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Company Information**BOARD OF DIRECTORS**

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

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

LEGAL ADVISOR :

Mr. Shyamsunder Lahoti, Advocate
15-9-49, Maharajgunj,
Hyderabad - 500 012.

REGISTERED OFFICE

G-15, Raghava Ratna Towers,
5-8-352/14 & 15,
Chirag Ali Lane,
Hyderabad - 500 001.
E-mail : info@inanisec.in

CORPORATE OFFICE

B/23, 2nd Floor, Plot No. 13,
Wadala Sriram Industrial Estate,
G.D. Ambekar Marg, Wadala (W)
Mumbai - 400 031.
E-mail : bby@inanisec.in

Visit us at : www.inanisec.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 18TH ANNUAL GENERAL MEETING OF THE MEMBERS OF **INANI SECURITIES LTD** WILL BE HELD ON **SATURDAY, THE 14TH DAY OF JULY, 2012** AT 10.30 A.M, AT RAJASTHANI GRADUATES ASSOCIATION HALL, SITUATED AT, 5-4-790/1, FIRST FLOOR, LANE OPP. TO G.PULLA REDDY SWEETS, ABIDS, HYDERABAD - 500 001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt
 - a) The Audited Balance Sheet of the Company as at 31th March, 2012,
 - b) Statement of Profit & Loss for the year ended as on that date,
 - c) The auditor's report there on: and
 - d) The directors report.
2. To appoint a Director in place of Mr. Shrigopal Inani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Anand Rameshchandra Chandak, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Instruments of Proxy/ Proxies in order to be effective, must be deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **11th July, 2012 to 14th July, 2012 (both days inclusive)**.
5. The Members holding shares in physical form, may write to the Company's share transfer agents for any change in their address and bank mandates. Members holding shares in electronic form may intimate the same to their respective Depository Participants to enable the Company to dispatch the communications at their correct addresses.
6. Members who hold their shares in dematerialised form are requested to bring their client ID and DP numbers for easy identification of attendance at the meeting.

Place : Hyderabad
Date : 30.05.2012

By Order of the Board
Sd/-
SHRIGOPAL INANI
Chairman

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

Particulars	Mr. Shrigopal Inani	Mr. Anand Rameshchandra Chandak
Date of Birth	17-03-1943	02-03-1972
Date of Appointment	31-08-1995	29-08-2005
Qualifications	B.com	M.B.A
Expertise in Specific Functional Area	Vast Experience in Accounts & Finance	Experience in Accounts & Banking

Important Communication to Members

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

Name:..... e-mail id:

Address:

Folio No. :

No. of equity shares held:

Signature of member

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 18th Annual Report of your company on the business operations together with the audited financial accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

A snapshot of the Financial performance of the Company for the year 2011-12 is as under:

Particulars	Year ended 31st March 2012 (Rs.in Lakhs)	Year ended 31st March 2011 (Rs.in Lakhs)
Total Revenue	231.73	270.48
Profit before Interest, Depreciation&Tax	89.57	110.28
Profit before Depreciation & Tax	47.58	87.31
Profit Before Tax & Exceptional Items	35.24	73.35
Less: Prior year Adjustment & Exceptional Items	3.26	2.46
Net Profit Before taxation	31.98	70.89
Less : Provision for Tax		
- Current tax	8.44	21.33
- Deferred Tax	1.48	0.50
Net Profit	22.06	49.06
Add : Balance brought forward from the last year	828.63	780.01
Less: Earlier Year Tax	0	0.45
Profit available for appropriation	850.69	828.63
Proposed Dividend	-	-
Balance carried to Balance Sheet	850.69	828.63

REVIEW OF PERFORMANCE:

During the year under review the financial year 2011-12 was marked by a fairly tough financial environment due to slowdown in some of the major economies of the world. Reflecting the subdued scenario, the Net profit after tax of your company stood reduced to Rs. 22.06 Lacs.

DIVIDEND:

Keeping in view the future expansion plans and capital requirements of the company, the Board of Directors believe it is necessary to conserve cash flow and thereby do not recommend any dividend for the year 2011-12.

