

**14<sup>th</sup>**

**Annual Report  
2007 - 08**

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**INANI SECURITIES LIMITED**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. SHRIGOPAL INANI	Chairman
Mr. LAKSHMIKANTH INANI	Managing Director
Mr. RAMAKANTH INANI	Whole Time Director
Mr. VISHNUKANTH INANI	Whole Time Director
Mr. SURESH JANAKIRAM KABRA	Director
Mr. RAMESH ATHASNIYA	Director
Mr. ANAND RAMESHCHANDRA CHANDAK	Director

### AUDITORS

#### M/s. G.D. UPADHYAY & CO.

Chartered Accountants  
15-1-53, IInd Floor,  
Opp. Goshamahai High School,  
Siddiamber Bazar,  
Hyderabad - 500 012.

#### DEMAT & PHYSICAL SHARE REGISTRARS :

Venture Capital & Corporate Investments Pvt Ltd  
MIG - 167, Bharat Nagar Colony  
Hyderabad - 500 018.  
SEBI Regn. No. INR 00001203

### PRINCIPAL BANKERS

HDFC Bank Limited  
Lakdi-ka-pool,  
Hyderabad - 500 004.

### LEGAL ADVISOR :

**Mr. Shyamsunder Lahoti**, Advocate  
# 15-9-49, Maharajgunj,  
Hyderabad - 500 012.

### TAMILAND MERCANTILE BANK LIMITED

Siddiamber Bazar,  
Hyderabad - 500 012.

### REGISTERED OFFICE

G-15, Raghava Ratna Towers,  
5-8-352/14&15, Chiraga Ali Lane,  
Hyderabad - 500 001.

### CORPORATE OFFICE

B/23, 2nd Floor, Plot No. 13,  
Wadala Sriram Industrial Estate,  
G.D. Ambekar Marg, Wadala (W)  
Mumbai - 400 031.

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 14<sup>TH</sup>. ANNUAL GENERAL MEETING OF THE MEMBERS OF INANI SECURITIES LTD WILL BE HELD ON **TUESDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2008** AT 10.00 A.M, AT RAJASTHANI GRADUATES ASSOCIATION HALL, SITUATED AT, 5-4-790/1, FIRST FLOOR, LANE OPP. TO G.PULLA REDDY SWEETS, ABIDS, HYDERABAD - 500 001 TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

- 1 To receive, consider and adopt :
  - a) The Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2008;
  - b) The Profit & Loss Account for the year ended as on that date;
  - c) The auditor's report thereon; and
  - d) The directors report.
2. To appoint a Director in place of Mr. Shrigopal Inani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Suresh Janakiram Kabra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.
5. To declare dividend on equity shares.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Instruments of Proxy/ Proxies in order to be effective, must be deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26<sup>th</sup> September, 2008 to 30<sup>th</sup> September, 2008 (both days inclusive) for determining the names of members eligible for dividend. If approved on equity shares.
5. The Members holding shares in physical form, may write to the Company's share transfer agents for any change in their address and bank mandates. Members holding shares in electronic form may intimate the same to their respective Depository Participants to enable the Company to dispatch the communications at their correct addresses.



**INANI SECURITIES LIMITED**

6. Members who hold their shares in dematerialised form are requested to bring their client ID and DP numbers for easy identification of attendance at the meeting.

By Order of the Board  
Sd/  
**Shrigopal Inani**  
Chairman

Place : Hyderabad

Date : 29<sup>th</sup> August, 2008.

**DETAILS AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**ITEM 1:**

Sri Shrigopal Inani is a Commerce graduate from Osmania University, having varied experience in fields of Textiles, Banking and Finance. He is associated with many social and Trade Associations. As a director of The A.P. Mahesh Co-operative Urban Bank Ltd, he derived rich experience in the fields of banking and finance.

**ITEM 2 :**

Mr. Suresh Janakiram Kabra, who is a Commerce Graduate from Osmania University is having vast experience in the fields of insurance and finance.



## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the 14<sup>th</sup> Annual Report along with the audited statements of accounts of your company for the financial year ended 31<sup>st</sup> March, 2008.

**FINANCIAL RESULTS :**

A snapshot of the financial performance of the company for the year 2007-08 is as under:

Particulars	Year ended 31st March 2008 (Rs.in Lakhs)	Year ended 31st March, 2007 (Rs.in Lakhs)
Total Revenue	391.99	284.35
Extraordinary Income	384.44	74.09
Profit before Interest, Depreciation&Tax	575.46	239.44
Profit before Depreciation & Tax	542.33	208.57
Profit Before Tax & Exceptional Item	535.61	181.14
Less:Prior year Adjustment&Exceptional Items	(3.36)	(2.65)
Net Profit Before taxation	532.25	178.49
Provision for Tax		
- Current tax	135.16	39.69
- Less Deferred Tax	(3.87)	(3.47)
- Less Fringe Benefit Tax	1.49	1.27
- Earlier year Tax	3.17	Nil
Net Profit	396.30	141.00
Add: Balance brought forward from the last year	352.15	211.15
Profit available for appropriation	748.45	352.15
Proposed Dividend	45.57	Nil
Tax on Dividend	7.74	Nil
Balance carried to Balance Sheet	695.13	352.15

**REVIEW OF PERFORMANCE :**

During the year under review the profit before tax increased to Rs.532.24 lacs from Rs.178.49 lacs in previous year resulting in the net profit after tax to Rs.396.30 lacs. Bullish stock market conditions in first two quarters of year under review added to the financial performance of your company and overall growth of the company was satisfactory, except some sharp volatility in last quarter when stock market experienced extreme bearish trends due to global cues.

