

KADVANI SECURITIES LIMITED

ANNUAL REPORT 2009-10

Registered Office:

Niraj Apartment, Shop No.1, Ground Floor,
22 - New Jagnath Plot, Mahakali Mandir Road, Rajkot, Gujarat.
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KADVANI SECURITIES LIMITED

CONTENTS

1. Notice of Annual General Meeting	1
2. Management's Discussion and Analysis	12
3. Report on Corporate Governance	15
4. Secretarial Audit Report	24
5. Directors' Report	28
6. Auditors' Certificate on Corporate Governance	31
7. Auditors' Report on Financial Statements	32
8. Balance Sheet	39
9. Profit and Loss Account	40
10. Cash Flow Statement	41
11. Schedules forming part of Balance Sheet and Profit and Loss Account	42
12. Significant Accounting Policies and Notes on Accounts	43
13. Attendance Slip and Proxy Form	58

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held at the registered office of the Company at Shop No.1, Niraj Apartment, Ground Floor, 22 - New Jagnath Plot, Mahakali Mandir Road, Rajkot on Wednesday the 21st day of July, 2010 at 11 a.m. for transacting the following business:

Ordinary Business:

1. To receive, consider and adopt Directors' Report, Auditors Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the period ended to 31st March, 2010.
2. To appoint a Director in place of Mr. Suresh V. Mavani, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Sumit Mehta & Co. Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

Special Business:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lacs only) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 16 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

KADVANI SECURITIES LIMITED

V. The Authorized Share Capital of the Company is 12,00,00,000/- (Rupees Twelve Crore only) divided into 1,20,00,000 (One Crore Twenty Lac only) Equity Shares of Rs. 10/- (Rupees Ten only) each, with the rights, privileges and conditions attaching thereto as are provided by the regulation of the Company for the time being with power from time to time to increase or reduce its capital and to divide the shares in the original or increased capital for the time into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being."

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force), the existing Clause 5 (a) of the Article of Association of the Company be and is hereby substituted by the following:

"The Authorised Share Capital of the Company is 12,00,00,000/- (Rupees Twelve Crore only) divided into 1,20,00,000 (One Crore Twenty Lac only) Equity Shares of Rs. 10/- (Rupees Ten only) each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power from time to time to increase or reduce its capital and to divide the shares in the original or increased capital for the time into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being."

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the existing guidelines/regulations/ rules issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or re-enactment thereof for the time being in force) and other applicable laws, and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include and committee constituted for the time being in force, thereof) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or

KADVANI SECURITIES LIMITED

sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded to Board and the Board be and is hereby authorized to offer, issue and allot by way of preferential allotment up to 87,50,000 [Eighty Seven Lacs Fifty Thousand] Equity Shares of Rs.10/- each (Rupees Ten only) at a par aggregating to Rs. 8,75,00,000/- (Rupees Eight Crore Seventy Five Lacs only) out of which 12,00,000 Equity Shares be issued and allotted to Promoter group and the balance 75,50,000 Equity Shares to domestic investors and/or bodies corporate (the "Preferential Shareholders"), on preferential allotment basis without offering the same to any persons who at the date of offer, are holders of the equity shares on such terms and conditions and in such manner as the Company may deem fit, with power to the Board to settle details as to form, the terms and conditions of issue and/or allotment and to modify or accept any modifications thereto and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent of the Members, with the intent that the Members shall be deemed to have given their consent thereto expressly by the authority of this resolution.