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. Shrigopal Inani and Mr. Anand Rameshchandra Chandak Director(s) retires by rotation at the ensuing Annual General meeting and being eligible, offer themselves for the re-appointment.

STATUTORY AUDITORS:

M/s. G.D. Upadhyay & Co., Chartered Accountants Auditors of the Company hold office till conclusion of the ensuing Annual General Meeting of the company and are eligible for the re-appointment. The Company is in receipt of confirmation from M/s. G.D. Upadhyay & Co., that in the event of their re-appointment as statutory auditors of the Company, such re-appointment will be within the prescribed limits specified U/s 224(1B) of the Companies Act, 1956. The Board of Directors proposes to re-appoint them for another term and will hold office till the conclusion of the next Annual General Meeting.

LISTING ARRANGEMENT:

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd., (B S E). The listing fees for the year 2012-13 has been paid to the Exchange.

PUBLIC DEPOSITS:

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

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

The company is engaged in providing financial services and as such its operations do not account for substantial energy consumption. However, the company is taking all possible measures to conserve energy. Several environment friendly measures have been adopted by the company such as :

- Installation of TFT monitors that save power
- Automatic power shutdown of idle monitors.
- Creating environmental awareness by way of distributing information in electronic form.
- Minimising air-conditioning usage
- Shutting off all the lights when not in use
- Education and awareness programmes for employees.

b) TECHNOLOGY ABSORPTION

The management understands the importance of technology in the business segments, it operates and lays utmost emphasis on system development and the use of best technology available in the industry. The management keeps itself abreast with technological advancements in the industry and ensures continued and sustained efforts towards absorption of technology, adaptation as well as development of the same to meet business needs and objectives.

c) FOREIGN EXCHANGE EARNINGS/OUTGO

There are no FOREX transactions during the year under review.

PARTICULARS OF EMPLOYEES :

No employee of your company is in receipt of remuneration of Rs. 60 lakhs p.a. or part thereof pursuant to Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees), Rules 1975 as amended.

CORPORATE GOVERNANCE :

The company is committed to uphold the highest standards of Corporate Governance and adhere to the requirements set out by Securities and Exchange Board of India and stock Exchanges, As part of the Company's efforts towards better corporate practice and transparency, a separate report on Corporate Governance compliances is included as a part of the Annual Report.

A certificate from M/s. G.D. Upadhyay & Co., Chartered Accountants the Statutory Auditors, regarding compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. In the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any, therefrom;
- ii. appropriate Accounting Policies have been selected and applied them consistently. The Judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year ended 31st March, 2012 and of the profit of company for the said period.
- iii. proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of this Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
and
- iv. the annual Accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS:

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

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

By order of the Board

Sd/-
SHRIGOPAL INANI
Chairman

Place : Hyderabad
Date : 30.05.2012

CORPORATE GOVERNANCE REPORT**I. CORPORATE PHILOSOPHY:**

At your company, Corporate Governance is viewed as an ethical and moral duty. We believe that corporate Governance is a system of structuring, operating and controlling a company to achieve long-term strategic goals and ensuring interest of all the stakeholders, including shareholders, creditors, employees, customers and suppliers, complying with the legal and regulatory requirements, apart from meeting the environmental and local community needs. It is about commitment to values, ethical conduct of business and responsibility towards the stakeholders and society at large.

The company has adopted the best corporate governance practices, based on following principles.

- A strong, professional and independent Board with rich and varied experience
- Accountability for functioning and transparency in conduct
- Systematic and timely disclosure of all material information
- Adequate risk management and internal control systems
- Compliance with the applicable rules and regulations
- Independent verification of financial reporting
- Value creation for stakeholders

Your company understands that the customer is purpose of our business and every customer is an important stakeholder of the Company, performing ethically and efficiently to generate long-term value and wealth for all its stakeholders.

The report on corporate governance, as per the applicable provisions of Clause 49 of the listing agreement is all under:

II. BOARD OF DIRECTORS :

The routine affairs of the Company are managed by the Managing Director and assisted by the Whole Time Director(s) of the Company.

