

15th

Annual Report
2008 - 09



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.

Visit us at : www.inanisec.in



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.

**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.



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.



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 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 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.



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 Director(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.

X. GENERAL BODY MEETINGS :

- Location and time of General Meetings held in last 3 years :

Year	Type	Date	Venue	Time
2007 - 2008	AGM	30 th September, 2008	Rajasthani Graduates Association Hall, 5-4-790/1, First Floor, Lane Opp to G. Pulla Reddy Sweets, Hyderabad - 500 001.	10.00 A.M.
2006 - 2007	AGM	29 th September, 2007	Rajasthani Graduates Association Hall, 5-4-790/1, First Floor, Lane Opp to G. Pulla Reddy Sweets, Hyderabad - 500 001.	4.00 P.M.
2005 - 2006	AGM	23 rd September, 2006	Rajasthani Graduates Association Hall, 5-4-790/1, First Floor, Lane Opp to G. Pulla Reddy Sweets, Hyderabad - 500 001.	11.00 A.M

XI. CEO / CFO CERTIFICATION

Mr.Lakshmikanth Inani, Managing Director, appointed in terms of the Companies Act, 1956 is heading the finance functions, certify to the Board that :

- i) He has reviewed the financial statements and the cash flow statements for the year ended 31st March, 2009, and to the best of the knowledge and belief state that :
 - a) These statements do not contain any materially untrue statement or any material fact has been omitted or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- ii) To the best of his knowledge and belief, no transactions entered are fraudulent, illegal or violate the Company's Code of Conduct.
- iii) He accepts the responsibility for establishing and maintaining internal controls evaluating the effectiveness, disclosing the deficiencies to the Auditors and the Audit Committee and take steps or propose to take steps to rectify these deficiencies.
- iv) He indicates to the Auditors and Audit Committee that there is :
 - a) No significant change in internal control Processes during the year,
 - b) No significant change in Accounting Policies : and
 - c) No instance of fraud have taken place.



CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement relating to Corporate Governance with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial year 2008 - 09.

Hyderabad

Date : 24th August, 2009.

for and on behalf of the Board
for **INANI SECURITIES LIMITED**
LAKSHMIKANTH INANI
Managing Director

XII. OTHER DISCLOSURES :

A. RELATING TO TRANSACTIONS

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with its promoters, directors, Management and Subsidiaries that had a potential conflict with the interest of the Company at large.

B. NON - COMPLIANCE BY THE COMPANY

The Company has complied with various rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital markets during the last three years.

XIII. MEANS OF COMMUNICATION :

The Company regularly submits quarterly financial results to the Stock Exchanges immediately after they are taken on record by the Board. Further, coverage is given by publication of the financial results in the leading economic and vernacular daily newspapers.

The quarterly financial results and other shareholder related information are also posted on SEBI EDIFAR website.

Management Discussion and Analysis is covered in the Directors' Report to the shareholders which forms a part of the Annual Report.

XIV. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting

Date and time : 29th September, 2009 at 4.00 P.M

Venue : Rajasthani Graduates Association Hall, 5-4-790/1, First Floor, SNATAK BHAVAN, Lane Opp to G. Pulla Reddy Sweets, Abids, Hyderabad - 500 001.

Date of Book closure : 26th September, 2009 to 29th September, 2009
(both days inclusive)

XV. Financial Calender :

Financial Reporting for the quarter ending 30th June, 2008	Last week of July, 2008
Financial Reporting for the quarter ending 30th September, 2008	Last week of October, 2008
Financial Reporting for the quarter ending 31st December, 2008	Last week of January, 2009
Financial Reporting for the quarter ending 31st March, 2009	Last week of April, 2009

**XVI. Listing on Stock Exchanges and stock code:****Stock Codes :**

The Bombay Stock Exchange Limited 561672
ISIN No. NSDL/CDSL INE224C01014

XVII. STOCK MARKET DATA :

Monthly closing high and low prices of your companies shares traded on BSE for the Financial Year 2008 - 09

Months	High	Low
April 2008	46.10	35.50
May 2008	43.00	32.50
June 2008	37.35	34.20
July 2008	33.75	29.50
August 2008	29.40	28.00
September 2008	27.00	21.40
October 2008	22.40	19.35
November 2008	21.25	19.90
December 2008	21.25	20.70
January 2009*	----	----
February 2009*	----	----
March 2009*	----	----

* There were no trades during the period.

Registrar and Transfer Agents:**Venture Capital & Corporate Investments Pvt Limited**

H.NO. 12-10-167,
BHARAT NAGAR,
HYDERABAD – 500018
Andhra Pradesh.

E-mail : pv_srinu@hotmail.com
Tel No. : 040-23868023/23868024

Share Transfer System:

The turn around time for completion of transfer of shares in physical form is generally 15 days from the date of receipt, if the documents are clear and complete in all respect.

Details of queries / complaints received and resolved during the year 2008-09. The total number of complaints received and resolved during the year was :

Total Complaints Received - NIL

Total Complaints Resolved - NIL

As confirmed by M/s. Venture Capital & Corporate Investments Limited (RTA of the Company) the complaints are generally attended within 15 days from the date of receipt.

