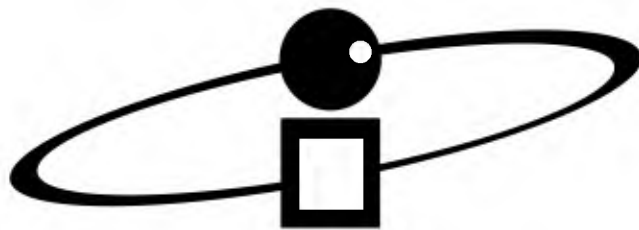


# **21ST ANNUAL REPORT 2012-13**



**ISL CONSULTING LIMITED**

**Board of Directors** : Mr. Hitesh C. Kothari – Managing Director  
Mr. C.K. Kothari – Director  
Mr. HasmukhM.Thakker – Independent Director  
Mr. Bhavesh.P.Mamnia – Independent Director

**Registered Office** : No.3, Murthy Lane, First Floor,  
Off. Devaraja Mudali Street,  
Ratan Bazar, Chennai - 600003

**Corporate Office** : 501, 5<sup>th</sup> Floor, Abhijeet - II,  
Above Standard Chartered Bank,  
Near Mithakhali Six Road,  
Navrangpura, Ahmedabad - 380 009

**Bankers** : Axis Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited

**Statutory Auditors** : M/s. Venkatesh & Co.,  
Chartered Accountants  
“Sri Ranag”, New No. 151, Mambalam High Road,  
T. Nagar, Chennai – 600 017

**Registrar & Share  
Transfer Agents** : Cameo Corporate Services Limited  
No- 1, Subramaniam Building,  
Club House Road, Chennai – 600002

## ISL CONSULTING LIMITED

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**NOTICE**

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of **ISL CONSULTING LIMITED** will be held on Thursday, September 26, 2013 at 11:00 a.m. at the registered office of the Company at No. 3, Murthy Lane, 1st Floor, off. Devaraja Mudali Street, Ratan Bazaar, Chennai - 600003 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2013 and the Balance Sheet as on at that date and the Cash Flow for the year ended as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Hasmukh M. Thakker, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

“RESOLVED THAT M/s. Venkatesh & Co, Chartered Accountants (Firm Registration Number: 004636S), be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors, and the remuneration may be paid on a progressive billing basis to be agreed between the Statutory Auditors and the Board of Directors.

**By order of the Board of Directors**

**Place: Chennai**

**Date: 12/08/2013**

**Hitesh C. Kothari  
Managing Director**

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form duly completed and signed should reach the company's Registered Office not later than 48 hours before the commencement of the meeting.
2. Members holding shares in physical form are requested to notify the changes in address, if any, to the Company's Registrar and Transfer Agent (RTA) M/s. Cameo Corporate Service Ltd., Subramaniam Building – V Floor, No. 1 Club House Road, Chennai - 600002. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, etc. to their Depository Participant (DP). These changes will be automatically reflected in the Company's records.
3. Corporate Members intending to send their Authorized Representatives to attend the meeting are requested to send to the company a duly certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 23rd September, 2013 to Thursday, 26<sup>th</sup> September, 2013 (Both days Inclusive).
5. Members intending to require information about the accounts to be approved in the meeting are requested to inform the Company in writing at least 10 days in advance of the Annual General Meeting to enable the management to keep the required information ready.
6. The documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the company on all working days except Sunday(s) and public holidays, between 11:00 a.m. to 1:00 p.m. up to the date of the meeting.
7. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report while attending the Annual General Meeting.
8. As per the provision of Section 205A(5) of the Companies Act, 1956 and Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978, there is no unclaimed dividend due to be transferred to the fund established u/s 205C(1) of the Companies Act, 1956.
9. Brief profile of Director seeking appointment / re-appointment as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed to this notice.
10. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
11. The Ministry of Corporate Affairs (MCA), Government of India has by its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively permitted companies to send official documents to their shareholders electronically as part of green initiatives in corporate

governance. Further a recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address. Members are requested to support this Green Initiative by registering/updating email addresses for receiving electronic communications.

12. The Annual Report of the Company for the year 2012-13, circulated to the members of the Company, will also be uploaded on the Company's website [www.islconsulting.in](http://www.islconsulting.in)

**By order of the Board of Directors**

**Place: Chennai**

**Date: 12/08/2013**

**Hitesh C. Kothari**  
**Managing Director**

#### **ANNEXURE TO THE NOTICE**

Notes on Director seeking appointment/re-appointment at the Annual General Meeting as required under the revised Clause 49 of the Listing Agreement entered into with the stock exchange.

#### **Brief Profile of Director being appointed / re-appointed**

##### **ITEM No. 2**

Name	Mr. Hasmukh M. Thakker
Date of Birth	January 15, 1967
Qualification	Graduate in Commerce
Brief Profile covering experience	Mr. Hasmukh M. Thakkar is an independent director of the company. He is a dynamic businessman and engaged in the business of financial markets. He is also having rich experience of more than 20 years in the financial market field. He has wide experience of business administration, marketing, managerial skill and management.
Directorships held in other Companies	Nil
Chairman / Member of the Committees of the Board of other companies in which he is a director	Nil
No. of shares held in the company	Nil
Disclosure of Relationship with other directors	Mr. Hasmukh M. Thakkar is not, in any way, concerned / interested / related with any of the other directors of the company.

## DIRECTORS' REPORT

**Dear Members,**

Your Directors are pleased to present the 21<sup>st</sup> Annual Report along with the Audited Accounts of the Company for the financial year ended on 31st March, 2013.

### FINANCIAL HIGHLIGHTS:

*(Rupees in Lacs)*

Particulars	Year ended 31-03-2013	Year ended 31-03-2012
Gross Profit/(Loss) before Depreciation	20.88	(20.03)
Less: Depreciation	(00.57)	(00.70)
Profit / (Loss) for the year	20.31	(20.73)
Profit/(Loss) after tax for the year	16.55	(20.91)
Balance Carried forward to Balance Sheet	16.55	(20.91)
Earning Per Share in Rs.	0.14	(00.70)

### DIVIDEND:

Due to inadequacy of profits, your Directors do not recommend any dividend for the financial year 2012-2013.

### DIRECTORS:

Mr. Hasmukh M. Thakker retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment as Director. Brief particulars of the Director proposed to be re-appointed at the ensuing Annual General Meeting are attached in the annexure to the notice calling the meeting.

### PUBLIC DEPOSITS:

During the year ended on 31<sup>st</sup> March, 2013, the Company has not accepted any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 and amendments made thereto.

### FURTHER ISSUE OF SHARES BY PREFERENTIAL ALLOTMENT:

Your directors are pleased to inform that during the year your company has issued 90,00,000 equity shares by way of Preferential Allotment on 20.11.2012 to the promoters / promoter group and non-

promoters. The allotment was successfully completed during the year. The details of allottees to whom the equity shares have been allotted by way of Preferential Allotment are as under.