Your Company is committed for adoption of best governance practices, their adherence in true spirit and conduct its affairs in a manner, which is transparent, clear and evident to those having dealings with or having a stake in the company. Company lays strong emphasis on business ethics in all its dealings. In line with the vision and long term business objectives, all major corporate decisions are taken by the company's professional Board in conjunction with a competent management team, keeping in view the best interest of all its stakeholders.

During the year under review Five Board Meetings were held on 30th April, 2011, 24th June,2011, 29th July,2011, 31st October,2011 and 31st January, 2012. The composition of the Board and attendance of the Directors at the Board Meetings held during the financial year under review and the last Annual General Meeting (AGM), number of Directorships and memberships/ chairmanships in public companies (including the Company) are given below:

Name of the Director	Category	Finacial Year 2011-12 Attendance at		Finacial Year 2011-12 No.of Committee Position	
		BM	Last AGM	Member	Chairman
Mr. Shrigopal Inani	Non-Executive Chairman	4	Yes	1	-
Mr. Lakshmikanth Inani	Executive	5	Yes	-	-
Mr. Ramakanth Inani	Executive	5	Yes	-	-
Mr. Vishnukanth Inani	Executive	3	No	-	-
Mr. Suresh J Kabra	Non-Executive Independent	4	Yes	2	1
Mr. Anand Rameshchandra Chandak	Non-Executive Independent	4	No	2	1
Mr. Ramesh Athasniya	Non-Executive Independent	4	Yes	2	1

As may be seen from the above, the Non-Executive Directors constitute 50% of the total number of Directors. The Company has Non-Executive Chairman and one third of the total strength of the Board comprises of independent Directors.

III. BOARD PROCEDURE

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

- Strategic and Business plans
- Annual operating and capital expenditure plans
- Investment and exposure limits
- The information on financial obligation and disciplinary action.
- Compliance with statutory/regulatory or Listing requirements and review of major legal issue
- The unaudited quarterly / half yearly / annual results and audited annual accounts of the Company of consideration and adoption.
- Transactions pertaining to purchase and sale of assets, which are undertaken other than in the normal course of business.
- Major accounting provisions and write-offs.
- Minutes of meeting of the Audit and other committees of the Board
- Share transfers, Dematerialisation and Investor Grievances.

IV. AUDIT COMMITTEE :

The Audit Committee of Directors comprised of Mr. Anand Rameshchandra Chandak (Chairman) Mr. Suresh Janakiram Kabra & Mr. Ramesh Athasniya. The scope of the committee includes:-

- a) Reviewing the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment /removal of external auditors, fixing audit fees and approving payments for any other service.
- c) Reviewing the periodic financial statements before submission to the board , focusing primarily on:
 - Any changes in accounting policies and practices
 - Significant adjustments arising out of audit.
 - Compliance with Accounting standards.
 - Compliance with legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters, or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the Company at large.
- d) Reviewing with the management, reports furnished by internal and external auditors, and the adequacy of internal control system and recommending improvements to the management.

During the period under review, Five Audit Committee meetings were held on 30th April, 2011, 24th June,2011, 29th July,2011, 31st October,2011 and 31st January, 2012. All the members of the Audit Committee were present at all the Committee meetings. In these meetings, inter alia, the committee considered the audit reports covering operational, financial and other business risk related areas. The Audit Committee meetings were held at the registered office of the Company.

V. CODE OF CONDUCT

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

VI. WHISTLE BLOWER POLICY

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

VII. MANAGERIAL REMUNERATION

- a) **Remuneration Committee** :The Remuneration Committee of the Company is empowered to review, assess and recommend the appointment of Whole time Directors, to periodically review the remuneration package of Whole Time Directors and recommend suitable revision to the Board. The Remuneration Committee comprised of Mr. Suresh Janakiram Kabra (Chairman), Mr. Anand Rameshchandra Chandak and Mr. Srigopal Inani. During the year under review one remuneration Committee meeting was held on 30th April, 2011,
- b) **Remuneration Policy**: The remuneration of the whole-time Directors(s)/ appointee(s) is decided by the Remuneration Committee based on criteria such as industry benchmark, the Company's performance vis-a-vis the industry, salary, perquisites and allowances (fixed component), incentive, remuneration and commission (variable component) to its whole time directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from 1st April, annually. A sitting fee of Rs.1,000/- per meeting of the Board is paid for attendance at the said Board to its members. Sitting Fees is separately paid @ Rs.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 2011-12 a sum of Rs. 6,72,000/- was paid as remuneration to the Managing Director and Whole time Directors.

