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**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

5-1-53, II<sup>nd</sup> 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.

TAMILAND MERCANTILE  
BANK LIMITED  
Siddiamber Bazar,  
Hyderabad - 500 012.

**LEGAL ADVISOR :**

**Mr. Shyamsunder Lahoti**, Advocate  
# 15-9-49, Maharajgunj,  
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.  
E-mail : bby@inanisec.in

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 17<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF **INANI SECURITIES LTD** WILL BE HELD ON **SATURDAY, THE 23<sup>RD</sup> DAY OF JULY, 2011** 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 31<sup>th</sup> March, 2011,
  - b) The Profit & Loss Account for the year ended as on that date,
  - c) The auditor's report there on: and
  - d) The directors report.
2. To appoint a Director in place of Mr. Suresh Janakiram Kabra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ramesh Athasniya, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 **20<sup>th</sup> July, 2011 to 23<sup>rd</sup> July, 2011 (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

Date : 24<sup>th</sup> June, 2011

By Order of the Board

Sd/-

**SHRIGOPAL INANI**

Chairman

**Details of Directors seeking Appointment at the Annual General Meeting Pursuant to Details as required under Clause 49 of the Listing Agreement**

Particulars	Mr. Suresh Jankiram Kapra	Mr. Ramesh Atharvya
Date of Birth	18-04-1942	28-10-1970
Date of Appointment	29-08-2002	29-08-2007
Qualifications	B.com	C.A.
Expertise in Specific Functional Areas	Vast Experience in Insurance & Finance	Wide Experience in Accounts & Finance

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository Participants. Members who hold shares in physical form are requested to register their email address with company's registrar and transfer agents i.e. M/s. Venture Capital & Corporate Investments Private Limited H.NO. 12-10-167, BHARAT NAGAR, HYDERABAD – 500018 in the below mentioned format.

Name:..... e-mail id:.....  
 Address:.....  
 Folio No.:.....  
 No. of equity shares held:.....

Signature of member

**DIRECTORS' REPORT**

To

The Members,

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report of your company on the business operations together with the audited financial accounts for the financial year ended 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS:**

A snapshot of the Financial performance of the Company for the year 2010-11 is as under:

Particulars	Year ended 31st March 2011 (Rs.in Lakhs)	Year ended 31st March 2010 (Rs.in Lakhs)
Total Revenue	249.04	252.60
Profit before Interest, Depreciation&Tax	110.28	113.01
Profit before Depreciation & Tax	87.31	93.58
Profit Before Tax & Exceptional Item	73.35	75.72
Less: Prior year Adjustment & Exceptional Items	2.46	1.51
Net Profit Before taxation	70.89	74.21
<b>Less : Provision for Tax</b>		
- Current tax	21.33	22.89
- Deferred Tax	0.50	(0.20)
- Earlier Year Tax	0.45	1.01
Net Profit	48.61	50.51
Add : Balance brought forward from the last year	780.01	729.50
Profit available for appropriation	828.63	780.01
Proposed Dividend	-	-
Balance carried to Balance Sheet	828.63	780.01

**REVIEW OF PERFORMANCE:**

During the year under review the financial year 2010-11 was marked by a fairly tough financial environment due to slowdown in some of the major economies of the world. The Net profit after tax of your company stood reduced to Rs. 48.61 Lacs (Previous Year Rs. 50.51 Lacs ).

**DIVIDEND:**

Your Directors do not recommend any dividend for the year 2010-11.

**DIRECTORS:**

In accordance with the provisions of section 255 of the Companies Act, 1956 and article 113 of the Articles of Association of the Company, Mr. Suresh Janakiram Kabra and Mr. Ramesh Ashasiya Director(s) 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 2010-11 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 :****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 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. 60 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:**

Pursuant 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, 2011, 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, 2011 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 in the future.

for and on behalf of the Board

Place : Hyderabad

Sd/-  
**SHRIGOPAL INANI**

Date : 24<sup>th</sup> June 2011

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 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 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.

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 Four Board Meetings were held on 30<sup>th</sup> April, 2010, 31<sup>st</sup> July, 2010, 30<sup>th</sup> October, 2010 and 31<sup>st</sup> January, 2011. 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 2010-11 Attendance at		Financial Year 2010-11 No. of Committee position	
		BM	Last AGM	Member	Chairman
Mr. Shrigopal Inani	Non-Executive Chairman	3	Yes	1	-
Mr. Lakshmikanth Inani	Executive	4	Yes	-	-
Mr. Ramakanth Inani	Executive	4	Yes	-	-
Mr. Vishnukanth Inani	Executive	3	No	-	-
Mr. Suresh J Kabra	Non-Executive Independent	3	Yes	2	1
Mr. Anand Rameshchandra Chandak	Non-Executive Independent	3	No	2	1
Mr. Ramesh Athasniya	Non-Executive Independent	3	Yes	2	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