Sr. No.	Name of the Allottees	Address of the Allottees	No. of Equity Shares allotted	Category
1	DINESH JIVRAJBHAI ANDA	34, SHIVALIK BUNGLOW, 100 FEET ROAD, SATELLITE, AHMEDABAD – 380015	250000	NON PROMOTER
2	SURESH JIVRAJBHAI ANDA	602, HETVI TOWER, 100 FEET ROAD, SATELLITE, AHMEDABAD – 380015	250000	NON PROMOTER
3	SANJAY SHYAMSUNDER PODDAR	PLOT NO. 442, SECTOR – 1A, GANDHIDHAM, KUTCHH	2400000	NON PROMOTER
4	INFINITY COMTRADE PVT LTD.	106-A, VIBHUTI APPARTMENT, SATELLITE, AHMEDABAD – 380015	2550000	NON PROMOTER
5	HITESH CHHAGANLAL KOTHARI	6, AGAM FLATS, VASNA BARAGE ROAD, VASNA, AHMEDABAD – 380007	500000	PROMOTER
6	REEMA ANKIT SHAH	6, AGAM FLATS, VASNA BARAGE ROAD, VASNA, AHMEDABAD – 380007	250000	PROMOTER
7	ARTI HITESH KOTHARI	6, AGAM FLATS, VASNA BARAGE ROAD, VASNA, AHMEDABAD – 380007	250000	PROMOTER
8	HITESH CHHAGANLAL HUF	6, AGAM FLATS, VASNA BARAGE ROAD, VASNA, AHMEDABAD – 380007	500000	PROMOTER
9	REEM BUILD PRIVATE LIMITED	404, ANIKET BUILDING, NR. MUNICIPAL MARKET, C.G. ROAD, AHMEDABAD – 380009	2050000	PROMOTER
<b>TOTAL NO. OF SHARES</b>			<b>9000000</b>	

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2013, the applicable Accounting standards have been followed along with the proper explanation with respect the material departures if any;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit/(Loss) of the Company for that period;



3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis.

**PARTICULARS OF THE EMPLOYEES:**

Particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 (read with companies particulars of employees rules, 1975) regarding particulars of employees, are not applicable, since none of the employees are in receipt of remuneration in excess of the limit specified herein during the period under review.

**AUDITORS:**

Members are hereby informed that M/s. VENKATESH & Co, Chartered Accountants, Chennai, Statutory Auditors of the Company, holds office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. M/s. VENKATESH & Co, Chartered Accountants, have offered their services to act as Statutory Auditors of the Company and have also confirmed the Board their appointment, if considered would be within the prescribed limit under section 224(1B) of the Companies Act, 1956. The proposal seeking their re-appointment is provided as a part of the Notice of the ensuing Annual General Meeting.

**AUDITOR'S REPORT:**

Notes to the financial statements, as referred in the Auditors Report, are self-explanatory and therefore do not call for any further explanation.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The provisions of Section 217(1) (e) of the Companies Act, 1956 relating to conservation of energy, technology absorption are not applicable to the Company.

Foreign Exchange Earning	: NIL
Foreign Exchange Outgo	: NIL

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, is annexed and forms part of the Annual Report.

**CORPORATE GOVERNANCE:**

Your Company has always striven to incorporate appropriate standard for good corporate governance. It has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under amended Listing Agreements of the Stock Exchanges with which the company is listed are complied with. A separate report on Corporate on Governance is produced as a part of Annual Report. Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges a report on Corporate Governance along with Auditors Certificate of its Compliance is included as part of the Annual Reports.

**LISTING AGREEMENTS REQUIREMENTS:**

The securities of the company are listed at Bombay Stock Exchange, Ahmedabad Stock Exchange and Chennai Stock Exchange. Trading in company's securities started at the BSE in December 2011 revoking the suspension of trading.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their deed appreciation of the dedication and commitment of the employees to the growth of your Company during the year. Your Directors also express their sincere gratitude to the consultants, auditors and shareholders for their continuous patronage and co-operation.

**Place: Chennai**

**Date: 12/08/2013**

**For and on behalf of the Board of Directors  
Sd/-**

**Hitesh C. Kothari  
Managing Director**

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Code of Corporate Governance

The Company believes that good Corporate Governance is essential to achieve long term goals and enhance stakeholders' value. Your Company focuses on developing appropriate strategies that result in maximizing the return to all stakeholders. Your Company's philosophy on Corporate Governance is characterized by a firm commitment and adoption of ethical practices across its entire value chain and in all of its dealings with a wide group of stakeholders encompassing employees, customers, vendors, regulators and shareholders (including the minority shareholders).

The Company will continue to focus its resources, strengths and strategies to achieve its vision of brand building, maximizing stakeholders return and developing people to deliver the same, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamentals to the running of the company's business. Your Directors perceive their role as a trustee to the stakeholders in particular and the society at large, inculcating a culture of transparency, accountability and integrity across the Company.

### 2. Board of Directors

- (i) The composition of the Board is a mix of executive and non-executive directors. As on March 31, 2013, the Company comprises of four Directors out of which three directors are non-executive directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.
- (ii) None of the Directors on the Board are Members in more than 10 committees or act as Chairman of more than five committees across all companies in which he is a director. The directors have disclosed to the company about the committee positions they occupy in other companies and have notified changes as and when they take place.
- (iii) The names and categories of the Directors on the Board, the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit Committee and Shareholders/Investors Grievance Committees.

Name of Directors	Category	No. of Directorships in other Companies	Details of Committee	
			Chairman	Member
Mr. C.K. Kothari	Promoter & Non-Executive Director	0	Nil	Nil
Mr. Hitesh C. Kothari	Managing Director	0	Nil	Nil
Mr. Jagdish V. Thakkar*	Independent & Non-Executive Director	0	Nil	Nil
Mr. Hasmukh M. Thakker	Independent & Non-Executive Director	0	Nil	Nil
Mr. Bhavesh P. Mamnia**	Independent & Non-Executive Director	1	Nil	Nil

\* Ceased to be a director w.e.f. June 20, 2012

\*\* Appointed as an Additional Director w.e.f. June 23, 2012

### 3. Board Procedure

The company has held one meeting in every quarter and the maximum time gap between the two meetings was not more than four months. During the year ended 31st March, 2013; eight (08) meetings of the Board of Directors were held on 27-04-2012, 23-06-2012, 28-07-2012, 20-08-2012, 28-08-2012, 07-11-2012, 20-11-2012, 31-01-2013.

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board papers and is also available at the Board Meeting to enable the Board to take decisions.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Directors	No. of Board Meetings		Attendance at last AGM
	Held	Attended	
Mr. C.K. Kothari	8	6	Yes
Mr. Hitesh C. Kothari	8	8	Yes
Mr. Jagdish V. Thakkar*	8	1	No
Mr. Hasmukh M. Thakker	8	8	Yes
Mr. Bhavesh P. Mamnia**	8	6	Yes

\* Ceased to be a director w.e.f. June 20, 2012

\*\* Appointed as an Additional Director w.e.f. June 23, 2012

#### 4. Risk Management

The Company has established robust risk assessment and minimization procedures, which are reviewed by the Board periodically. The Company has a structure in place to identify and mitigate the various risks that would be faced by it from time to time. At every Board meeting the risks are reviewed, new risks if any are identified assessed, and control measures are designed to put in place fixed timeline for mitigating the risk.