d) **Independent Directors :**

Name	Sitting fees paid during FY 2011-12 Amount in Rupees
Sri. Shrigopal Inani	Rs.4,500/-
Sri. Suresh Jankiram Kabra	Rs. 8,000/-
Sri. Anand Rameshchandra Chandak	Rs. 8,000/-
Sri. Ramesh Athasniya	Rs. 7.500/-

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 allied matters. Investors' Grievance Committee Comprised of Mr. Ramesh Athasniya (Chairman), Mr. Anand Rameshchandra Chandak & Mr. Suresh Jankiram Kabra. During the year under review two Investors' Grievance Committee meetings were held on 30th April, 2011 and 31st January, 2012.

IX. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr.Vijay Kumar Pathak, Officer Secraterial Department.

X. GENERAL BODY MEETINGS :

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

Year	Type	Date	Venue	Time
2010- 2011	AGM	23 rd July, 2011	RAJASTHANI GRADUATES ASSOCIATION HALL, 5-4-790/1, FIRST FLOOR, LANE OPP. TO G.PULLA REDDY SWEETS, ABIDS, HYDERABAD- 500 001	4.00 P.M
2009- 2010	AGM	27 th August, 2010	901 & 902, 9 TH FLOOR, RAGHAV RATNA TOWERS,CHIRAG ALI LANE, ABIDS, HYDERABAD - 500001	4.00 P.M
2008- 2009	AGM	27 th September 2010	RAJASTHANI GRADUATES ASSOCIATION HALL, 5-4-790/1, FIRST FLOOR, LANE OPP. TO G.PULLA REDDY SWEETS, ABIDS, HYDERABAD- 500 001	4.00 P.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, 2012, 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 proposed to 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 Account 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 2011 – 12.

Place : Hyderabad
Date : 30.05.2012

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 promoter, 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 Exchange 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.

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 : 14th July, 2011 at 10.30 A.M

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

Date of Book closure : 11th July, 2012 to 14th July, 2012 (both days inclusive)

XV. Financial Calender :

Financial Reporting for the quarter ending 30 th June, 2011	Last week of July, 2012
Financial Reporting for the quarter ending 30 th September, 2011	Last week of October, 2012
Financial Reporting for the quarter ending 31 st December, 2011	Last week of January, 2013
Financial Reporting for the quarter ending 31 st March, 2012	Last week of May, 2013

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

The Bombay Stock Exchange Ltd (BSE)	531672
The 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 2011 - 12

Months	High	Low
April, 2011	16.85	15.25
May, 2011	-	-
June, 2011	16.00	16.00
July, 2011	19.05	15.25
August, 2011	19.05	15.65
September, 2011	21.00	15.60
October, 2011	17.90	17.90
November, 2011	19.60	16.90
December ,2011	16.10	15.30
January, 2012	15.30	8.30
February, 2012	8.60	6.45
March, 2012	6.77	5.05

XVIII. REGISTRAR AND TRANSFER AGENTS:**Venture Capital & Corporate Investments Pvt Limited**

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

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

Share Transfer System:

The turnaround 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 2011-12. 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 Pvt Limited (RTA of the Company) the complaints are generally attended within 15 days from the date of receipt.

XIX. DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2012

Range of Ordinary Shares	No of Holders	% to Holders	No of Shares	% of Capital
Up to 500	361	47.38	70,513	1.55
501 to 1000	313	41.08	2,25,314	4.94
1001 to 2000	23	3.02	34,358	0.75
2001 to 3000	4	0.52	10,634	0.23
3001 to 4000	5	0.66	16,683	0.37
4001 to 5000	4	0.52	17,600	0.39
5001 to 10000	4	0.52	28,800	0.63
10001 above	48	6.30	41,53,798	91.14
Total	762	100.00	45,57,700	100.00

XX. SHARE HOLDING PATTERN AS ON 31ST MARCH, 2012

Sl. No.	Type of Shareholder	No. of Shares held	% of Total
1	Promoter		
	Indian	2540814	55.75
	Foreign	-	-
2	Financial Institutions & Banks	-	-
3	FII's & OCB's	-	-
4	Mutual Fund/s	-	-
5	Non Resident Indians	-	-
6	Domestic Companies	30286	0.66
7	Individuals	1986600	43.59
	Total	4557700	100.00

XXI. 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 (CSDL) for dematerialization of shares and custodies fees as applicable is paid for the period 2012-13. The ISIN code allotted to the companies Equity Shares is INE224C01014.