**XVIII. DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2009 :-**

Range of Ordinary Shares	No of Holders	% to Holders	No of Shares	% of Capital
Up to 500	370	47.38	81,825	1.80
501 to 1000	310	39.69	2,22,965	4.89
1001 to 2000	29	3.71	44,552	0.98
2001 to 3000	5	0.64	12,000	0.26
3001 to 4000	4	0.51	13,582	0.30
4001 to 5000	3	0.39	13,500	0.30
5001 to 10000	6	0.77	46,547	1.02
10001 above	54	6.91	41,22,729	90.45
Total	781	100.00	45,57,700	100.00

XIX. SHARE HOLDING PATTERN AS ON 31ST MARCH, 2009 :-

Sl. No.	Type of Shareholder	No. of Shares held	% of Total
1	Promoter		
	Indian	2376488	52.14
	Foreign	-	-
2	Financial Institutions & Banks	-	-
3	FII's & OCB's	-	-
4	Mutual Fund/s	-	-
5	Non Resident Indians	50	0.001
6	Domestic Companies	36776	0.81
7	Individuals	2144386	47.05
	Total	4557700	100.00

XX. DEMATERIALISATION OF SHARES :-

The Company's shares are available for trading compulsorily in demat form. Your company has entered into agreements with both Depository viz. National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). for dematerialization of shares. The ISIN code allotted to the companies Equity Shares is INE224C010214. As on 31-3-2009 the electronics holding by Members comprises 85.30% of the paid up ordinary share capital of the Company held through the National Securities Depositories Limited 17.01% and Central Depository Services (India) Limited 68.29% as on 31st March, 2009. and Central

XXI. ADDRESS FOR CORRESPONDENCE :-**Venture Capital & Corporate Investment Pvt Limited**

H.NO. 12-10-167,
BHARAT NAGAR,
HYDERABAD – 500018

E-mail : pv_srinu@hotmail.com
Tel No. : 040-23868023/23868024

Andhra Pradesh

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and developments :

During the year gone by, the world economy continued to suffer recessionary conditions. Though the Indian economy suffered comparatively much less, there was nevertheless, a decline in growth. After clocking over 8.5% average GDP growth for the last five years, the real GDP growth for 2008-09 has been pegged at 6.7%.

The last year has been an exceptionally challenging year for the global economy and financial sector. India, while fundamentally in a much stronger position, has also experienced the impact of these events as they were transmitted through the trade and capital channels. Your company is confident that the Indian economy's robust fundamentals and domestic growth drivers will impart, it the resilience to emerge stronger from this period. We believe, the economic recovery, some signs of which are already visible, will gather momentum in the coming months, and in due course see India returning to a high growth trajectory.

Over the past five decades, India has emerged as a vibrant and dynamic economy propelled by the consumptive demand from domestic population.

The company will continue to be driven by a deep and abiding belief in our clients/customer's conviction in a more promising future. Our activity over the years is directly attributable to the tremendous skills and determination of our personnel and associates. We feel proud to work alongside with them as we continue our company's journey.

Yours Directors have been able to meet the challenges posed by these developments due to its strong leadership and vast experience strengths of its Directors.

Recently your company launched internet based trading platform to the clients from NSE's online software called "NOW" (NEAT on Web). We have acquired the membership in MCX Stock Exchange Ltd in Currency Derivatives segment in the month of October 2008. We have web based back office accounting system for the benefit of clients.

b) Opportunities and Threats :

As the company is in stock broking it is exposed to various types of risks including credit, liquidity, operational, legal, compliance and reputation risks.

A high caliber workforce, large network of branches, state of art infrastructure facilities and a competitive customer service and advanced tech savvy environment, helped the company to get a prime slot in the minds of the people.

The winds of change sweeping the country have revived up stock broking to meet the onslaught of globalization. Infused with new zeal, the broking industry has expanded its services to include faster dispensing methods, 24- hour automated machines and computerized transactions.

Company is having fully computerized environment in all its branches with interconnectivity through internet.



Economic recession engulfed the world economy has its impact on stock broking system too. Small investors/portfolio has posed problems on the profitability.

The introduction of advanced technology measures have also imposed greater responsibility to protect against various information security threats.

Stock Broking companies, like any other industry are exposed to credit, market and operational risks in the day to day operation. Linking of Interest spread affects the profitability structure of the company.

Regulatory and Monetary Policy of the SEBI and the Government of India largely affects the operational viability of the company.

Competition from peer group and foreign banks may affect the profitability.

c) Outlook :

The year under review i.e. the financial year 2008-09 has been a challenging year. Looking ahead, we see favourable prospects for the Indian economy. Our strong leadership will continue to support rates of growth over the medium-term. India has weathered the global storm with a high degree of resilience and we expect the Indian economy to return to a robust growth path ahead of other economies that are experiencing recessionary conditions.

We believe that the strategy that we have followed and strong leadership and vast experience strengths of directors that we have built provide a strong foundation for our growth in the years to come. We look forward to the continued support and goodwill of all our clients and stakeholders in our endeavour.

d) Risk and Concerns :

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risks in the stock broking are managed through a comprehensive internal control framework. The control framework is designed based on categorization of all functions into front-office, comprising business groups, comprising credit, back office, comprising operations and corporate and support functions. Your company is in a business where fortunes and realities change every minute. Your company has developed a comprehensive and integrated risk management framework, comprising a clear understanding of strategy, policies initiatives, norms, structured reporting and control. This approach ensures that the risk management discipline is centrally initiated by the senior management but progressively decentralized, extending to managers at various organizational levels, helping them mitigate risks at the transactional level.