#### 5. Committees of the Board

##### 1. Audit Committee

##### Composition and Attendance:

Your company has an independent audit committee. During the year under review, the committee was reconstituted under the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. It comprises of three Non-Executive Directors, out of which two are Independent Directors. The said committee was reconstituted by electing Mr. Hasmukh M Thakker as the Chairman and by inducting Mr. C.K. Kothari as a member of the said committee. Mr. Bhavesh P. Mamnia was also appointed as member of the said committee in place of Mr. Jagdish V. Thakker due to his resignation. The composition and attendance of the meeting held during the year under review is as under:

Name of Directors	Designation	No. of Meetings held	No. of Meetings attended
Mr. Hasmukh M. Thakker	Chairman	04	04
Mr. C. K. Kothari	Member	04	03
Mr. Jagdish V. Thakkar*	Member	04	01
Mr. Bhavesh P. Mamnia**	Member	04	03

\* Ceased to be a member w.e.f. June 20, 2012

\*\* Appointed as member w.e.f. July 28, 2012

The quorum was present at the meetings. During the year under review, the Audit Committee Meetings were held four times on 27-04-2012, 20-08-2012, 07-11-2012 and 31-01-2013.

The Chairman of the committee was present at the last Annual General Meeting held on 28<sup>th</sup> September, 2012.

The Secretary to the company acts as a Secretary to the Committee. The Internal Auditors, Managing Director, Head of Finance and Representatives of Statutory Auditors are also invited to attend the meeting.

##### Functions of the Audit Committee:

The scope of activities of the Audit Committee is set out under the requirements of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956 are as under.

- Supervising of the Company's financial reporting process and the disclosure of its financial information.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- Reviewing, with the management, the quarterly and annual financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses / application of funds, raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To review the functioning of the Whistle Blower mechanism, in case, the same exists.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Powers of the Audit Committee:**

The Audit Committee is empowered:

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

**2. Remuneration Committee**

The role of the Remuneration Committee is to recommend to the Board the appointment / reappointment of the executive and non-executive Directors. The Committee has also been vested with the authority to determine the periodic increments in salary and annual incentive of the Executive Directors.

During the year under review, the committee was re-constituted. The committee comprises of three non-executive directors viz. Mr. Hasmukh M. Thakker – Chairman, Mr. Bhavesh P. Mamnia and Mr. C.K. Kothari.

There was no meeting held during the year under review.

Committee is the approving committee for the remuneration payable to the directors and oversees the employee's remuneration also.

### 3. Share Transfer and Investor's Grievance Committee

#### Composition and Attendance:

During the year under review, the committee was reconstituted in terms of the provisions of Clause 49 of the Listing Agreement. It comprises of three Directors, out of which two are Independent Directors. The said committee was reconstituted by electing Mr. Bhavesh P. Mamnia as the Chairman and by inducting Mr. Hasmukh M. Thakker as a member of the said committee. Mr. Hitesh C. Kothari was also appointed as member of the said committee. The composition and attendance of the meeting held during the year under review is as under:

Name of Directors	Designation	No. of Meetings held	No. of Meetings attended
Mr. Bhavesh P. Mamnia*	Chairman	27	23
Mr. Hasmukh M. Thakker	Member	27	27
Mr. Jagdish V. Thakkar*	Member	27	04
Mr. Hitesh C. Kothari	Member	27	27

\* Ceased to be a member w.e.f. June 20, 2012

\*\* Appointed as chairman w.e.f. July 28, 2012

The Secretary to the company acts as a Secretary to the Committee. The quorum was present at the meetings. No complaints of any material nature was noticed or received during the year under review.

#### Terms of Reference:

The Committee supervises the mechanism for redressal of Investor grievances and ensures cordial investor relations. The Committee takes care of the following matters:

- Redressal of Shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, non receipt of declared dividend etc.
- Scrutinize the performance of the Registrar & Share Transfer Agent and recommends measures for overall improvement of the quality of service.
- Any allied matter(s) out of and incidental to these functions and not here in above specifically provided for.

**Details of Complaints:**

Quarter-wise summary of Investors' complaints received and resolved during the year under review is as under.

Quarter Period	Complaints pending at the beginning of the quarter	Complaints received during the quarter	Complaints resolved during the quarter	Complaints pending at the end of the quarter
01.04.2012 to 30.06.2012	1	NIL	1	NIL
01.07.2012 to 30.09.2012	NIL	NIL	NIL	NIL
01.10.2012 to 31.12.2012	NIL	NIL	NIL	NIL
01.01.2013 to 31.03.2013	NIL	NIL	NIL	NIL

**6. GENERAL BODY MEETINGS**

The last three Annual General Meeting held as follows: -

Financial Year	Venue	Date	Time
2011-12	No. 3, Murthy Lane, 1 <sup>st</sup> Floor, Off. Devaraja Mudali Street, Ratan Bazaar, Chennai 600 003	28-09-2012	11.00 a.m.
2010-11	No. 3, Murthy Lane, 1 <sup>st</sup> Floor, Off. Devaraja Mudali Street, Ratan Bazaar, Chennai 600 003	30-09-2011	11.00 a.m.
2009-10	No. 3, Murthy Lane, 1 <sup>st</sup> Floor, Off. Devaraja Mudali Street, Ratan Bazaar, Chennai 600 003	30-09-2010	11.00 a.m.

**(i) Postal Ballot**

There were no circumstances necessitating the Company to seek the approval of its members through a Postal Ballot as required under the provisions of Section 192A of the Companies Act, 1956.

**(ii) Whether any Special Resolutions:**

- a) Were put in the previous AGM : Yes
- b) Were put through Postal Ballot last year : No
- c) Are proposed to be conducted through Postal Ballot : No



## 7. DISCLOSURES

During the year under review there were no materially significant related party transactions with its promoter, director and management that had a potential conflict with the interest of the Company at large except to the extent duly disclosed in the notes on accounts as enclosed along with this report.

- (i) The Company has fulfilled all the mandatory requirements as prescribed in Clause 49 of the Listing Agreements with the Stock Exchanges:
- (ii) The Company has put in place an un-codified system through which employees and business associates may report unethical business practices at work place without the fear of reprisal. The Company has set up a direct contact initiative under which all employees/business associates have direct access to the Chairman of the Audit Committee. The “Whistle Blower Protection Policy” aims to:
  - Allow and encourage employees and business associates to bring to the management’s notice concerns about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of policies etc.
  - Ensure timely and consistent organizational response.
  - Build and strengthen a culture of transparency and trust.
  - Provide protection against victimization
- (iv) A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (v) In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.
- (vi) The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- (vii) The CEO/CFO certification of the financial statements and the cash flow statement for the year is enclosed and forms part of this report.
- (viii) There have been no instances of non-compliance on any matter relating to the capital market during the last three years.

### 8. Code of Conduct

The Board has laid down a Code of Conduct for its Members and Senior Management Personnel of the Company. The code of conduct is available with the Board of Directors. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The CEO has affirmed to the Board that this Code of Conduct has been compiled by the Board Members and Senior Management Personnel.

### 9. Means of Communication

The company has promptly reported to the Stock Exchanges where the shares of the Company are listed, about all the material information including quarterly/half yearly and annual financial results in the prescribed format.