As on 31-03-2012 dematerialisation of shares

Sl. No.	Electronic/Physical	Mode of Holding %
1	NSDL	5.53
2	CDSL	84.66
3	Physical	9.81
	TOTAL	100.00

90.19% of company's paid up ordinary Equity share capital has been dematerialized up to 31st March, 2012 (85.56% up to 31st March, 2011).

XXII. Address for Correspondence: -**Venture Capital and Corporate Investments Pvt Ltd**

H.NO. 12-10-167,
BHARAT NAGAR,
HYDERABAD – 500018
Andhra Pradesh
Tel No. : 040-23868023/23868024

E-mail : info@vccilindia.com
pv_srinu@hotmail.com

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a) Industry Structure and developments:**

The financial year 2011-12 was marked by a fairly tough financial environment. There was a slowdown in GDP growth during second half of the financial year 2011-12, due to weakness in the value of Rupee, high crude oil prices and sluggish global economy. The Reserve Bank of India limited intervention was not enough to lift the value of rupee, the worst performing currency during the year. The economic activities in many developed countries remained sluggish due to sovereign debt crisis in some of the European Countries. Investors across the world fled from riskier assets like stocks, as nervousness gripped financial markets today on fears that a Greek exit from the euro zone would worsen the debt crisis facing other European nations like Spain and Italy.

The growth rate of the Indian economy saw some headwinds with rising input costs. Due to high interest rates and weakness in value of Rupee, Indian markets could not deliver a good performance. The dislocation in the financial and capital market seriously impacted the financial performance of the domestic brokerage houses. With the brokerage income getting adversely impacted and the turnover declining with falling stock prices and average brokerage yield, the brokerage houses profitability was severely impacted and they were faced with the challenge of protecting their capital from erosion in the adverse capital market movement.

The disproportionate growth in low yield options segment of the market, while the high-yield cash segment saw year on year decline. Lack of a sustained, directional trend in the markets resulted in muted retail participation, which saw some attraction only during few IPO like MCX Stock Exchange. Thus, the growth in overall market volumes did not result in a corresponding growth in the overall brokerage revenue pool.

The Indian Government's step to pull the market by reduction in the Securities Transaction Tax (STT) in the Budget could not help.

Recently National Stock Exchange of India Ltd has launched trading in Interest Rate Futures.

b) Opportunities and Threats:**Opportunities**

- Growing financial services industry
- Huge market opportunity for wealth managements services.
- Regulatory reforms would aid greater participation by all class of investors.

Threats

- Execution risk
- Slowdown in global liquidity flows
- Increased intensity of competition from players
- Unfavorable economic conditions
- Price of crude oil in the international markets
- Weakness in value of Rupee.

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

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

c) Outlook:

The year under review i.e. the financial year 2011-12 has also 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.

Your company is been able to meet the challenges posed by developments in the capital market due to the top management team comprises qualified and experienced professionals, with a successful track record. The company believes that its management's entrepreneurial sprits, strong leadership skills, insight into the market and customer needs provide it with a competitive strength, which will help to implement its business strategies.

We believe that the strategy that we have followed for upgraded RMS 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.

The steps taken by the Regulators/Exchanges have increased the investor protection and improvement in transparency, corporate governance and monitoring which will be necessary to enhance investors' confidence in the capital market, however very good progress has been made.

d) Risk and Concerns:

The company is primarily exposed to credit risk, interest risk, liquidity risk and operational risks. Internally, it has constituted a team to manage these risks. This team identifies and monitors all principal risks in accordance with defined policies and procedures.

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.