The major risks include the effect of economic and political conditions in India and overseas, volatility in interest rates and in securities market, new regulations and Government policies that might impact the business of the company.

e) Internal Control system and their adequacy : The Company has a proper and adequate system of internal control which is proportionate to its size and volume of business. The internal control system of the Company are designed to ensure that the financial and other records are reliable for preparing financial statements and other data for maintaining accountability of assets.

- f) **Discussion on Financial Performance with respect to Operational Performance** : The Financial Statements are prepared under the historical cost convention in accordance with Indian generally accepted accounting principles and the provisions of the Companies Act, 1956. All Income and Expenditure having a material bearing on the Financial Statements are recognised on accrual basis. The Management has taken utmost care for the integrity and the objectivity of these Financial Statements, as well as for various estimates and Judgments used therein.
- g) **Material developments in Human Resources / Industrial Relations front, including number of people involved** : The Company continues to maintain excellent relationship with the clients and the industry in which it is operating. Relationship with the staff is quite cordial and also supportive for continuous human resource development. During the year under review there has not been any material change in human resource.
- h) **Cautionary Statement** : Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes.

for and on behalf of the Board

Place : Hyderabad

Sd/-
SHRIGOPAL INANI

Date : 24th August, 2009.

Chairman



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
INANI SECURITIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Inani Securities Limited during the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **G.D. UPADHYAY & CO**
Chartered Accountants,

Place : Hyderabad
Date : 24th August, 2009.

G.D. UPADHYAY
Partner
Membership No. 27187



AUDITORS' REPORT

To
THE MEMBERS OF
INANI SECURITIES LIMITED

- 1) We have audited the attached Balance Sheet of INANI SECURITIES LIMITED as at 31st March, 2009 and also the Profit and Loss Account for the year ended as on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) (Amendment) Order, 2004 (hereinafter referred to as "the Order") issued by the Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in Para 3 above, we report that:
 - i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) on the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and



- vi) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **G.D. UPADHYAY & CO**
Chartered Accountants,

Place : Hyderabad
Date : 24th August, 2009.

G.D. UPADHYAY
Partner
Membership No. 27187

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 3 of our report dated : 24th August, 2009 to the members of Inani Securities Limited on the financial statements for the year ended 31st March, 2009

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed Assets.
- b) The Company has phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
- c) In our opinion, a substantial part of fixed assets has not been disposed off by the Company during the year.
- 2) a) The stock of securities and units held by the Company in dematerialised form in demat accounts with NSDL/CDSL is verified with the confirmation certificate received from them. The stock of securities and units held in physical form is physically verified with respective share certificates, except shares of Pennar Steels Ltd which have been held in the demat account of group concern and reversed after the end of year.
- b) The existing procedures of reconciliation of stock followed by the management at periodical interval are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company is maintaining proper records of its inventory and no material discrepancies were noticed on the reconciliation as mentioned above, as compared with book records.
- 3) In respect of loans, secured or unsecured granted/taken by Company to/from Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (a) The Company has granted unsecured loans to 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.223.37 Lacs
 - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (c) In respect of the aforesaid loans, the party is repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
 - (d) In respect of the aforesaid loans granted, there is no overdue amount more than Rupees One Lakh
 - (e) The Company has taken unsecured loans from 1 party covered in the register maintained under Section 301 of the Companies Act, 1956. The year ended outstanding balance of such loans taken was Rs 3.35 Lakhs and the maximum amount involved during the year was Rs 271.10 Lakhs.
 - (f) In our opinion, the rate of interest and other terms and conditions of such loans are not prime facie prejudicial to the interest of the Company.
 - (g) In respect of the aforesaid loans, the party is repaying the principal amount as stipulated and is also regular in payment of interest, where applicable.



- 4) In our opinion and according to the information and explanations given to us the internal control procedure for purchase of fixed assets, shares and securities, units and corporate bonds and company's money market operations are commensurate with the size of the company and its nature of business.
- 5)
 - a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, having regard to the comments in (a) above, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposits from the public and consequently, the directive issued by the Reserve Bank of India, the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- 7) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- 8) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
- 9)
 - a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Service Tax, Investor Education and Protection Fund, Wealth Tax and any other material Statutory dues applicable to it. As per information and explanations given to us, the Employees State Insurance Act is not applicable to the company. However, pending adjustments of refunds of earlier Assessment years and rectification of the Assessment Orders the Company has not paid undisputed Income Tax Liability of the Assessment year 2003-04 amounting to Rs 408360 /-
 - b) According to the information and explanations given to us, no undisputed dues payable in respect of Income Tax, Service Tax, Wealth Tax, Customs Duty and Cess were outstanding at 31st March, 2009 for a period of more than six months from the date they became payable.
- 10) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year or in the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution/bank and the Company has not obtained any borrowings by way of debentures.



- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities accordingly, clause 4(xii) of the Order is not applicable.
- 13) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the Order is not applicable.
- 14) The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures, and other securities and timely entries have been made therein. The investments are held by the company in its own name, except for certain shares which are lodged for transfer or are pending for rectification of bad deliveries or are pledged with banks and financiers.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the Order is not applicable.
- 16) In our opinion and according to the information and explanations given to us, during the year company has not obtained any term loans from banks or financial institutions. Accordingly clause 4 (XVI) of the order is not applicable.
- 17) On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, no funds raised on short- term basis have been used for long term investment.
- 18) The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) The Company has not issued any debentures. Accordingly clause 4(xix) of the Order is not applicable.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **G.D. UPADHYAY & CO**
Chartered Accountants,

Place : Hyderabad
Date : 24th August, 2009.