The quarterly/half yearly and annual financial results and other statutory information are published in 'Trinity Mirror' in English daily and in 'Makkal Kural' in regional language. The company has also posted the same on its website [www.islconsulting.in](http://www.islconsulting.in)

As the quarterly/half yearly financial results are published in leading newspapers as well as posted on the company's website, the results are not sent to the individually to the shareholders.

### 10. Management Discussion and Analysis Report

The management discussion and analysis report forms part of this report.

### 11. General Shareholders Information

#### a) 21<sup>st</sup> Annual General Meeting

Date : 26<sup>th</sup> day of September, 2013

Time : 11.00 A.M.

Venue : No. 3, Murthy Lane, 1<sup>st</sup> Floor, off. Devaraja Mudali Street, Ratan Bazar, Chennai - 600003

#### b) Financial Year / Calender

The Company follows April to March as its Financial Year. The financial results will be declared as per the following schedule.

Particulars	Tentative Schedule
<b>Quarterly results</b>	
Quarter ending on June 30, 2013	On or before August 14, 2013
Quarter ending on September 30, 2013	On or before October 14, 2013
Quarter ending on December 31, 2013	On or before January 14, 2014
Quarter ending on March 31, 2014	Within sixty days from March 31, 2014

**c) Date of Book Closure:**

The Register of Members and Share Transfer Books of the Company will be closed from Monday, September 23, 2013 to Thursday, September 26, 2013 (both days inclusive) for the 21<sup>st</sup> Annual General Meeting of the company scheduled to be held on September 26, 2013.

**d) Listing on Exchange:**

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001

**e) Script Code:**

Bombay Stock Exchange Limited : 511609  
Demat ISIN Number in NSDL and CDSL : INE569B01014

**f) Market Price Data:**

Month	High (Rs.)	Low (Rs.)
April, 2012	8.66	7.50
May, 2012	8.17	6.94
June, 2012	8.03	6.91
July, 2012	7.25	6.90
August, 2012	10.80	5.95
September, 2012	13.11	8.75
October, 2012	8.90	6.76
November, 2012	14.99	8.61
December, 2012	15.45	9.10
January, 2013	9.10	6.25
February, 2013	13.52	7.22
March, 2013	14.93	10.48

**g) Share Transfer / Demat system:**

The Company as and when receives from the investors/shareholders for the conversion of their shares from physical mode to demat is usually confirmed within in a 15 days time after adhering to the formalities as required under the regulations and has no pending cases as at the end of the financial year.

The Company has Share transfer agents M/s Cameo Corporate Services Limited, Subramaniam Building –V Floor, No.1 Club House Road, Chennai – 600002 and the entire share transfers, transmissions etc., and shareholders Grievances, corresponding have been handled by them.

The company has obtained and filed with the Stock Exchange, the half yearly certificates from a Company Secretary in Practice for due compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement.

**h) Distribution of shareholding:****(a) Distribution of Equity Shareholding as on 31st March, 2013**

No. of shares held	No. of share holders	% of Total	No. of Shares	% of Total
<b>Upto-500</b>	9076	95.06	1118849	09.33
<b>501-1000</b>	233	02.44	187186	01.56
<b>1001-2000</b>	142	01.49	191285	01.59
<b>2001-3000</b>	43	00.45	112162	00.93
<b>3001-4000</b>	12	00.13	40100	00.33
<b>4001-5000</b>	5	00.05	23000	00.19
<b>5001-10000</b>	12	00.13	84900	00.71
<b>10001 &amp; above</b>	24	00.25	10242518	85.36
<b>Total</b>	<b>9547</b>	<b>100.00</b>	<b>12000000</b>	<b>100.00</b>

**(b) Dematerialization of Shares and Liquidity**

The company's shares are in compulsory demat segment and as on 31<sup>st</sup> March, 2013, equity shares of the company forming 86.47% of the Company's paid up equity share capital is in dematerialized form.

Following is the breakup of shares in physical and demat form as on 31<sup>st</sup> March, 2013.

Particulars	No. of Shares held	% of Holding
No. of Shares in Physical form	1623620	13.53%
No. of Shares in Demat form	10376380	86.47%
<b>Total</b>	<b>12000000</b>	<b>100.00%</b>

**(c) Shareholding Pattern as on 31st March, 2013**

Category	No. of Shares held	% of Share Holding
Promoters & Promoter Group	4546500	37.888%
Mutual Fund / UTI	-	-
Banks, Financial Institutions, Insurance Cos.	-	-
FII	-	-
NRI	87	0.001%
Corporate Bodies	2661337	22.178%
Clearing Member	800	0.006%
Indian Public	4791276	39.927%
<b>Total</b>	<b>12000000</b>	<b>100.000%</b>

**i) Instruments:**

The Company has not issued GDRs' / ADRs' / Warrants / Convertible Instruments.

**j) Address for Correspondence:**

**Registered Office :** No. 3, Murthy Lane, 1<sup>st</sup> Floor,  
off. Devaraja Mudali Street,  
Ratan Bazar, Chennai – 600003

**Corporate Office :** 501, 5<sup>th</sup> Floor, Abhijeet – II,  
Above Standard Chartered Bank,  
Nr. Mithakhali Six Road,  
Ahmedabad – 380009

**k) Address for Investor Correspondence:**

In case of any query shareholders can contact at:

**Address :** 501, 5<sup>th</sup> Floor, Abhijeet – II, Above Standard Chartered Bank, Nr. Mithakhali Six Road,  
Ahmedabad – 380009, Gujarat.

**Tel :** 079-40030351/352

**Email :** [innogroup@gmail.com](mailto:innogroup@gmail.com)

Shareholder may also contact Company's Registrar & Transfer Agent at:

**Name :** Cameo Corporate Service Limited

**Address :** Subramaniam Building – V Floor, No. 1 Club House Road, Chennai - 600002

**Tel :** 044-28460390

**Website :** [www.cameoindia.com](http://www.cameoindia.com)

**Place:** Chennai

**For and on behalf of the Board of Directors**

**Date:** 12/08/2013

**Hitesh C. Kothari**  
**Managing Director**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**ISL CONSULTING LIMITED,**  
Chennai

We have examined the compliance of conditions of Corporate Governance by ISL Consulting Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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' / Investors' Grievance Committee, except in cases of any legal dispute or constraints.

We further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Chennai**  
**Date: 12/08/2013**

**For, Venkatesh & Co.**  
**Chartered Accountant**  
**(F. R. No: - 004636S)**

**CA Dasaraty V**  
**Partner**  
**Membership No. 026336**

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**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for the members of the Board and the Senior Management Personnel and these Codes are available on the Company's website. I confirm that the Board and the Senior Management Personnel of the Company have complied with the Code of Conduct in respect of the financial year ended March 31, 2013.

