subsidiary of any other company.

- 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

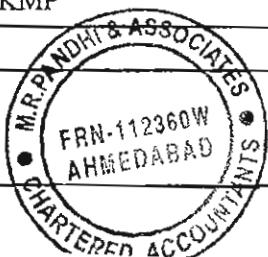
2	Reserves and Surplus		
	a. Other Reserve		
	Profit and loss account		
	Opening Balance	(131,610)	(212,501)
	Add : net profit / (loss) after tax from continuing operations	(4,189)	80,891
	Closing balance	(135,799)	(131,610)
	Total	(135,799)	(131,610)

3	Deferred Tax Liabilities		
	Deferred Tax Liabilities		
	On timing differences on depreciation on fixed assets	74,910	91,234
	Deferred Tax (Assets)		
	Unabsorbed Depreciation & Business Losses	1,488,436	919,089
	Provision for Doubtful debts	-	322,121
	Net Deferred Tax Liability / (Asset) on the date of Balance Sheet	(1,413,526)	(1,149,976)
	Less :		
	Provided for in the previous years	73,811	73,811
	Deferred Tax Provided / (Revesed) during the year	(1,487,337)	(1,223,787)

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	Short-tems borrowings		
	- Unsecured		
	Loans and advances from KMP	444,809	478,505
	Total	444,809	478,505

5	Trade Payable		
	A) Trade Payable		
	Sundry Creditors	46,814.00	74,555.00
	Total	46,814	74,555



Interactive Financial Services Ltd.
Notes forming part of the Financial Statements as at 31st March 2013

Note No	Particulars	As at 31st March 2013	As at 31st March 2012
6	Other current liabilities		
	Outstanding Liabilities	437,036	435,248
	Statutory Liabilities	8,899	40,438
	Total	445,935	475,686
7	Short-term provisions		
	Provision for Income tax (net of advance tax/TDS Rs.42,251/-)	-	-
	Total	-	-

8 Fixed assets

Particulars	Gross Block				Depreciation Fund				Net Block	
	As On 01-Apr-12	Addition during the year	Deduction during the year	Total As on 31-Mar-13	Up To 31-Mar-12	Provided during the year	Deduction during the year	Total As on 31-Mar-13	Total As on 31-Mar-13	Total As on 31-Mar-12
Tangible Assets										
Office Building	501,900	-	-	501,900	141,586	8,181	-	149,767	352,133	360,314
Office Equipments	371,732	-	-	371,732	219,412	17,658	-	237,070	134,662	152,320
Furniture Fixtures	1,050,340	-	-	1,050,340	949,950	66,486	-	1,016,436	33,904	100,390
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	2,076,159	92,325	-	2,168,484	560,817	653,142

9	Long Term Loans and Advances		
	Sub Standard Asset		
	Other Advances	6,449,757	6,949,757
	Less : Provision for doubtful Debts	2,257,415	1,216,208
	Net Other Advances	4,192,342	5,733,549
	Business Advances	24,403,515	22,768,147
	Advance for Capital Assets	625,000	625,000
	Balance with Government Authorities	1,031,056	1,162,831
	Total	30,251,914	30,289,528

Notes :

- i Loans & Advances includes due from a company in which one of director is director / member,

Particular	2012-2013	2012-2013
AAA IT Solutions P Ltd.	4,375,300	3,795,390
Total	4,375,300	3,795,390

10	Other non-current assets		
	Deposits	58,998.00	28,000.00
	Total	58,998.00	28,000.00

11	Cash and Bank Balances		
	a. Cash and Cash Equivalents		
	Cash		
	Cash on hand	106,314	117,583
	Cash Equivalents		
Balances with banks			
- in current accounts	25,154	13,641	
	Total	131,468	131,224

12	Short term loans and advances		
	Prepaid Expense	3,374	53
	Total	3,374	53



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	2012-2013	2011-2012
i) For Audit Fees	25,000	25,000
ii) For Taxation services	8,000	8,000
Total Rs:	33,000	33,000

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

Particulars	2012-2013	2011-2012
Raw Material / Capital Goods etc.	NIL	NIL

24 Expenditure in Foreign currency

Particulars	2012-2013	2011-2012
Business Tour / Dividend etc.	NIL	NIL

25 Earnings in Foreign currency

Particulars	2012-2013	2011-2012
Exports at FOB value	NIL	NIL

26 As at 31st March 2013, 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 u/s 22 of the Micro, Small and medium enterprises development Act, 2006 is not furnished for the year ended 31st March 2013.

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. Vithlani - Chairman
2 Mr. Ashwin V. Popat - Director

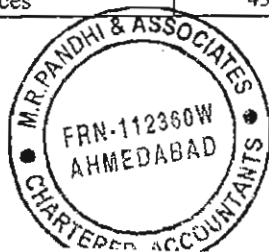
B Related Parties

- 1 Distribution Point
2 Hemraj 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 Bryne 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	
		2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
1	Receipt of Loan	0.85	2.18	5.22	1.38	NIL	NIL
2	Repayment of Loan	0.88	2.18	5.56	5.78	NIL	NIL
3	Interest Paid	NIL	0.03	NIL	0.65	NIL	NIL
4	Interest Received	4.23	3.95	NIL	NIL	NIL	NIL
5	Remuneration Paid	NIL	NIL	4.50	4.50	NIL	NIL
6	Loan Given	6.75	1.07	NIL	NIL	NIL	NIL
7	Loan Refund Received	4.50	6.14	NIL	NIL	NIL	NIL
8	Balance Outstanding						
	1. Short Term Borrowings	NIL	NIL	4.45	4.79	NIL	NIL
	2. Loan & Advances	43.75	37.95	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	2012-2013	2011-2012
Net Profit attributable to Share Holders	(4,189)	80,891
Number of Equity shares/Weighted Equity Shares	3,013,100	3,013,100
Nominal value of share	(0.00)	0.03
Earning per share	(0.00)	0.03

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

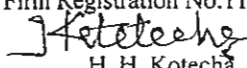
- i if employed throughout the financial year an were in receipt of remuneration for that year which in aggregate was not less than Rs.6,000,000/- Rs. Nil (Previous year Rs. Nil)
- ii if employed for a part of the financial year an were in receipt of remuneration for any part of that year at he rate,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

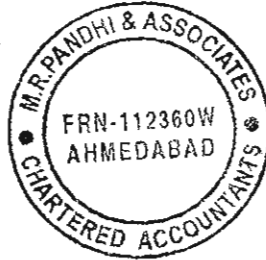
31 Additional Information pursuant to Note 5 of Part II of Revised Schedule VI of the Companies Act,1956:

A) TURNOVER:

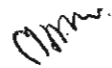
Amount Rs. In Lakhs

SL.NO.	CLASS OF GOODS	Turnover for the year : 2012-2013	Turnover for the year : 2011-2012
A	Interest Income	1,977,959	1,896,254
	TOTAL	1,977,959	1,896,254

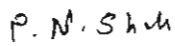
For, M. R. Pandhi & Associates
Chartered Accountants
Firm Registration No.112360W

H. H. Kotecha
Partner
Membership No.141385
Ahmedabad, 30th May, 2013



For and on behalf of the Board of Directors


Mr. Ashok P. Vithlani
Chairman


Mr. A. V. Popat
Director


Mr. Paresh N. Shah
Company Secretary
Ahmedabad, 30th May, 2013