G.D. UPADHYAY
Partner
Membership No. 27187

INANI SECURITIES LIMITED			
BALANCE SHEET AS AT 31ST MARCH, 2009			
	Schedule	As at 31-03-2009 Amount in Rs.	As at 31-03-2008 Amount in Rs.
SOURCES OF FUNDS :			
1) SHARE HOLDERS' FUNDS			
a) Share Capital	1	47,166,056	47,166,056
b) Reserves and Surplus	2	72,950,192	69,513,393
2) LOAN FUNDS			
a) Secured Loans	3	6,232,860	3,742,031
3) DEFERRED TAX LIABILITY (NET)		20,780	(142,816)
4) TOTAL FUNDS EMPLOYED :		<u>126,369,888</u>	<u>120,278,664</u>
APPLICATION OF FUNDS :			
3) FIXED ASSETS			
a) Gross Block	4	27,421,120	24,971,658
b) Less Depreciation & Amortisation		7,495,879	5,769,200
		<u>19,925,241</u>	<u>19,202,458</u>
Capital Work in Progress		0	690,101
c) Net Block		19,925,241	19,892,559
4) INVESTMENTS	5	23,738,123	23,738,123
5) CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	6	1,047,958	1,423,643
b) Sundry Debtors	7	30,374,465	102,960,706
c) Cash and Bank Balances	8	59,767,792	62,966,570
d) Loans and Advances	9	33,365,765	39,328,162
		<u>124,555,980</u>	<u>206,679,081</u>
6) CURRENT LIABILITIES AND PROVISIONS			
a) Current Liabilities	10	41,206,874	123,022,936
b) Provisions	11	642,582	7,008,163
7) NET CURRENT ASSETS		82,706,524	76,647,982
8) TOTAL ASSETS (NET)		<u>126,369,888</u>	<u>120,278,664</u>
9) SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS			
	17		

As per our Report attached.

For G.D. UPADHYAY & CO
Chartered Accountants
G.D. UPADHYAY
Partner
Membership No. 27187

Place : Hyderabad

Date : 24th August, 2009.

For and on Behalf of the Board

LAKSHMIKANTH INANI
Managing Director

RAMAKANTH INANI
Whole Time Director



INANI SECURITIES LIMITED			
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009			
		For the year ended	
Schedule		31-03-2009 Amount in Rs.	31-03-2008 Amount in Rs.
INCOME			
1. Income from Stock Market Operations	12	13,042,585	31,630,383
2. Other Income	13	10,239,416	7,568,927
3. Profit on Sale of Investments		0	38,443,545
		23,282,001	77,642,855
EXPENDITURE			
4. Personnel Expenses	14	4,448,279	5,172,390
5. Operating & Administration Expenses	15	8,934,041	14,925,345
6. Financial Expenses	16	2,566,238	3,313,467
7. Depreciation & amortisation	4	1,726,679	670,780
		17,675,237	24,081,982
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		5,606,764	53,560,873
8. Prior period adjustments (Net)		5,571	(336,652)
Net Profit before Taxation		5,601,193	53,224,221
9. Provision for Taxation :-			
a. Current		1,656,466	13,516,025
b. Deferred		163,596	(387,317)
c. Fringe Benefits		118,201	149,267
d. Earlier Year Tax		0	316,730
10. Net Profit after Taxation		3,662,930	39,629,516
Balance Brought forward from Previous		69,513,392	35,215,930
Year Profit available for distribution		73,176,322	74,845,446
less : Adjustment for employee benefits as per		226,130	0
transitional provision (Refer Note No. 6)			
APPROPRIATIONS		72,950,192	74,845,446
Proposed Dividend		0	4,557,700
Tax on Dividend		0	774,353
11. Balance Carried to Balance Sheet		72,950,192	69,513,393
Earning per Share, of par value Rs. 10/- each		0.75	8.70
including exceptional items - Basic and Diluted			
(See Note No. 16 Page)			
SIGNIFICANT ACCOUNTING POLICIES AND	17		
NOTES ON ACCOUNTS			

As per our Report attached.

For G.D. UPADHYAY & CO
Chartered Accountants
G.D. UPADHYAY
Partner

For and on Behalf of the Board
LAKSHMIKANTH INANI
Managing Director

Place : Hyderabad

Date : 24th August, 2009.