**Place: Chennai**  
**Date: 12/08/2013**

**For, ISL Consulting Limited**

**Hitesh C. Kothari**  
**Managing Director**

**CERTIFICATION BY  
CEO/CFO PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT**

To,  
The Board of Directors,

As required by Clause 49(V) of the Listing Agreement with Stock Exchanges, we hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2013 and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or isolative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) that there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: Chennai**  
**Date: 12/08/2013**

**For, ISL Consulting Limited**

**Hitesh C. Kothari**  
**Managing Director**

NOTE: The Company is in process of appointing CFO. Hence, the certificate has been given by the CEO only.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE & DEVELOPMENT**

There are very few listed Corporate Companies in the area of brokerages and related activities and your Company is one among them. Our Company is the direct member of Multi Commodity Exchange of India Ltd. "Quality service with honest efforts" – is our motto. To deliver it, we have advance infrastructure and quality human resource. Our vast client base and their faith in our excellent services prove our strong presence in the market. We have the adequate understanding of market and our research is quit unique and stands among the best. The Membership Number of MCX - Reg.No: 31425 – FMC Code: MCX/TCM/CORP/1095.

### **OPPORTUNITIES & THREATS/ RISKS & RESOURCES**

With the company getting the membership from Multi Commodity Exchange for trading in commodities and the results are showing better signs and is hoping for better future ahead. However with the competition bringing down the brokerage income the company is approaching the future with cautious optimism.

### **INTERNAL CONTROL SYSTEMS**

The Company's systems and procedures are fully computerized and all the internal control procedures required in operating all the financial transactions are system based. The Company's accounts have been periodically reviewed by the undersigned along with the senior management personnel and the Statutory Auditors. Its effectiveness is assessed regularly through procedures / processes set up by management, covering all critical and important areas. These controls are periodically updated and are subject to review by internal auditors.

### **DISCUSSION OF FINANCIAL PERFORMANCE**

Your Directors are very hopeful to continue the performance of the company and post better results in the forth coming financial year and to add value to the shareholders. The Company is hopeful of improving its turnover and bottom line and hopeful of posting better revenue ahead.

### **MATERIAL DEVELOPMENT**

There has been no material development which affects or has material effect on the future of the company.



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**ISL CONSULTING LIMITED,**

### Report on Financial Statements

We have audited the accompanying financial statements of ISL Consulting Limited ("the Company"), which comprise the Balance Sheet for the year ended as at March 31, 2013 and the statement of Profit and Loss and Cash Flow Statement for the year 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, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). 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.

### Auditors' Responsibility

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 issue 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 judgement, 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.

### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company for the year ended as at March 31, 2013;
- b) in the case of Profit and Loss Account, of the profit / loss for the year ended on that date; and
- c) in the case of the 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the 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 proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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 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.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

**For, Venkatesh & Co.,  
Chartered Accountants  
F.R.No.:-004636S**

**Place: Chennai  
Date: 12/08/2013**

**CA Dasaraty V  
Partner  
Membership No.026336**

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT****(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date)**

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us during the course of the audit, we report that,

1.
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situations of fixed assets.
  - (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - (c) No assets have been disposed off during the year and the going concern concept is not altered.
2.
  - (a) In respect of the securities held as stock in trade and investments the same have been physically verified at reasonable intervals by the Management.
  - (b) The procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) The company is maintaining proper records of inventory and no material discrepancies are noticed on such physical verification.
3. The Company has not given or taken loans from the parties covered in the register Maintained under section 301 of the Companies act of 1956.
4. In our opinion and according to the explanations given to us the internal control procedure of the Company are commensurate with the size of the company and the nature of its business with regards to Fixed Assets other assets and with regard to the sale of securities. No instance of continuing failure to correct major weakness in internal control was noticed.
5. According to the information and explanations given to us there were no transactions of sale of shares made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act 1956.
6. The Company has not accepted any deposits from the public. Therefore the provisions of section 58 A and 58AA of the Companies Act 1956 and rules framed there under are not applicable.
7. The company has internal audit system commensurate with the size of the company
8. The Central Government has not prescribed for the Company maintenance of the Cost Records under clause (d) of sub section (1) of section 209 of the Act.

9. a) According to the records of the Company, the company is regular in depositing undisputed statutory dues and other statutory dues applicable to it with the appropriate authorities.  
b) According to the records of the Company and according to the information and explanations given to us, there are no dues of Income tax, Wealth tax, Sales tax, Excise duty and Cess, which have not been deposited on account of dispute.
10. The accumulated losses of the Company's does not exceeded 50% of its net worth and it has not incurred any cash loss during the current year.
11. The company has not taken term loans from any financial institutions bank or issued Debentures. Hence the question of default in repayment of dues does not arise.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is dealing in shares and proper records have been maintained for the transactions. We are informed that the investments are held in the name of the Company.
14. The company has not given guarantee for loans taken by others from Bank or financial institution.
15. The company has not obtained term loans during the year.
16. As per the records of the company no funds were raised on short term Basis and used for long term investment and vice versa
17. The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, prices at which shares have been issued is not prejudicial to the interest of the company.
18. The company has not issued any debentures and hence creation of Securities in respect of debentures does not arise.
19. The company has not raised money by way of public issue of shares.
20. According to information and explanations furnished to us no fraud on or by the company has been noticed or reported during the year.
21. The nature of the business of the company is such that the Clauses XIII, of paragraph 4 of the Companies Act (Auditors Report) Order 2003 are not applicable.

**For, Venkatesh & Co.,  
Chartered Accountants  
F.R.No.:004636S**

**Place: Chennai  
Date: 12/08/2013**

**CA Dasaraty V  
Partner  
Membership No.026336**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013****(In Rupees)**

	Particulars	Sch.No	As at 31.03.2013	As at 31.03.2012
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	1	12,00,00,000	3,00,00,000
	(b) Reserves and Surplus	2	(83,61,986)	(1,00,16,780)
<b>2</b>	<b>Non-Current Liabilities</b>			
	(a) Deferred Tax Liabilities (Net)	3	2,04,158	1,90,613
<b>3</b>	<b>Current Liabilities</b>			
	(a) Short-Term Borrowings	4	11,286	3,69,68,267
	(b) Trade Payables	5	4,90,673	75,032
	(c) Other Current Liabilities	6	5,23,471	10,95,328
	<b>Total</b>		<b>11,28,67,602</b>	<b>5,83,12,461</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	<b>(a) Fixed Assets</b>	7		
	a)Gross Block		50,44,411	49,17,070
	b) Less: Depreciation		40,52,464	40,05,769
	Net Block		9,91,947	9,11,301
	(b) Non- Current Investments	8	15,00,000	10,00,000
	(c) Long-Term Loans and Advances	9	13,24,742	4,41,80,424
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	10	3,19,49,679	1,13,07,118
	(b) Trade Receivables	11	4,264	-
	(c) Cash and Cash Equivalents	12	2,03,24,555	9,13,618
	(d) Other Current Assets	13	5,67,72,414	-
	<b>Total</b>		<b>11,28,67,602</b>	<b>5,83,12,461</b>

