

15th

Annual Report
2008 - 09

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INANI SECURITIES LIMITED



INANI SECURITIES LIMITED

BOARD OF DIRECTORS

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

AUDITORS

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

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

DEMAT & PHYSICAL SHARE REGISTRARS :

Venture Capital & Corporate Investments Pvt Limited
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,
Chirag Ali Lane,
Hyderabad - 500 001.
E-mail : info@inanisec.in

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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INANI SECURITIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 15TH ANNUAL GENERAL MEETING OF THE MEMBERS OF **INANI SECURITIES LTD** WILL BE HELD ON **TUESDAY, THE 29TH DAY OF SEPTEMBER, 2009** AT 4.00 P.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 31st March 2009
 - 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. Ramesh Athasniya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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 **26th September, 2009 to 29th September, 2009 (both days inclusive)**.
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.
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.

Place : Hyderabad

By Order of the Board

Date : 24th August, 2009.

Sd/-
SHRIGOPAL INANI
 Chairman

DETAILS AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

ITEM 2

Mr. Ramesh Athasniya, who is a Chartered Accountant having vast experience in the field of accountancy and finance.



INANI SECURITIES LIMITED

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 15th Annual Report of your company on the business operations together with the audited financial accounts for the financial year ended 31st March, 2009

FINANCIAL RESULTS:

The following are the Financial Results of your company for the year ended 31st March, 2009.

Particulars	Year ended 31st March 2009 (Rs.in Lakhs)	Year ended 31st March, 2008 (Rs.in Lakhs)
Total Revenue	232.82	391.99
Extraordinary Income (Net off Tax)	-	384.44
Profit before Interest, Depreciation&Tax	99.00	575.46
Profit before Depreciation & Tax	73.34	542.33
Profit Before Tax & Expectional Item	56.07	535.61
Less: Prior year Adjustment & Expectional Items	0.06	(3.36)
Net Profit Before taxation	56.01	532.25
Less : Provision for Tax		
- Current tax	16.56	135.16
- Deferred Tax	1.64	(3.87)
- Fringe Benefit Tax	1.18	1.49
- Earlier year Tax	-	3.17
Less : Adjustment for employee benefits	2.26	-
Net Profit	34.37	396.30
Add : Balance brought forward from the last year	695.13	352.15
Profit available for appropriation	729.50	748.45
Proposed Dividend	-	45.57
Tax on Dividend	-	7.74
Balance carried to Balance Sheet	729.50	695.13

REVIEW OF PERFORMANCE:

During the year under review the global economy went in recession. All the asset class viz. (Equity, Commodities & real estates) experienced sharp down trends. The Net Profit after Tax of your company stood reduced to Rs.34.37 Lacs.

DIVIDEND:

In view of inadequate profits during under review, your Directors do not recommend any dividend for the year 2008-09.



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DIRECTORS:

In accordance with the provisions of section 255 of the Company act, 1956 and articles 113 of the Articles Association of the Company, Mr. Ramesh Athasniya Director who retires by rotation at the ensuing Annual General meeting and being eligible, offer 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 and will 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 have been paid.

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 :

The company 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 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.



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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 Listing Agreement. As part of the Company's effort towards better corporate practice and transparency, a certificate is obtained from the Statutory Auditors, regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. in preparation of the annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any, there from;
- 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, 2009 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 would like to take this opportunity to express sincere thanks to its valued clients for their continued patronage. The Directors express their deep sense of appreciation of all the employees, whose continuing support, commitment and initiatives has made the organisation's growth. Finally, the Directors wish to express their gratitude to the shareholders for their trust and support.

for and on behalf of the Board

Place : Hyderabad

Date : 24th August, 2009.

Sd/-
SHRIGOPAL INANI
Chairman



CORPORATE GOVERNANCE REPORT

I. CORPORATE PHILOSOPHY:

At your company, Corporate Governance is viewed as a 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 supplies, 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 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
- Systemic 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 the Whole Time Director(s) of the Company.

Your Company is committed for adoption of best governance practices, their adherence in true spirit and conduct of its affairs in a manner, which is transparent, clear and evident to those having dealing 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.



