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Company Information

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 (Resigned w.e.f. 30-9-2013)	<i>Director</i>
Mr. Dhanraj Soni (Appointed w.e.f. 30-9-2013)	<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. Goshamahahal 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

Visit us at : www.inanisec.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 19TH ANNUAL GENERAL MEETING OF THE MEMBERS OF **INANI SECURITIES LTD** WILL BE HELD **ON MONDAY, THE 30TH DAY OF SEPTEMBER, 2013** AT 10.30 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 31th March, 2013,
 - b) Statement of Profit & Loss for the year ended 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 Jankiram Kabra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED THAT Mr. Ramesh Athasniya, a Non Executive Independent Director liable to retire by rotation, who does not offer himself for reappointment, be not re-appointed as Independent Director of the Company and Mr. Dhanraj Soni be and is hereby appointed as Director liable to retirement by rotation in place of the Retiring Director such as the vacancy, so caused on the Board of the Company, be filled up.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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 27th September, 2013 to 30th September, 2013 (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.



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 : 31.07.2013

**Details of Directores seeking Appointment/Re-appointment at the Annual General Meeting
(Pursuant to Details as required under Clause 49 of the Lisiting Agreement)**

Particulars	Mr. Suresh Jankiram Kabra	Mr.Dhanraj Soni
Date of Birth	18-04-1945	23-07-1965
Date of Appointment	29-08-2005	30-09-2013
Qualifications	B.com	B.com
Expertise in Specific Functional Area	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



INANI SECURITIES LIMITED

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 19th Annual Report of your company on the business operations together with the audited financial accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS:

A snapshot of the Financial performance of the Company for the year 2012-13 is as under:

Particulars	Year ended 31st March 2013 (Rs.in Lakhs)	Year ended 31st March 2012 (Rs.in Lakhs)
Total Revenue	198.93	231.73
Profit before Interest, Depreciation&Tax	70.00	89.57
Profit before Depreciation & Tax	57.40	47.58
Profit Before Tax & Exceptional Items	10.77	35.24
Prior year Adjustment & Exceptional Items	15.74	(3.26)
Net Profit Before taxation	26.51	31.98
Less : Provision for Tax		
- Current tax	5.05	8.44
- Deferred Tax	2.39	1.48
Net Profit	19.07	22.06
Add : Balance brought forward from the last year	850.69	828.63
Earlier Year Tax/Refund	4.23	0
Profit available for appropriation	873.99	850.69
Proposed Dividend	-	-
Balance carried to Balance Sheet	873.99	850.69

REVIEW OF PERFORMANCE:

During the year under review the financial year 2012-13 was marked by a fairly tough financial environment due to slowdown in some of the major economies of the world. Reflecting the subdued scenario, the Net profit after tax of your company stood reduced to Rs. 19.07Lacs.

DIVIDEND:

Keeping in view the future expansion plans and capital requirements of the company, the Board of Directors believe it is necessary to conserve cash flow and thereby do not recommend any dividend for the year 2012-13.

DIRECTORS:

In accordance with the provisions of section 255 of the Companies act, 1956 and articles 113 of the Articles of Association of the Company Mr. Suresh Jankiram Kabra Director retires by rotation at the ensuing Annual General meeting and being eligible, offer himself for the re-appointment.

Shri Ramesh Athasniya retires by rotation at the ensuing Annual General Meeting and has given a notice to the Company expressing his unwillingness to be re-appointed. The Board received notice proposing to appoint Shri Dhanraj Soni in place of Shri Ramesh Athasniya.

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:

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd., (B S E). The listing fees for the year 2013-14 has been paid to the Exchange.

PUBLIC DEPOSITS:

Your company has neither invited nor accepted any deposits from public within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

STATUTORY INFORMATION:**A. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :****a) CONSERVATION OF ENERGY**

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. 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 :

The company is committed to uphold the highest standards of Corporate Governance and adhere to the requirements set out by Securities and Exchange Board of India and stock Exchanges, 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 M/s. G.D. Upadhyay & Co., Chartered Accountants 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 confirm that :

- i. in the preparation of the annual accounts for the financial year ended 31st March, 2013, 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 Judgments 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, 2013 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:

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory bodies, stake holders and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all employees at all levels of the company. We look forward to their continued support in the future.

By order of the Board

Sd/-

SHRIGOPAL INANI

Chairman

Place : Hyderabad

Date : 30.05.2013

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 all 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 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.

During the year under review Four Board Meetings were held on 30th May, 2012, 31st July, 2012, 31st October, 2012 and 31st January, 2013 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	Finacial Year 2012-13 Attendance at		Finacial Year 2012-13 No.of Committee Position	
		BM	Last AGM	Member	Chairman
Mr. Shrigopal Inani	Non-Executive Chairman	4	No	1	-
Mr. Lakshmikanth Inani	Executive	4	Yes	-	-
Mr. Ramakanth Inani	Executive	4	Yes	-	-
Mr. Vishnukanth Inani	Executive	4	No	-	-
Mr. Suresh J 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	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 issue
- The unaudited quarterly / half yearly / annual results and audited annual accounts of the Company of 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 Janakiram 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, focusing 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 external auditors, and the adequacy of internal control system and recommending improvements to the management.

During the period under review, Four Audit Committee meetings were held on 30th May, 2012, 31st July, 2012, 31st October, 2012 and 31st January, 2013. All the members of the Audit Committee were present at all the Committee 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 personnel 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. The Remuneration Committee comprised of Mr. Suresh Janakiram Kabra (Chairman), Mr. Anand Rameshchandra Chandak and Mr. Srigopal Inani. During the year under review Two remuneration Committee meeting was held on 30th May, 2012 & 31st January, 2013.
- 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, salary, perquisites and allowances (fixed component), incentive, remuneration and commission (variable 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 to its members. Sitting Fees is separately paid @ Rs.250/- per meeting for attending the Committee Meetings to Directors other than whole time Directors.