Notes on Accounts &amp; Significant Accounting Policies 21

The accompanying schedules are an integral part of the financial statements

**As per our report of even date**

**For, Venkatesh & Co.,**  
**Chartered Accountant**  
**F.R.No.:-004636S**

**CA Dasaraty V**  
**Partner**  
**Membership No. 026336**

**Place: Chennai**  
**Date: 12/08/2013**

**For and on behalf of Board of Directors**

**Hitesh C. Kothari**  
**Managing Director**

**C. K. Kothari**  
**Director**

**Mihir Mehta**  
**Company Secretary**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013****(In Rupees)**

	Particulars	Sch.No	Year Ended 31.03.2013	Year Ended 31.03.2012
I	Revenue from Operations	14	8,75,85,904	9,85,82,576
II	Other Income	15	35,15,238	52,56,253
III	<b>TOTAL REVENUE (I + II)</b>		<b>9,11,01,143</b>	<b>10,38,38,829</b>
IV	<b>EXPENSES</b>			
	Purchases of shares	16	10,23,61,071	9,64,60,360
	Changes in Inventories	17	(2,06,42,561)	(27,88,013)
	Employee Benefit Expenses	18	16,71,451	9,47,000
	Finance Costs	19	20,08,018	53,33,295
	Depreciation and Amortization Expenses	7	56,897	70,059
	Other Expenses	20	36,15,129	58,89,259
	<b>TOTAL EXPENSES</b>		<b>8,90,70,005</b>	<b>10,59,11,961</b>
V	<b>Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>20,31,138</b>	<b>(20,73,132)</b>
VI	Exceptional Items		-	-
VII	<b>Profit before Extraordinary Items and Tax</b>		<b>20,31,138</b>	<b>(20,73,132)</b>
VIII	Extraordinary Items			
IX	<b>Profit Before Tax</b>		<b>20,31,138</b>	<b>(20,73,132)</b>
X	Tax Expense			
	Current Tax		(3,62,800)	-
	Deferred Tax		(13,545)	(18,087)
XI	<b>Profit/(Loss) for the period from Continuing Operations (IX-X)</b>		<b>16,54,793</b>	<b>(20,91,219)</b>
XII	Profit/(Loss) from Discontinuing Operations			
XIII	Tax Expense of Discontinuing Operations			
XIV	Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)			
XV	<b>Profit(Loss) for the Period(XI+XIV)</b>		<b>16,54,793</b>	<b>(20,91,219)</b>
XVI	<b>Earnings per Equity Share</b>			
	-Basic		0.14	(0.70)
	-Diluted		0.27	-

The accompanying schedules are an integral part of the financial statements

**As per our report of even date**

**For, Venkatesh & Co.,**  
Chartered Accountant  
F.R.No.:-004636S

**CA Dasaraty V**  
Partner  
Membership No. 026336

Place: Chennai  
Date: 12/08/2013

**For and on behalf of Board of Directors**

**Hitesh C. Kothari**  
Managing Director

**C. K. Kothari**  
Director

**Mihir Mehta**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013****(In Rupees)**

<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>Cash flows from Operating Activities:</b>		
Profit before taxation	<b>20,31,138</b>	<b>(20,73,132)</b>
Adjustments for		
Depreciation	56,897	70,059
Investment Written off	1,29,311	30,65,000
Interest on Secured Loans	20,08,018	53,33,295
Interest income	(33,37,386)	(49,14,631)
Dividend income	(1,43,047)	-
Profit on sale of Investments	(12,97,200)	-
<b>Operating profit before working capital changes</b>	<b>(5,52,269)</b>	<b>14,80,592</b>
<b>Movements in working capital:</b>		
(Increase)/Decrease in Sundry Debtors	(4,264)	-
(Increase)/Decrease in Inventories	(2,06,42,561)	(27,88,013)
Increase/(Decrease) in Current Loans & Advances	(1,39,16,732)	(2,85,58,535)
Increase/(Decrease) in Current Liabilities and Provisions	(3,74,75,997)	(19,24,470)
<b>Cash generated from Operating Activities</b>	<b>(7,25,91,824)</b>	<b>(3,17,90,426)</b>
Direct Taxes/Appropriations	-	(18,087)
<b>Net Cash from Operating Activities</b>	<b>(7,25,91,824)</b>	<b>(3,18,08,514)</b>
<b>Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets	(1,37,543)	(2,38,339)
Interest Received	33,37,386	49,14,631
Investment Written off	(1,29,311)	-
Purchase of Investments during the year	(15,00,000)	-
Sale of Investments during the year	22,97,200	-
Dividend Income	1,43,047	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>40,10,779</b>	<b>46,76,292</b>
<b>Cash flow from Financing Activities:</b>		
Interest Paid	(20,08,018)	(53,33,295)
Increase/(Decrease) in Unsecured Loans	-	2,79,08,927
Share Capital Received	9,00,00,000	-
<b>Net Cash from / (used) in Financing Activities</b>	<b>8,79,91,982</b>	<b>2,25,75,632</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,94,10,937</b>	<b>(45,56,590)</b>
Cash and Cash equivalents at the beginning of the year	<b>9,13,618</b>	<b>54,70,207</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,03,24,555</b>	<b>9,13,618</b>

The accompanying schedules are an integral part of the financial statements

**As per our report of even date**

**For, Venkatesh & Co.,**

**Chartered Accountant**

**F.R.No.:-004636S**

**CA Dasaraty V**

**Partner**

**Membership No.026336**

**Place: Chennai**

**Date: 12/08/2013**

**For and on behalf of Board of Directors**

**Hitesh C. Kothari**

**Managing Director**

**C. K. Kothari**

**Director**

**Mihir Mehta**

**Company Secretary**

**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 Rs.</b>	<b>AS AT 31.03.2012 Rs.</b>
<b>SCHEDULE 1 : Share Capital</b>		
<b>Authorised Capital</b>		
12000000 Equity Shares of Rs.10/- each	12,00,00,000	3,00,00,000
<b>Issued, Subscribed &amp; Paid Up</b>	12,00,00,000	3,00,00,000
12000000 Equity shares of Rs.10/- each		
	<b>12,00,00,000</b>	<b>3,00,00,000</b>
<b>Name of the Shareholder</b>	<b>% Held</b>	<b>% Held</b>
Hitesh C. Kothari	6.38%	8.86%
Reem Build Pvt. Ltd.	17.08%	0.00%
Sanjay Shyamsunder Poddar	20.00%	0.00%
Infinity Comtrade Pvt. Ltd.	21.25%	0.00%
Total No. of Shares which share holders have interest of more than 5% of shares	<b>64.72%</b>	<b>8.86%</b>
<b>SCHEDULE 2 : Reserve &amp; Surplus</b>		
Balance brought forward from previous year	(1,00,16,780)	(79,25,560)
Add: Profit / (Loss) for the period	16,54,793	(20,91,219)
	<b>(83,61,986)</b>	<b>(1,00,16,780)</b>
<b>SCHEDULE 4 : Short term Borrowings</b>		
From Banks	-	-
From Others	11,286	3,69,68,267
	<b>11,286</b>	<b>3,69,68,267</b>
<b>SCHEDULE 5: Trade Payables</b>		
In respect of -		
Services	3,85,899	75,032
Expenses	1,04,774	-
	<b>4,90,673</b>	<b>75,032</b>
<b>SCHEDULE 6 : Other Current Liabilities</b>		
Withholding and other taxes payable	86,719	5,07,478
Provision for Expenses	4,36,752	5,87,850
	<b>5,23,471</b>	<b>10,95,328</b>
<b>SCHEDULE 8 : Current Investments</b>		
<b>QUOTED</b>		
Equity Shares		
1,25,000 shares of Terra Reserves Determination Tech Ltd at the rate of Rs.12/- each fully paid (Face value Rs.10/- each at a premium of Rs.2/-)	15,00,000	10,00,000
	<b>15,00,000</b>	<b>10,00,000</b>
<b>SCHEDULE 9 :Long-Term Loans and Advances</b>		
Security Deposits	13,24,742	11,40,583
Other Loans and Advances	-	-
	<b>13,24,742</b>	<b>11,40,583</b>