Membership No. 27187

RAMAKANTH INANI
Whole Time Director

**INANI SECURITIES LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009			
		Year Ended 31-03-2009 Rs. in Lakhs	Year Ended 31-03-2008 Rs. in Lakhs
A	CASH FLOW FROM OPERATING ACTIVITIES		
a	Net Profit/(Loss) before Tax and Extraordinary Items	56.07	535.61
	Adjustments for :		
	Depreciation & Amortisation	17.27	6.71
	Interest	25.66	33.13
	(Profit)/Loss on sale /Dimunition in value of investment	0.00	(384.44)
	Interest received	(82.67)	(70.77)
	Dividend Income	(0.59)	(1.19)
	Rent Received	(3.65)	(3.33)
b	Operating Profit/(Loss) before working capital changes	12.09	115.73
	Adjustments for :		
	Trade & Other Receivables	725.86	(890.46)
	Inventory	3.76	189.97
	Trade Payable and other payable	(818.16)	780.40
	Loans & Advances	59.62	0.00
	Provisions	(63.66)	0.00
c	Cash Generated/(outgo) from Operation	(80.48)	195.64
	Interest paid	(25.66)	(33.13)
	Direct Taxes paid	(17.75)	(136.65)
d	Cash Flow before extraordinary Item	(123.89)	25.85
	Prior Year Adjustments	(2.21)	3.37
	Net Cash Flow from Operating Activities (A) :	(126.10)	29.22
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(17.59)	(142.04)
	(Increase)/Decrease in Investment	0.00	(185.58)
	Interest received	82.67	70.77
	Dividend received	0.59	1.19
	Rent	3.65	3.33
	(Profit) / Loss on sale / Dimunition in value of investment	0.00	384.44
	Dividend Paid	0.00	(53.32)
	Net Cash Flow/(used) in Investing Activities (B) :	69.31	78.77
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Borrowings /(Repayment of loan)	24.91	(0.76)
	Net Cash Flow from Financing Activities (C) :	24.91	(0.76)
D	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(31.99)	107.23
	Cash and Cash equivalent at the beginning of the year	629.67	522.65
	Cash and Cash equivalent at the end of the year	597.68	629.67

This is the cash flow statement referred to in our report of even date.

We have verified the above Cash Flow Statement of Inani Securities Limited derived from the Audited Financial Statement for the year ended 31st March, 2009 and found the same to be drawn in accordance and also with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges.

	For G.D. UPADHYAY & CO	For and on Behalf of the Board
	Chartered Accountants	LAKSHMIKANTH INANI
Place : Hyderabad	G.D. UPADHYAY	Managing Director
	Partner	RAMAKANTH INANI
Date : 24 th August, 2009.	Membership No. 27187	Whole Time Director

INANI SECURITIES LIMITED		
SCHEDULES FORMING PART OF THE BALANCE SHEET		
	As at 31-03-2009 Amount in Rs.	As at 31-03-2008 Amount in Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
53,50,000 (Previous year 53,50,000) Equity Shares of Rs. 10/- each	53,50,000	53,50,000
Issued and Subscribed		
50,21,900/- (Previous year 50,21,900) Equity Shares of RS.10/- each	50,219,000	50,219,000
	50,219,000	50,219,000
Paid up		
4557700/- Equity Shares of RS.10/- each	45,577,000	45,577,000
Add : Forefited Shares (4,64,200 Equity Shares Forefited and not reissued)	1,589,056	1,589,056
	47,166,056	47,166,056
SCHEDULE - 2		
RESERVES AND SURPLUS		
Surplus in Profit and Loss Account	72,950,192	69,513,393
	72,950,192	69,513,393
SCHEDULE - 3		
SECURED LOANS		
HDFC BANK LTD (Secured against pledge of Shares belonging to Directors, relatives & group Company)	1,221,954	0
TMB Ltd. (Secured by Pledge of FDR worth Rs.75 Lacs)	4,995,540	3,742,031
HDFC BANK LTD (Secured by Pledge of FDR worth Rs.1 Crore)	15,366	0
	6,232,860	3,742,031



INANI SECURITIES LIMITED						
SCHEDULE - 4 FIXED ASSETS						
Description of the Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 1-4-2008	As at Additions (Deletions) 31-03-2009	As at 1-4-2008	for the year 31-03-2009	As at 31-3-2009	As at 31-3-2008
Premises	11,700,230	337,280	12,037,510	195,308	0	11,842,202
Computer Equipment	4,911,989	420,692	5,332,681	852,453	0	4,480,228
Office Equipment	2,109,503	450,664	2,560,167	117,972	0	2,442,195
Vehicles	3,480,683	0	3,480,683	330,950	1,437,009	2,043,674
Furniture and Fixtures	2,708,453	1,240,826	3,949,279	229,382	0	3,719,897
Sterling Holiday Resort	55,800	0.00	55,800	564	0	55,236
Classic Club Resorts	5,000	0.00	5,000	50	0	4,950
Total	24,971,658	2,449,462	27,421,120	1,726,679	0	25,694,441
Capital work-in-progress	-	-	-	-	-	690,101
Total	24,971,658	2,449,462	27,421,120	1,726,679	7,495,879	19,925,241
Previous Year	12,405,607	12,566,051	24,971,658	670,780	-	19,892,559

INANI SECURITIES LIMITED

SCHEDULE - 5
INVESTMENTS

	No. of Shares	As at 31-03-2009	As at 31-03-2008
UNQUOTED EQUITY SHARES IN :			
Inani Commodities and Finance Ltd.	426,150	23,261,500	23,261,500
The Hyderabad Stock Exchange Limited	10,000	10,000	10,000
Equity Shares of Bombay Stock Exchange Ltd. (includes written down Value of the Membership Card) Previous year	* 23,257 (1789)	466,623	466,623
		<u>23,738,123</u>	<u>23,738,123</u>

* Received 21,468 Equity shares as Bonus shares during the year.