The major risks is the continued rise in price of crud oil in the international markets coupled with alarming high inflationary rates in both domestic and other economies, which is a indirect threat to stock broking as the high cost of manufacturing and periodic rise in interest rates to counter balance inflationary pressure directly effecting the earning capacity 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 systems 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 staffs 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.

Place : Hyderabad
Date : 30.05.2012

By Order of the Board
Sd/-
SHRIGOPAL INANI
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Inani Securities Limited

We have examined the compliance of conditions of Corporate Governance by Inani Securities Limited during the year ended on 31st March, 2012, 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 compliance of the conditions of the 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,
Firm Registration No. 05834S

G.D. Upadhyay
Partner
Membership No. 027187

Place : Hyderabad
Date : 30.05.2012

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, 2012 the Statement of Profit and Loss 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 the 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) Order, 2003 issued by the Central 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 & 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in Para 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit:
 - b. 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.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31st, 2012 from being appointed as a Director in terms of clause (g) of sub-sec (1) of section 274 of the Companies Act, 1956;

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, 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, 2012;
 - b) in the case of the Statement of Profit and Loss, 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,
Firm Registration No. 05834S

Place : Hyderabad
Date : 30.05.2012

G.D. Upadhyay
Partner
Membership No. 027187

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 3 of our report dated: 30/05/2012 to the members of Inani Securities Limited on the financial statements for the year ended 31st March, 2012

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of 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 held by the Company is in dematerialized form in NSDL/CDSL and is verified with the confirmation certificate received from them. The stock of securities held in physical form is physically verified with respective share certificates. .
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 the 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/taken unsecured loans from 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. '604.55 Lacs and balance payable at the year end is Rs.17.70 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

- 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 the size and the 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 generally depositing with appropriate authorities undisputed statutory dues including Income Tax, Service Tax, Provident fund and 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 /- was outstanding for more than six months as at the Balance Sheet date.
 - b) According to the information and explanations given to us, no disputed dues payable in respect of Income Tax, Service Tax, Wealth Tax, Customs Duty and Cess were outstanding at 31st March, 2012 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) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 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.
- 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) The Company has raised new term loans during the year and have applied for the purpose for which they were raised.
- 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,
Firm Registration No. 05834S

G.D. Upadhyay
Partner
Membership No. 027187

Place : Hyderabad
Date : 30.05.2012

BALANCE SHEET AS AT 31ST MARCH,2012

Particulars	Note No.	As at 31st March 2012 (Amount in Rs.)	As at 31st March 2011 (Amount in Rs.)
I. EQUITY AND LIABILITIES:			
1) <u>Sharholders' Funds</u>			
a) Share Capital	3	47,166,056	47,166,056
b) Reserves and Surplus	4	85,069,334	82,862,717
2) <u>Non-Current Liabilities</u>			
a) Long-Term Borrowings	5	7,195,790	-
b) Deferred Tax Liability (Net)	6	197,837	50,241
3) <u>Current Liabilities</u>			
a) Short-Term Borrowings	7	4,857,284	14,698,580
b) Trade Payables	8	9,866,896	14,226,654
c) Other Current Liabilities	9	32,166,262	17,586,010
d) Short-Term Provisions	10	765,212	1,338,018
Total Equity & Liabilities		187,284,671	177,928,276
II. ASSETS			
1) <u>Non Current Assets</u>			
a) <u>Fixed Assets</u>			
i) Tangible Assets	11	20,685,456	20,669,261
ii) Intangible Assets	11	53,533	54,147
b) Non-current investments	12	30,238,123	23,763,123
c) Long term loans and advances	13	45,957,828	53,411,365
2) <u>Current Assets</u>			
a) Inventories	14	589,541	589,541
b) Trade receivables	15	24,157,721	18,113,334
c) Cash and Cash equivalents	16	52,797,144	48,330,156
d) Short-Terms Loans and Advances	17	12,805,325	12,997,349
Total Assets		187,284,671	177,928,276
SIGNIFICANT ACCOUNTING POLICES AND NOTES ON FINANCIAL STATEMENTS		1 to 25	

Notes referred to above attached there to form an integral part of Balance Sheet

As per our Report of even date .