<b>SCHEDULE 10 : Inventories</b>		
(at cost or net realisable value whichever is lower)	3,19,49,679	1,13,07,118
	<b>3,19,49,679</b>	<b>1,13,07,118</b>
<b>SCHEDULE 11 : Trade Receivables</b>		
Sundry Debtors	4,264	-
	<b>4,264</b>	-
<b>SCHEDULE 12 : Cash and Cash Equivalents</b>		
a) Cash on hand	65,874	4,77,573
b) Bank balance with schedule bank on current a/c	2,02,58,681	4,36,045
	<b>2,03,24,555</b>	<b>9,13,618</b>
<b>SCHEDULE 13 : Other Current Assets</b>		
Advance Tax	-	-
Tax Deducted at Source	88,149	-
Other Advances & Deposits	5,66,84,265	4,30,39,841
	<b>5,67,72,414</b>	<b>4,30,39,841</b>

<b>SCHEDULE 3 : Deferred Tax Liabilities</b>	
<b>Particulars</b>	<b>Amount</b>
WDV as per Companies Act	9,91,947
WDV as per IT Act	3,31,241
	<b>6,60,706</b>
Deferred tax Liability for the year 2012-13	(2,04,158)
Less: Deferred liability for the year 2011-12	1,90,613
<b>Total Deferred Tax Liability for the year 2012-13</b>	<b>(13,545)</b>
Total Deferred Tax Liability in Profit & Loss Account	(13,545)

<b>Schedules attached to and forming part of the Profit &amp; Loss Account 31.03.2012</b>		
<b>Particulars</b>	<b>AS AT 31.03.2013 Rs</b>	<b>AS AT 31.03.2012 Rs</b>
<b>SCHEDULE 14 : Sales</b>		
Sales	8,62,88,704	9,85,82,575
Other Direct Income	12,97,200	-
	<b>8,75,85,904</b>	<b>9,85,82,575</b>
<b>SCHEDULE 15 : Other Income</b>		
Interest	33,37,386	49,14,631
Dividend Income	1,43,047	3,41,617
Other Income	34,805	5
	<b>35,15,238</b>	<b>52,56,253</b>
<b>SCHEDULE 16 : Purchase &amp; Contract Expenses</b>		
Purchases of Shares	10,23,61,071	9,64,60,360
	<b>10,23,61,071</b>	<b>9,64,60,360</b>

<b>SCHEDULE 17 : Changes In Inventories</b>		
Opening Stock	1,13,07,118	85,19,105
Closing Stock	3,19,49,679	1,13,07,118
<b>Changes in Inventories</b>	<b>(2,06,42,561)</b>	<b>(27,88,013)</b>
<b>SCHEDULE 18 : Employee Benefit Expenses</b>		
Bonus to Employees	1,57,960	41,300
Directors Remuneration	3,30,420	3,30,420
Salary	11,71,680	5,75,280
Staff Welfare Expenses	11,391	-
	<b>16,71,451</b>	<b>9,47,000</b>
<b>SCHEDULE 19 : Finance Costs</b>		
Interest Expenses	20,08,018	53,33,295
	<b>20,08,018</b>	<b>53,33,295</b>
<b>SCHEDULE 20 : Other expenses</b>		
Registration Expenses	-	32,959
Rent	7,89,600	5,93,700
Rates & Taxes	10,78,545	13,90,103
Bank Charges	1,419	2,547
Professional & Consultancy Charges	3,09,681	62,350
Electricity Charges	90,840	79,119
Audit Fees	84,270	55,150
Travel & Conveyance	3,14,707	2,49,019
Telephone & Internet Expenses	1,24,526	83,483
Annual fees	47,643	33,190
Office Expenses	2,50,682	39,162
Miscellaneous expenses	51,346	52,603
Repair and Maintenance Expenses	33,043	69,022
Income Tax Expenses	-	46,978
Investment Written off	1,29,311	30,65,000
Stationery & Printing Exp.	3,03,792	34,874
Penalty & Interest Expenses	5,724	-
	<b>36,15,129</b>	<b>58,89,259</b>

## Depreciation Schedule as per Companies Act 1956 as at 31.03.2013

## SCHEDULE 7 - FIXED ASSETS

PARTICULARS	GROSS BLOCK			Rate of Depreciation	DEPRECIATION						NET BLOCK	
	Cost As on 01.04.2012	Addition	Deletion		Cost As on 31.03.2013	Upto 01.04.2012	During the year	Depreciated on Written back for previous years	Deletion	Up to 31.03.2013	WDV as on 31.03.2013	WDV as on 31.03.2012
Plant & Machinery	2,95,305	-	-	2,95,305	1,52,896	14,027	-	-	1,66,923	1,28,382	1,42,409	
Furniture & Fixtures	2,16,392	-	-	2,16,392	2,08,481	-	-	-	2,08,481	7,911	7,911	
Computer	41,29,114	40,900	-	41,70,014	35,67,084	26,374	-	-	35,93,458	5,76,556	5,62,030	
Office Equipment	2,23,909	24,500	-	2,48,409	61,193	11,055	-	-	72,248	1,76,161	1,62,716	
Motor Vehicles	52,350	61,941	-	1,14,291	16,115	5,441	10,202	-	11,354	1,02,937	36,235	
<b>Total</b>	<b>49,17,070</b>	<b>1,27,341</b>	<b>-</b>	<b>50,44,411</b>	<b>40,05,769</b>	<b>56,897</b>	<b>10,202</b>	<b>-</b>	<b>40,52,464</b>	<b>9,91,947</b>	<b>9,11,301</b>	

**21. Notes on Accounts & Significant Accounting Policies****A. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of Preparation:**

Accounts have been prepared in accordance with the standards approved by the ICAI and relevant provisions of the Companies Act 1956.

**2. Revenue Recognition:**

A sale is recognized when the security is sold and delivery effected. Dividend income is recognized as and when declared and made unconditionally available.

**3. Depreciation:**

Depreciation is provided on the Straight Line Method and at the rates as specified in Schedule XIV of the Companies Act 1956, pro-rata on the number of the days the assets is put to use.

**4. Fixed Assets:**

Fixed Assets have been stated at cost less depreciation.

**5. Investments:**

Investments considered as Long Term Investments and are stated at cost. Investments considered under current investments (classified as inventory) is stated at cost or market price whichever is lower.