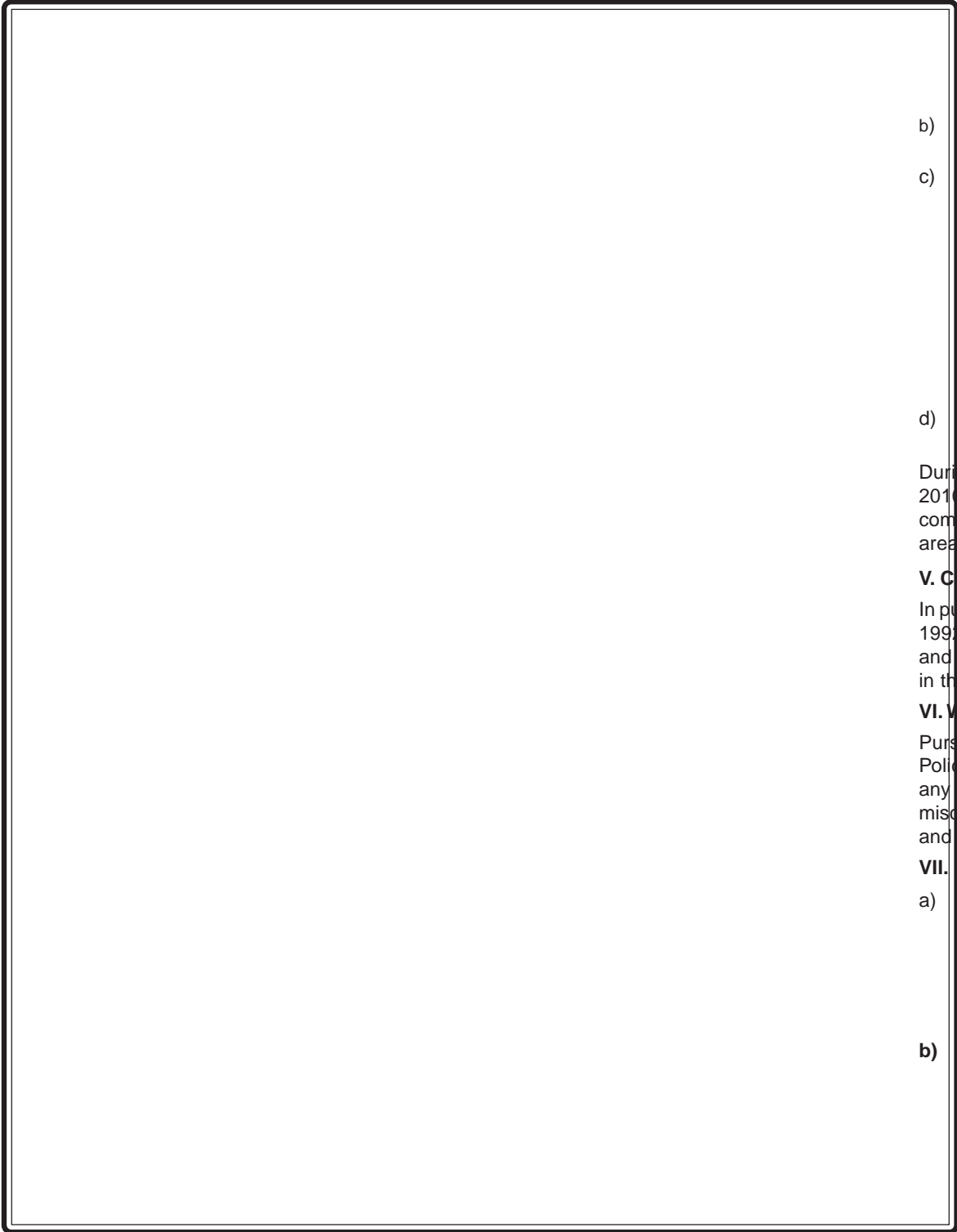
A detailed Agenda is sent to each Director at least a week in advance of the Board and Committee meetings. A detailed functional report is also placed at every Board Meeting. The Board reviews :

- 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 ap  
payments for any other
- c) Reviewing the periodic  
on :
  - Any changes in ac
  - Significant adjustn
  - Compliance with A
  - Compliance with l
  - Any related party  
promoters or the m  
conflict with the in
- d) Reviewing with the ma  
adequacy of internal c

During the period under re  
2010, 31<sup>st</sup> July, 2010, 30<sup>th</sup>  
committee considered the a  
areas. The Audit Committe

**V. CODE OF CONDUCT**

In pursuance of the Securit  
1992 (as amended), the bo  
and authorised the Audit C  
in the Code.

**VI. WHISTLE BLOWER PO**

Pursuant to clause 49 of th  
Policy' duly approved by th  
any personnel, access to th  
misconduct) and that the C  
and other unfair or prejudic

**VII. MANAGERIAL REMU**

- a) **Remuneration Comm**  
review, assess and rec  
the remuneration pack  
Board. The Remunera  
Mr. Anand Rameshcha  
meeting of remunerati

- b) **Remuneration Policy**  
by the Remuneration C  
performance vis-a-v  
Director(s) appointee(s)  
allowances (fixed com  
to its whole time direc  
within the salary scale  
sitting fee of Rs. 1,000.  
members. Sitting Fees  
Meetings to Directors