Sr. No.	Name of the Allotees (Proposed Allotees)	Number of Shares Proposed to be allotted
A	Promoter and Promoter Group	
1.	Ashok Kadvani	12,00,000
	Total	12,00,000
B	Non Promoter Group	
1.	Nilesh Chandrakant Sheth	1,00,000
2.	Chandrakant Sheth	1,00,000
3.	Shah Navin Popatlal Jt. Shah Priti Navin	1,50,000
4.	Shah Priti Navin Jt. Shah Navin Popatlal	2,00,000
5.	Navin P. Shah (HUF)	1,50,000
6.	Chanchal Jain/Gokhru	1,50,000
7.	Ashok R. Talesara	1,00,000
8.	Seema A. Talesara	1,00,000
9.	Vibha A. Talesara	1,00,000
10.	Abha A. Talesara	1,00,000
11.	Nitin D. Talesara	1,00,000
12.	Vishnu R. Talesara	1,00,000
13.	Sunita V. Talesara	1,00,000
14.	Ashok R. Talesara (HUF)	1,00,000
15.	Pankaj Maganlal Babariya	3,00,000
16.	Arunaben Pankaj Babariya	3,00,000
17.	Meena Jain	2,00,000
18.	Vimala Jain	2,00,000
19.	Hemlata Jain	2,00,000
20.	Pukhraj Jain	2,00,000
21.	SevantiKumar P. Jain	2,00,000
22.	Presilco Impex Limited	5,00,000
23.	Pari Stock Trading Pvt. Ltd	5,00,000
24.	Bhanwarlal Mangilal Jain	8,00,000

25.	Rajmal Mangilal Jain	5,00,000
26.	Prakshat Rajesh Shrimankar	1,50,000
27.	Pushpadevi B. Jain	1,00,000
28.	Partixsha Bharat Shah	1,00,000
29.	Priti Sanjay Shah	1,00,000
30.	Meena H. Kachhara	1,00,000
31.	Nitu Jain	1,00,000
32.	Dilip Pichholiya	1,00,000
33.	Mukesh Pichholiya	1,00,000
34.	Vimla Dilip Dugar	1,00,000
35.	Sumitra Sunderlal Devpura	1,00,000
36.	Bhagyavati Prakash Devpura	1,00,000
37.	Pavan Gandhi	3,50,000
38.	Dishin C. Shrimanker	1,50,000
39.	Shefali C. Shrimanker	1,50,000
40.	Milan B. Khakhar (HUF)	1,00,000
41.	Prakash B. Khakhar (HUF)	1,00,000
	Total	75,50,000
	Total	87,50,000

“RESOLVED FURTHER THAT the aforesaid equity shares shall rank *pari passu* in all respect with the existing equity shares of the Company. The equity shares allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in Regulation 78 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.”

RESOLVED FURTHER THAT the equity shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

RESOLVED FURTHER THAT the relevant date as per Regulation 71 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the determination of applicable price for the issue of equity shares shall be thirty (30) days prior to the date of this Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) and/ or such other appropriate authority may impose at the time of their approval as agreed by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any Committee formed thereof for the powers conferred upon it by this resolution, to any individual so authorized by the Board.

KADVANI SECURITIES LIMITED

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting Equity Shares of the Company as aforesaid, the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Equity Shares of the Company, as it may in its absolute discretion, deem fit and proper."

**BY ORDER OF THE BOARD OF DIRECTORS OF
KADVANI SECURITIES LIMITED**

Sd/-

Place: Rajkot
Date: June 21, 2010

(Shailesh Ved)
Director

Registered Office:
Shop No.1, Niraj Apartment,
Gr. Floor, 22 - New Jagnath,
Mahakali Mandir Road, Rajkot 360 001

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to bring their copy of Notice of Annual General Meeting to the Meeting.
3. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of Special Business of the Notice are annexed hereto.
4. The Register of Members and the transfer books of the company will be closed from Saturday, July 17, 2010 to Tuesday, July 20, 2010 both days inclusive for taking record of its shareholders.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

KADVANI SECURITIES LIMITED

6. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, Intime Spectrum Registry Limited. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agents.
7. Members/Proxies should fill the attendance slip for attending the Meeting.
Members /Proxy holders are requested to produce admission slip duly completed and signed.