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The company presently has seven Directors, including Whole-Time Directors. The brief profile of your company's Board of Directors is as Under :

During the year under review Five Board Meetings were held on 30th April, 2008, 31st July, 2008, 29th August, 2008, 31st October 2008 & 31st January, 2009. 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:

Name of the Director	Category	Financial Year 2008-09 Attendance at BM Last AGM		Financial Year 2008-09 No of Committee Positions	
				Member	Chairman
Mr. Shrigopal Inani	Non-Executive Chairman	4	Yes	1	-
Mr. Lakshmikanth Inani	Executive	5	Yes	-	-
Mr. Ramakanth Inani	Executive	5	Yes	1	-
Mr. Vishnukanth Inani	Executive	4	No	1	-
Mr. Suresh Jankiram Kabra	Non-Executive Independent	4	Yes	2	1
Mr. Anand Rameshchandra Chandak	Non-Executive Independent	4	No	2	1
Mr. Ramesh Athasniya	Non-Executive Independent	4	Yes	1	1

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. Anand Rameshchandra Chandak (Chairman), Mr. Suresh Jankiram Kabra & Mr. Ramesh Athasniya. The scope of the committee includes:-

- a) Reviewing the Company's 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 external 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 or their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large;
- d) Reviewing with the management, reports furnished by internal and external auditors, and the adequacy of internal control system and recommending improvements to the management.

During the period under review, five meetings of Audit Committee were held on 30th April 2008, 31st July, 2008, 29th August 2008, 31st October, 2008 and 31st January 2009. 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.

V. CODE OF CONDUCT

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) regulations, 1992 (as amended), the board has approved the 'Code of Conduct for Prevention of Insider Trading' and authorized the Audit Committee to implement and monitor the various requirements as set out in the Code.

VI. WHISTLE BLOWER POLICY

Pursuant to clause 49 of the listing agreement, the Company has put in place the 'Whistle Blower Policy' duly approved by the Board. Further, it is hereby affirmed that the Company has not denied any personal access to the audit committee of the Company (in respect of matters involving alleged misconduct) and that the Company has provided protection to 'Whistle Blower Policy' from unfair termination and other unfair or prejudicial employment practices.

VII. MANAGERIAL REMUNERATION

- a) **Remuneration Committee** : The Remuneration Committee of the Company is empowered to review, assess and recommend the appointment of Whole time Directors, to periodically review the remuneration package of Whole Time Directors and recommend suitable revision to the Board.



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The Remuneration Committee comprised of Mr. Suresh Jankiram Kabra (Chairman), Mr. Anand Rameshchandra Chandak & Mr. Srigopal Inani. During the year under review one remuneration Committee meeting was held on 31st July, 2008.

b) Remuneration Policy : The remuneration of the whole-time Directors(s)/ appointee(s) is decided by the Remuneration Committee based on criteria such as industry benchmark, the Company's performance vis-a-vis the industry, performance/track record of the whole time Director(s)/appointee(s). The Company pays remuneration by way of remuneration, perquisites and allowances (fixed component), to its whole time directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from 1st April, annually. A sitting fee of Rs.1,000/- per meeting of the Board is paid for attendance at the said Board meeting to its members other than whole time directors. Sitting Fees is separately paid @ Rs.500/- per meeting for attending the Committee Meetings to Directors other than whole time Directors.

c) Remuneration to Directors : In respect of the financial year 2008-09 a sum of Rs.8,10,000/-, was paid as remuneration to the Managing Director and Whole time directors.

INDEPENDENT DIRECTORS :

Name	Sitting fees paid during FY 08-09 Amount in Rupees
Sri. Shrigopal Inani	Rs. 6,000/-
Sri. Suresh Jankiram Kabra	Rs. 6,000/-
Sri. Anand Rameshchandra Chandak	Rs. 6,000/-
Sri. Ramesh Athasniya	Rs. 6,000/-

VIII. INVESTORS' GRIEVANCES COMMITTEE :

The Investors' Grievance Committee of the Board is empowered to address/attend to/ redress the investor's complaints pertaining to share transfers, non-receipt of annual reports, issue of duplicate certificates, transmission (with and without legal representation) of shares. Its scope also includes delegation of powers to the executives of the Company share transfer agents, to process share transfers and other investor related matters. During the Year 2008-09 Investors' Grievance Committee Comprised of Mr. Ramesh Athasniya (Chairman), Mr. Anand Rameshchandra Chandak and Mr. Suresh Jankiram Kabra. During the year under review two Investors' Grievance Committee Meetings were held on 30th April, 2008 & 31st January 2009.

IX. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr. Vijay Kumar Pathak, Officer Secratelial Department.