INANI SECURITIES LIMITED		
	As at 31-03-2009 Amount in Rs.	As at 31-03-2008 Amount in Rs.
SCHEDULE - 6 INVENTORIES (At lower of Cost or Net Estimated realisable Value and as per Inventory taken, Valued and certified by Management)	1,047,958	1,423,643
SCHEDULE - 7 SUNDRY DEBTORS (Unsecured but considered good)		
Outstanding for More than Six Months	10,950,492	4,422,718
Outstanding for Less than Six Months	19,423,973	98,537,988
	30,374,465	102,960,706
SCHEDULE - 8 CASH AND BANK BALANCES		
Cash on hand	680,502	575,523
Stamps on hand	12,006	22,165
Bank Balances (with Scheduled Banks)		
In Current Accounts	5,623,442	7,279,322
In Deposit Accounts (Includes Rs. 428 lacs (Previous year Rs. 413 lacs) kept as margin Money with Stock Exchanges and banks for guarantees issued by them)	53,451,842	55,089,560
	59,767,792	62,966,570
SCHEDULE - 9 LOANS AND ADVANCES (Unsecured but Considered Good)		
Advances Recoverable in Cash or kind or for value to be received	524,420	26,553,660
Deposits and Margins with Stock Exchanges	8,723,176	10,962,977
Rent Deposit with		
Others	234,302	770,000
Telephone and Cell Deposit	107,896	266,955
Electricity Deposit	59,692	43,540
Other Deposits	3,000	3,000
Prepaid Expenses	313,565	728,030
Advance for purchase of Property (Secured by way of mortgage of Property)	23,399,715	0
	33,365,765	39,328,162

	As at 31-03-2009 Amount in Rs.	As at 31-03-2008 Amount in Rs.
CURRENT LIABILITIES AND PROVISIONS		
SCHEDULE - 10		
CURRENT LIABILITIES		
Sundry Creditors	33,975,476	71,405,777
Security Deposit from Customers	1,248,829	18,540,442
Other Current Liabilities	5,982,569	33,076,717
	41,206,874	123,022,936
SCHEDULE - 11		
PROVISIONS		
Provision for Income Tax	269,275	1,526,843
Provision for Fringe Benefit Tax	118,201	149,267
Proposed Dividend	0	4,557,700
Dividend Tax	0	774,353
Provision for Gratuity	255,106	0
	642,582	7,008,163
SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT		
	For the year ended	
	31-03-2009 Amount in Rs.	31-03-2008 Amount in Rs.
SCHEDULE - 12		
INCOME FROM OPERATIONS		
Income from Stock Broking and related income (Net)	13,042,585	31,630,383
	13,042,585	31,630,383
SCHEDULE - 13		
OTHER INCOME		
Interest	8,266,530	7,077,067
Rent	365,000	332,500
Miscellaneous Income	1,607,886	159,360
	10,239,416	7,568,927



SCHEDULE - 14		
PERSONNEL EXPENSES		
Salaries & allowances	3,284,760	4,020,665
Bonus	252,260	379,585
Staff Welfare Expenses	236,950	266,336
Professional Tax	140	0
Incentive	645,193	505,804
Gratuity	28,976	0
	44,48,279	5,172,390
SCHEDULE - 15		
OPERATING AND ADMINISTRATION EXPENSES:		
Rent	1,313,800	1,337,900
Rates and Taxes	368,710	769,628
Insurance	89,854	100,450
Travelling and conveyance	207,107	489,723
Tele Communication Charges	1,869,706	2,010,910
Printing and Stationery	183,592	343,044
Electricity Charges	686,612	605,941
Computer Repairs and Maintenance	458,379	1,094,260
Directors Sitting Fee	24,000	47,500
Remuneration to Auditors	88,000	57,000
Computer Software	631,577	734,060
Directors Remuneration	810,000	810,000
Legal Expenses	9,000	441,480
Professional Charges	15,000	15,000
Writeoff/Discount	0	8,099
News Papers, Periodicals and Subscriptions	6,856	6,924
Vehicle Maintenance	324,602	364,299
Keyman Insurance Premium	0	900,000
Business Promotion Expenses	69,288	286,670
Stock Exchange Expenses	529,448	1,238,501
Debts written off	644,637	2,735,483
AGM Expenses	35,750	31,210
Office and General Expenses	568,123	497,263
	8,934,041	14,925,345
SCHEDULE - 16		
INTERERST AND FINANCE CHARGES		
Bank Charges	1,287	24,218
Bank Guarantee Charges	1,218,367	1,318,877
Interest and other Charges	1,346,584	1,970,372
	2,566,238	3,313,467

SCHEDULE - 17

Significant Accounting Policies and Notes forming part of the Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended 31st March, 2009

1. SIGNIFICANT ACCOUNTING POLICIES :**1) Basis of preparation of financial statements :**

The accompanying financial statements are prepared under the historical cost convention in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis. These accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted by the company.

2) Use of Estimates :

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialised.

3) Revenue Recognition :

Brokerage income earned on Secondary market operations is accounted (inclusive method) on trade dates. Depository & related income is accounted (inclusive method) on accrual basis.

4) Fixed Assets :

All Fixed Assets are stated at cost of acquisition, less accumulated depreciation. Cost is inclusive of freight, installation cost, duties, taxes and other direct incidental expenses.

5) Capital Work-in-progress

Capital Work-in-progress is carried at cost, comprising direct cost and related incidental expenses.

6) Impairment :

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset materially exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

7) Depreciation :

Depreciation has been provided on straight line method on pro-rata basis at the rates prescribed in Schedule XIV of the Companies Act, 1956.

8) Inventories :

Stock of Shares is valued at lower of Cost or Estimated Net realisable Value.

Estimated Net Realisable Value: In case realisable value is not ascertainable due to non-availability of Quotation in the Stock Markets, the value of such Shares are adopted at Rs. 1.00 per Share



Cost : In case, Cost is not ascertainable due to non availability of lot details and its cost, the cost of such shares are adopted at previous year value.