**BY ORDER OF THE BOARD OF DIRECTORS OF
KADVANI SECURITIES LIMITED**

**Place: Rajkot
Date: June 21, 2010**

**Sd/-
(Shailesh Ved)
Director**

KADVANI SECURITIES LIMITED

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all the material facts relating to the Notice of the Seventeenth Annual General Meeting of the Company to be held on Wednesday, the 21st day of July, 2010 at 11.00a.m.

Item No. 4 and 5:

To meet the long term working capital needs of the Company it is proposed by the Board to induce additional funds by way of increasing share capital. Your Board at its meeting held on June 21, 2010 subject to the approval of the shareholders, has proposed to increase the authorized share capital of the Company to that extent, due to which, the existing Capital Clause no. V of the Memorandum of Association of the company needs to be altered.

The Proposed resolution under the item No. 4 and 5 seeks to obtain Members' approval to alter Capital Clause as mentioned above in the Memorandum of Association of the Company. Pursuant to section 16 of the Companies Act, 1956 if the Memorandum is to be altered, an Ordinary Resolution is required to be passed by the Members of the Company.

Your Board of Directors recommends the Ordinary Resolution for your approval as set out under item No. 4 & 5 of the Notice for convening the Annual General Meeting.

A Copy of the Memorandum of Association of the Company with the proposed amendment will be available for inspection of the Members, on all working days at its Registered Office between 11.00 a.m. and 1.00 p.m.

None of Your Directors are interested in the above resolutions except to the extent of their shareholding in the Company

Item No. 6:

Your Board at its meeting held on June 21, 2010, has proposed to increase the Authorised Share Capital of the Company, due to which, the existing Clause 5(a) of the Article of Association of the company needs to be altered.

The Proposed resolution under this item No. 6 seeks to obtain Members' approval to alter Clause 5 (a) in the Article of Association of the Company. Pursuant to section 31 of the Companies Act, 1956 if the Articles are to be altered, a Special Resolution is required to be passed by the Members of the Company.

Your Board of Directors recommends the Special Resolution for your approval as set out under item No. 6 of the Notice for convening the Annual General Meeting.

A Copy of the Article of Association of the Company with the proposed amendment will be available for inspection of the Members, on all working days at its Registered Office between 11.00 a.m. and 1.00 p.m.

KADVANI SECURITIES LIMITED

Item No. 7:

The Board, in order to support the growth plans of the company and to consolidate its businesses, is considering / reviewing various options including its business operations which would be beneficial in the interest of the company and its shareholders.

The current business activity is to make Investment and trading in Shares and Securities, giving loans and advances, Corporate Advisory Services and project and management consultancy services. As the Company is NBFC Company, It is intended to raise funds for expansion of business and to make further investment in Shares and securities, mutual funds, etc as well as for long term and short term working capital requirements of the company for growth, capital expenditure and for other corporate purposes.

The shares to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of issue. The equity shares referred to above shall rank *pari passu* with all the existing shares of the Company in all respects including as to dividend.

Pursuant to Section 81 (1A) of the said Act the further equity shares may be offered by the Company to such persons in the manner whatsoever, if a special resolution to that effect is passed by the Company in General Meeting.

The proposed Special Resolution is designed to comply with the requirements of Section 81 (1A) of the Act in the context of issue.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Act, Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 and in terms of the provisions of the Listing Agreement to issue and allot Equity Shares as stated in the Special Resolution and on the following terms as stated here in below:

I. The object of the issue through preferential offer:

As mentioned above, It is intended to raise funds for expansion of business i.e. to make funding activity as the Company is NBFC Company and to make further investment in Shares and securities, mutual funds, etc as well as for long term and short term working capital requirements of the company for growth, capital expenditure and for other corporate purposes.

II. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:

The Promoters/Directors/ Key Management of the Company have conveyed to the Company in writing of their respective intention that Promoters, Directors, Key Management Persons are intend to subscribe to the offer being proposed under special resolution of the Notice for shareholders' approval at this meeting.

III. Shareholding pattern before and after the Preferential Allotment:

Shareholding pattern before and immediately upon the allotment of 87,50,000 Equity Shares pursuant to the offer.