**B. Other Notes****1. Foreign Exchange Earnings & Outgo:**

Particulars	2013	2012
Expenditure in Foreign Exchange	Nil	Nil
Earnings in Foreign Exchange	Nil	Nil
Remuneration to Auditors	56,180	55,150

**2. Deferred tax:**

Opening deferred tax liabilities	1,90,613/-
Provided during the year	13,545/-
Closing balance of deferred tax liabilities	2,04,158/-

**3. Related Party Disclosure:**

Name of the Related Party	Relationship
Hitesh C. Kothari	Managing Director

Particulars	Hitesh C. Kothari
Directors Remuneration	3,30,420
	(3,30,420)
Shares Allotted (in Rs.)	50,00,000
	(0)
Share Capital @	76,59,000
	(26,59,000)

@ Closing Balance

- During the year the company has written off Rs. 1,29,311/- investments in certain companies which were struck off U/s 560 by Registrar of Companies.
- Previous year figures have been regrouped to confirm with the layout of the accounts of the current year.

As per our report of even date

For, Venkatesh & Co.,  
Chartered Accountant  
F.R.No.-004636S

CA Dasaraty V  
Partner  
Membership No. 026336

Place: Chennai  
Date : 12/08/2013

For and on behalf of Board of Directors

Hitesh C. Kothari                      C. K. Kothari  
Managing Director                      Director

Mihir Mehta  
Company Secretary

**Statement of significant accounting policies and notes on accounts**

Sr.No	Accounting Standard	Particulars	As at year ended 31.03.2013
		The method of accounting and compliance with various accounting standards is displayed below:-	
1	AS - 1	<b>Disclosure of Accounting Policies</b> The Accounts are maintained on accrual basis as a going concern.	
2	AS - 2	<b>Valuation of Inventories</b> Inventories are valued at cost or market price whichever is lower.	
3	AS – 3	<b>Cash Flow Statement</b> Cash flow statement is prepared and the same is annexed.	
4	AS – 4	<b>Contingencies and events occurring after balance sheet date</b> This accounting standard is not applicable to the company	
5	AS – 5	<b>Net profit or loss for the period, prior period items and changes in accounting policies</b>  <b>NIL</b>	
6	AS – 6	<b>Depreciation accounting</b> Depreciation has been provided under the straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956	
7	AS – 7	<b>Construction Contracts</b> This accounting standard is not applicable to the company	
8	AS – 8	<b>Research &amp; Development</b> This accounting standard is withdrawn	
9	AS – 9	<b>Revenue Recognition</b> Revenue is recognized on Mercantile basis.	
10	AS – 10	<b>Accounting on Fixed Assets</b>	

		The cost of fixed assets includes purchase price and other cost incurred for acquisition.	
11	AS – 11	<b>Accounting for the effects in Foreign exchange rates</b> No foreign currency transactions.	
12	AS – 12	<b>Accounting for Government Grants</b> The company has not received any grants from the government	
13	AS – 13	<b>Accounting for Investment</b> Investments are considered as long term and are valued at cost.	
14	AS - 14	<b>Accounting for Amalgamation</b> This standard is not applicable to the company	
15	AS – 15	<b>Accounting for Retirement benefit</b> The company has not made any provision regarding retirement benefits. Since the number of employees is less than the required number of employees as per the statutory provisions of the relevant law in force.	
16	AS – 16	<b>Borrowing cost</b> The company has not incurred any borrowing cost during the year.	
17	AS – 17	<b>Segment reporting</b> NIL	
18	AS – 18	<b>Related Party Disclosure</b> Related party transactions are disclosed as per prescribed in the accounting standards.	
19.	AS – 19	<b>Accounting for Leases</b> This accounting standard is not applicable to the company	
20	AS – 20	<b>Earnings Per share (EPS)</b> Disclosure is made in the profit and Loss account as per the requirements of the standard.	

21	AS – 21	<b>Consolidated financial statements</b> This accounting standard is not applicable to the company	
22	AS – 22	<b>Accounting for Taxes on Income</b> Current tax is determined as the amount of tax payable in respect of taxable income for the period  Deferred tax liability and assets recognized as per the accounting standards	
23	AS – 23	<b>Accounting for investment in Associates in consolidated financial</b> No such investment during the balance sheet period and hence this will not applicable to the company	
24	AS – 24	<b>Discontinuing operations</b> No such intention of discontinuing the operation.	
25	AS – 25	<b>Interim financial reporting</b> The same has been complied as per the AS -25 requirements.	
26	AS – 26	<b>Intangible assets</b> No Intangible Asset is considered	
27	AS – 27	<b>Financial reporting of Joint ventures</b> The company has no interest in joint ventures	
28	AS – 28	<b>Impairment of Assets</b> No such impairment of assets.	
29	AS – 29	<b>Provisions, Contingent Liabilities and Contingent assets</b>  (i) Provisions NIL (ii) Contingent liabilities NIL (iii) Contingent assets NIL (iv) Contested liabilities NIL	



**ISL CONSULTING LIMITED**

Regd Off.:No.3, Murthy Lane, First Floor, Off: Devaraja Mudali Street, Rattan Bazar, Chennai 600003

**ATTENDANCE SLIP**

21ST ANNUAL GENERAL MEETING – THURSDAY, SEPTEMBER 26, 2013.

DP – Client Id\* / Folio No. ....No. of Shares held.....

I / We certify that I / We am / are a registered shareholder of the Company.

I / We hereby record my / our presence at 21st Annual General Meeting of the Company on Thursday, September 26, 2013 at No.3, Murthy Lane, First Floor, Off: Devaraja Mudali Street, Rattan Bazar, Chennai 600003

Name of the Shareholder .....

Address of the Shareholder .....

Signature of the Shareholder.....

NOTE: Shareholders are requested to bring Attendance Slip duly filled in and hand over the slip at the entrance of the meeting venue.

\* Applicable for shares held in electronic form.

**Note: No Gift/Gift Coupons/Refreshment Coupons will be distributed at the Meeting**

**ISL CONSULTING LIMITED**

Regd Off.:No.3, Murthy Lane, First Floor, Off: Devaraja Mudali Street, Rattan Bazar, Chennai 600003

**PROXY FORM**

21st ANNUAL GENERAL MEETING – THURSDAY, SEPTEMBER 26, 2013.

DP – Client Id\* / Folio No. ....No. of Shares held.....

I / We .....of..... being a member / members of **ISL CONSULTING LIMITED** hereby appoint..... of ..... or failing him / her, .....of..... as my / our proxy to attend & vote for me / us on my / our behalf at the **21st Annual General Meeting** of the Company to be held on **Thursday, September 26, 2013 at 11.00 AM**. At **No.3, Murthy Lane, First Floor, Off: Devaraja Mudali Street, Rattan Bazar, Chennai 600003** or at any adjournment thereof.

Signed this ..... Day of ....., 2013

Affix Revenue Stamp
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This form is to be used @ in favour of / against the resolution. Unless otherwise instructed, the proxy will act as he/she thinks.

\* Applicable for shares held in electronic form.

@ Strike out whichever is not desired.

**NOTES**

1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The proxy need not be a member of the Company.
2. The form should be signed across the stamp as per specimen signature registered with the Company.

**BOOK –POST**

**To,**

**If undelivered, please return to:  
ISL CONSULTING LIMITED  
Corp. Off.: 501, 5<sup>th</sup> Floor, Abhijeet - II,  
Above Standard Chartered Bank, Nr. Mithakhali Six Road,  
Ahmedabad – 380 009  
Tel: 079-40030351**