9) Investments :

Quoted Investments: Investments are valued at cost. No provision is made for the temporary decrease in the value of Long Term Investment.

Unquoted Investments: In the opinion of the management Investment in the Unquoted Investment in Associates and other Companies are of Long Term nature meant to be held permanently and any diminution in the latest available book value as compared to the cost of such shares is considered temporary by the management and hence not provided (not ascertained).

10) Retirement Benefits :

Employee Benefits such as salaries, allowances, and non-monetary benefits which fall due for payment within a period of twelve months after rendering of services, are charged as expense to the profit and loss account in the period in which the service is rendered.

Employee Benefits under defined benefit plans, such as gratuity which falls due for payment after a period of twelve months from rendering services or after completion of employment, are measured by projected unit cost method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligation recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial Gains and losses are recognized immediately in the Profit and Loss Account.

11) Taxation :

Tax expenses comprises of current, deferred and fringe benefit tax. Current Income Tax and Fringe Benefit Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961

Provision for current tax is made on the basis of Taxable Income of the Current Accounting Year in accordance with Income Tax Act, 1961. The Company is providing and recognizing deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence. Deferred tax Assets arising on account of brought forward Losses and unabsorbed depreciation is not recognized as there is no reasonable certainty of realization in future.

12) Provisions and Contingent Liabilities :

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

13) Earnings per share :

In determining Earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

2. NOTES ON ACCOUNTS :

	31/03/2009	31/03/2008
1) Estimated amount of contracts remaining to be Liability on capital account and not provided for (Net of advances)	NIL	9.57 Lacs
2) Contingent Liabilities not provided for in respect of : Bank Guarantees issued by the Banks	428 Lacs	1075 Lacs
3) Managerial Remuneration		

Managerial Remuneration paid to Directors is set out below:

Salary	810000	726000
Contribution to Provident fund	NIL	NIL
Perquisites	NIL	NIL
Others/Allowances	NIL	NIL
4) Auditors Remuneration (excluding Service Tax)		
Audit Fees	35000	35000
Tax Audit Fees	15000	15000
Other Services	38000	7000

- 5) The Company has advanced Rs. 2,22,50,000/- for purchase of property at Gachibowli, Hyderabad. As there is legal dispute with regard to ownership of property, the vendors have mortgaged one of their other property to secure advances made by the Company.

6) Employee Benefits :

The Company contributes to Group Policy with Life Insurance Corporation of India to cover its liabilities towards Employee Gratuity.

Following are the Principal Actuarial Assumptions used as at the balance sheet date.

	Particulars	
a	Discount rate	8%
b	Salary escaiaion	0%



- 7) Sundry Debtors, Loans and Advances and Creditors are subject to Confirmation and reconciliation.
- 8) In the opinion of the Board of Directors, Current Assets and loans and Advances have the value at which these are stated in the Balance Sheet, if, realized in the ordinary course of business, unless otherwise stated and adequate provisions of all known liabilities have been made and are not in excess of the amount reasonably required.
- 9) As confirmed by the management, there are no dues above Rs. 1.00 Lakh outstanding for more than one month to Micro and Small Scale Undertakings.
- 10) The Company is engaged in 'Stock broking' & Depository Participant Segments. The other activities such as Trading in Securities, Investment banking are incidental to Stock Broking activity.
- 11) Deferred Tax

Particulars	2008-2009	2007-2008
On Depreciation	163596	326739

- 12) Related Party Disclosure as per Accounting Standard -18 :
(The information is given as compiled and certified by the management.).

SI.No.	Associate Concerns / Relatives
1	M/s. INANI COMMODITIES & FINANCE LIMITED
2	Smt. CHAMPA DEVI INANI
3	Smt. ANITA INANI
	Directors/Key Management Personnel
1	Sri. LAKSHMIKANTH INANI
2	Sri. RAMKANTH INANI
3	Sri. VISHNUKANTH INANI



13) RELATED PARTY TRANSACTIONS (Amount in Rs.)

Particulars	Keyperson/Relatives	Associates
Directors Sitting Fees	24000	-
Remuneration	810000	-
Rent paid	240000	-
Interest received	170269	-
Advances taken	27110125	-
Advances granted		22336615

- 14) The Turnover of Depository Participant Segment is less than 10% of Total Turnover, hence there is no reportable segment as per Accounting Standard - 17 issued by the Institute of Chartered Accountants of India.
- 15) The company operates in only one country i.e. 'India'. Hence separate information on geographical segment is not required. The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information of the Company.
- 16) Basic and Diluted Earnings per Share ("EPS") computed in accordance with Accounting Standard (AS) 20 'Earnings per Share'

Particulars		2008-09	2007-08
Basic			
Profit after tax as per Profit and Loss account	A	3436800	39629516
Numbers of Shares subscribed	B	4557700	4557700
Basic EPS (Rupees)	A/B	0.75	8.70
Diluted			
Profit after tax as per Profit and Loss account	A	3436800	39629516
Numbers of Shares subscribed	B	4557700	4557700
Diluted EPS (Rupees)	A/B	0.75	8.70



INANI SECURITIES LIMITED

- | | | |
|--|-----|-----|
| 17. Value of Imports on CIF Basis | NIL | NIL |
| 18. Expenditure in Foreign Currency | | |
| Travelling Expenses | NIL | NIL |
| 19. Earnings in Foreign Currency | NIL | NIL |
| 20. Figures in brackets in these notes are in respect of previous year. | | |
| 21. Figures of previous have been regrouped/rearranged/reclassified, wherever considered necessary to confirm to current years presentation. | | |

for **G.D. UPADHYAY & CO**
Chartered Accountants

for and on Behalf of the Board

G.D. UPADHYAY
Partner

LAKSHMIKANTH INANI
Managing Director

RAMAKANTH INANI
Director

Place : Hyderabad (A.P.)
Dated : 24th August, 2009.