**DIVIDEND :**

Considering the satisfactory performance and in line with payout policy, your Directors have pleasure to recommend a dividend at the rate of 10 % equivalent to Rs.1/- per equity share of Rs.10/- each for the year 2007-08, subject to the approval of shareholders at the forth coming Annual General meeting.



## INANI SECURITIES LIMITED

### DIRECTORS :

In accordance with the provisions of section 255 of the Companies act, 1956 and article 113 of the Articles Association of the Company Mr. Shrigopal Inani and Mr. Suresh Janakiram Kabra Director(s) retires by rotation at the ensuing Annual General meeting and being eligible, offers themselves for the re-appointment.

### STATUTORY AUDITORS :

M/s. G.D. Upadhyay & Co., Chartered Accountants, Auditors of the Company hold office till conclusion of the ensuing Annual General Meeting of the company and are eligible for the re-appointment. The Company is in receipt of confirmation from M/s. G.D. Upadhyay & Co that in the event of their re-appointment as statutory auditors of the Company, such re-appointment will be within the prescribed limits specified U/s 224(1B) of the companies Act, 1956. The Board of Directors proposes to re-appoint them for another term to hold office till the conclusion of the next Annual General Meeting.

### LISTING ARRANGEMENT :

Your Company's shares are listed on

- 1) Bombay Stock Exchange Ltd., (B S E)

The listing fees for the year 2008-09 has been paid to BSE. The Hyderabad Stock Exchange Limited, where also shares were listed, has since been de recognised.

### PUBLIC DEPOSITS :

During the year under review, your company has not accepted any Public Deposits pursuant to section 58A of the Companies Act, 1956.

### STATUTORY INFORMATION :

#### A. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

##### a) CONSERVATION OF ENERGY

The company is engaged in providing financial services and as such its operations do not account for substantial energy consumption. However, the company is taking all possible measures to conserve energy. Several environment friendly measures have been adopted by the company such as :

- Installation of TFT monitors that save power
- Automatic power shutdown of idle monitors.
- Creating environmental awareness by the way of distributing information in electronic form.
- Minimising air-conditioning usage
- Shutting off all the lights when not in use
- Education and awareness programmes for employees.

##### b) TECHNOLOGY ABSORPTION

The management understands the importance of technology in the business segments. It operates and lays utmost emphasis on system development and the use of best technology available in the industry. The management keeps itself abreast with technological advancements in the industry and ensures continued and sustained efforts towards absorption of technology, adaptation as well as development of the same to meet business needs and objectives.



### c) FOREIGN EXCHANGE EARNINGS/OUTGO

There are no FOREX transactions during the year under review.

### PARTICULARS OF EMPLOYEES :

No employee of your company is in receipt of remuneration of Rs. 24 lakhs p.a. or part thereof pursuant to Section 217(2A) of the Companies Act, 1956 and the companies (Particulars of Employees), Rules 1975 as amended.

### CORPORATE GOVERNANCE :

Your company has complied with all the mandatory provisions of the revised clause 49 of the Listing Agreement. As part of the Company's efforts towards better corporate practice and transparency, a separate report on Corporate Governance compliances is included as a part of the Annual Report.

A certificate from the Statutory Auditors, regarding compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this report on Corporate Governance.

### DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuance to provisions of Section 217(2AA) of the Companies Act, 1956 the Directors of your Company confirm that :

- i. in the preparation of the annual accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any, therefrom;
- ii appropriate Accounting Policies have been selected and applied them consistently. The Judgements and estimates made 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 ended 31st March, 2008 and of the profit of company for the said period.
- iii proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of this Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the annual Accounts have been prepared on a going concern basis.

### ACKNOWLEDGEMENTS :

The Directors place on record their gratitude to the government, regulators, stock exchanges, other statutory bodies and the company's bankers for the assistance, co-operation and encouragement extended to the Company. The directors also place on record their sincere appreciation of the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance. Last but not the least, the Directors would like to thank valuable shareholders for their support and contribution. We look forward to their continued support in the future.

By Order of the Board

Place : Hyderabad  
Date : 29th August, 2008.

Sd/  
Shrigopal Inani  
Chairman



## CORPORATE GOVERNANCE REPORT

### I. CORPORATE PHILOSOPHY :

At your company, Corporate Governance is viewed as an ethical and moral duty. We believe that corporate Governance is a system of structuring, operating and controlling a company to achieve long-term strategic goals and ensuring interest of all the stakeholders, including shareholders, creditors, employees, customers and suppliers, complying with the legal and regulatory requirements, apart from meeting the environmental and local community needs. It is about commitment to values, ethical conduct of business and responsibility towards the stakeholders and society at large.