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 1 7 5 8 3 State Code No. 0 1

Balance Sheet Date 3 1 0 3 2 0 0 9

II. Capital raised during the year (Rupees)

Public Issue Bonus Issue Rights Issue Private Issue
N I L N I L N I L

III. Position of Mobilisation and Deployment of Funds (Rupees)

Total Liabilities

1 2 6 3 6 9 8 8 8

Total Assets

1 2 6 3 6 9 8 8 8

Sources of Funds

Paid up Capital

4 7 1 6 6 0 5 6

Reserves & Surplus

7 2 9 5 0 1 9 2

Secured Loans

6 2 3 2 8 6 0

Unsecured Loans

N I L

Deferred Tax Liability

2 0 7 8 0

Application of Funds

Fixed Assets

1 9 9 2 5 2 4 1

Investments

2 3 7 3 8 1 2 3

Net Current Assets

8 2 7 0 6 5 2 4

Misc. Expenditure

N I L

Deffered Tax Asset

N I L

IV. Performance of the Company

Total Income

2 3 2 8 2 0 0 1

Total Expenditure

1 7 6 7 5 2 3 7

Profit/(Loss) before Tax

5 6 0 1 1 9 3

Profit/(Loss) After Tax

3 6 6 2 9 3 0

Earning per Share

0 7 5

Dividend Rate

N I L

V. Generic Names of the Principal Products/Service of the Company

Item Code No. (ITC Code No.) : Not Applicable
Product : Stock Broking

For G.D. UPADHYAY & CO
Chartered Accountants.

G.D. UPADHYAY

Partner

Membership No. 27187

Place : Hyderabad

Date : 24-08-2009

FOR AND ON BEHALF OF THE BOARD

LAKSHMIKANTH INANI

Managing Director

RAMAKANTH INANI

Whole Time Director

INANI SECURITIES LIMITED

**NSE / F & O / BSE / MCX - SX
DP / MCX***

**A leading Broking House providing continuous
quality service to the clients for over 15 years**

- Stock Broking NSE/BSE/
MCX-SX
- Futures & Options
- Single VSAT / VPN Network
- Wealth Management
Consultancy
- Internet Trading
- Depository Participant
(CDSL)
- MCX*
- Centralized Back Office
- Competitive Brokerage
Structure

Please Contact :

INANI SECURITIES LIMITED

G-15, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 1.

Tel No. : 040-23201279 Mobile : 98663 43660 Reliance : 93962 01279

Email : info@inanisec.in website : www.inanisec.in

Mumbai Branch : B/23, 2nd Floor, Plot No : 13, Wadala Shri Ram Industrial Estate,
G.D. Ambekar Marg, Wadala (W), Mumbai -31.

Tel : 022-24172100 Fax : 022-24172111

E-mail : bby@inanisec.in

Our Branches :

Mumbai : Kandivili (W), Vashi

Hyderabad : King Koti, Osmangunj, Pan Bazar, Maharaj Gunj

SEBI REGISTRATION

NSE : INB/INF 230857131

CDSL : DP ID-036200

BSE : INB 010857135

MCX : 12310*

MCX-SX : INE 260857131

*Group Company



INANI SECURITIES LIMITED

Regd. Office : G-15, Raghava Ratna Towers,
Chirag Ali Lane, Abids, Hyderabad - 500 001.

ATTENDANCE CARD

(To be handed over at the entrance of the meeting hall)
15th Annual General Meeting - 29th September, 2009

I/We hereby record my/our presence at 15th Annual General Meeting of the Company to 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, 1st Floor, Lane Opp. to G. Pulla Reddy Sweets, Abids, Hyderabad - 500 001.

Name of Shareholders :
(In Block Letter)

Reg. Folio No. No. of Shares held or

DP ID No. Client ID No.

Name of Proxy
(In Block Letters)

Signature(s) of the member(s) or proxy / proxies



PROXY FORM

Reg. Folio No. No. of Shares held or

DP ID No. Client ID No. No. of Shares held

I/We of

in the district of being

a member/members of INANI SECURITIES LIMITED hereby appoint

in the district of failing him/her

of in the district of

..... as my/our proxy to attend and vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to 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, 1st Floor, Lane Opp. to G. Pulla Reddy Sweets, Abids, Hyderabad - 500 001.

As Witness my hand/our hand this day of 2009

Signature

Affix
1/- Rupee
Revenue
Stamp

Note : This proxy form in order to be effective should be duly completed, stamped and signed, must be deposited at the Registered Office of the Company, 48 hours before the meeting.

PRINTED MATTER
BOOK - POST

If undelivered please return to :

INANI SECURITIES LIMITED

G-15, Raghava Ratna Towers,
5-8-352/14 & 15, Chirag Ali Lane,
Hyderabad - 500 001. A.P.
Website : www.inaniseq.in