The company has adopted the best corporate governance practices, based on following principles.

- A strong, professional and independent Board with rich and varied experience
- Accountability for functioning and transparency in conduct
- Systematic and timely disclosure of all material information
- Adequate risk management and internal control systems
- Compliance with the applicable rules and regulations
- Independent verification of financial reporting
- Value creation for stakeholders

Your company understands that the customer is purpose of our business and every customer is an important stakeholder of the Company, performing ethically and efficiently to generate long-term value and wealth for all its stakeholders.

The report on corporate governance, as per the applicable provisions of Clause 49 of the listing agreement is as under :

### II. Board of Directors :

The routine affairs of the Company are managed by the Managing Director and assisted by two Whole Time Director(s) of the Company.

Your Company is committed for adoption of best governance practices, their adherence in true spirit and conduct its affairs in a manner, which is transparent, clear and evident to those having dealings with or having a stake in the company. Company lays strong emphasis on business ethics in all its dealings. In line with the vision and long term business objectives, all major corporate decisions are taken by the company's professional Board in conjunction with a competent management team, keeping in view the best interest of all its stakeholders.

The Company presently has seven Directors, including Whole-Time Directors.

During the year under review Eight Board Meetings were held on 30<sup>th</sup> April, 2007, 29<sup>th</sup> June, 2007, 11<sup>th</sup> July, 2007, 31<sup>st</sup> July, 2007, 28<sup>th</sup> August, 2007, 25<sup>th</sup> October, 2007, 31<sup>st</sup> October, 2007 and 31<sup>st</sup> January, 2008. The composition of the Board and attendance of the Directors at the Board Meetings held during the financial year under review and the last Annual General Meeting (AGM), number of Directorships and memberships/ chairmanships in public companies (including the Company) are given below :





## INANI SECURITIES LIMITED

Name of the Director	Category	Financial Year 2007-08 Attendance at		No of Committee Positions		No. of Directorship in other companies
		BM	Last AGM	Member	Chairman	
Mr. Shrigopal Inani	Non-Executive Chairman	4	Yes	1	-	1
Mr. Lakshmikanth Inani	Executive	8	Yes	-	-	3
Mr. Ramakanth Inani	Executive	8	Yes	1	-	3
Mr. Vishnukath Inani	Executive	5	No	1	-	3
Mr. Suresh Janakiram Kabra	Non-Executive Independent	4	Yes	1	1	1
Mr. Anand Rameshchandra Chandak	Non-Executive Independent	5	No	1	1	-
Ramesh Athasniya	Non-Executive Independent	3	Yes	1	1	-
Mr. Amit Surana	Non-Executive Independent	3	Yes	-	-	-

As may be seen from the above, the Non-Executive Directors constitute 50% of the total number of Directors. The Company has Non-Executive Chairman and one third of the total strength of the Board comprises of independent Directors.

### III. BOARD PROCEDURE

A detailed Agenda is sent to each Director at least a week in advance of the Board and Committee meetings. A detailed functional report is also placed at every Board Meeting. The Board reviews :

- Strategic and Business plans
- Annual operating and capital expenditure plans
- Investment and exposure limits
- The information on financial obligation and disciplinary action.
- Compliance with statutory/regulatory or Listing requirements and review of major legal issues.



- The unaudited quarterly / half yearly / annual results and audited annual accounts of the Company for consideration and adoption.
- Transactions pertaining to purchase and sale of assets, which are undertaken other than in the normal course of business.
- Major accounting provisions and write-offs.
- Minutes of meeting of the Audit and other committees of the Board
- Share transfers, Dematerialisation and Investor Grievances.

#### IV. Audit Committee :

The Audit Committee of Directors comprised of Mr. Suresh Janakiram Kabra (Chairman), Mr. Ramakanth Inani & Mr. Ramesh Athasniya. The scope of the committee includes :-

- a) Reviewing the Company financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment /removal of statutory auditors, fixing audit fees and approving payments for any other service.
- c) Reviewing the periodic financial statements before submission to the board , focussing primarily on :
  - any changes in accounting policies and practices
  - significant adjustments arising out of audit.
  - compliance with Accounting standards.
  - Compliance with legal requirements concerning financial statements.
  - any related party transactions i.e. transactions of the Company of material nature, with promoters, or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the Company at large.
- d) Reviewing with the management, reports furnished by internal and statutory auditors, and the adequacy of internal control system and recommending improvements to the management.

During the period under review, five Audit Committee meetings were held on 30th April 2007, 31st July, 2007, 28th August 2007, 31st October 2007 and 31st January 2008. All the members of the Audit Committee were present at all the meetings. In these meetings, inter alia, the committee considered the audit reports covering operational, financial and other business risk related areas. The Audit Committee meetings were held at the registered office of the Company.