For **G.D. UPADHYAY & CO**
Chartered Accountants
Firm Registration No. 05834S

G.D. UPADHYAY
Partner
Membership No. 027187

Place : Hyderabad
Date : 30.05.2012

For and on Behalf of the Board

LAKSHMIKANTH INANI
Managing Director

VISHNUKANTH INANI
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2012

	Particulars	Note No.	As at 31.03. 2012 (Amount in Rs.)	As at 31.03. 2011 (Amount in Rs.)
I	Income :			
	Revenue from Stock Market Operations	18	15,942,948	20,316,414
	Other Income	19	7,229,556	6,731,504
	Total Revenue		23,172,504	27,047,918
II	Expenses:			
	Changes in inventories of Stock-in-Trade	20	(0)	462,617
	Employee Benefits Expenses	21	7,041,624	7,611,180
	Financial Costs	22	4,198,670	2,296,857
	Depreciation & Amortization Expenses	23	1,234,020	1,396,131
	Other Administrative Expenses	24	7,174,178	7,945,720
	Total Expenses		19,648,492	19,712,505
III	Profit before exceptional and extraordinary items and tax		3,524,012	7,335,414
IV	Exceptional Items			
a	Prior period adjustments (Net)		150,988	189,172
b	Loss on Sale of Car		174,824	57,308
V	Profit before Tax (III - IV)		3,198,200	7,088,933
VI	Tax Expenses :			
	1)Current tax		843,987	2,133,032
	2)Deferred tax		147,596	49,601
VII	Profit for the period (V - VI)		2,206,617	4,906,300
VIII	Earnings per equity Share of face value Rs.10/-each:			
	1. Basic		0.48	1.08
	2. Diluted		0.48	1.08
	SIGNIFICANT ACCOUNTING POLICES AND NOTES ON FINANCIAL STATEMENTS	1 to 25		

Notes referred to above attached there to form an integral part of Balance Sheet

This is the Profit & Loss Statement referred to in our Report of even date.

For **G.D. UPADHYAY & CO**
Chartered Accountants
Firm Registration No. 05834S

G.D. UPADHYAY
Partner
Membership No. 027187

Place : Hyderabad
Date : 30.05.2012

For and on Behalf of the Board

LAKSHMIKANTH INANI
Managing Director

VISHNUKANTH INANI
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

		Year ended 31-03-2012 Rs.in Lacs	Year ended 31-03-2011 Rs.in Lacs
A	CASH FLOW FROM OPERATING ACTIVITIES		
a	Net Profit before Tax & Extraordinary Items	35.24	73.35
	Adjustments for:		
	Depreciation & Admortization	12.34	13.96
	Interest	41.99	22.97
	Interest Received	(65.40)	(59.17)
	Dividend Income	(1.36)	(1.31)
	Rent Received	(5.54)	(2.70)
	Loss on Sale of Asset	0.00	0.00
b	Operating Profit before working capital changes	17.27	47.11
	Adjustments for :		
	Trade & Other Receivables	(60.97)	23.26
	Inventory	0.00	4.62
	Trade Payable and other payable	102.20	(48.09)
	Loans & Advances	76.46	(76.75)
	Provisions	0.00	(1.81)
c	Cash Generated/(outgo) from Operations	134.96	(51.66)
	Interest paid	(41.99)	(22.97)
	Direct Taxes paid	(12.04)	(21.78)
d	Cash Flow before extraordinary Items	80.93	(96.41)
	Loss on Sale of Car	(1.75)	0.00
	Prior Year Adjustments	(1.51)	(1.89)
	Net Cash Flow from Operating Activities (A) :	(77.67)	(98.30)
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(18.59)	(23.31)
	Proceeds from Sale of Fixed Assets	4.50	2.52
	(Increase) / Decrease in Investments	(64.75)	(0.25)
	Interest received	65.40	59.17
	Dividend received	1.36	1.31
	Rent	5.54	2.70
	Net Cash Flow/(used) in Investing Activities (B) :	(6.55)	42.14
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from Long Term Borrowings	71.96	0.00
	Repayment of Short Term Borrowings	(98.41)	60.07
	Net Cash Flow from Financing Activities (C) :	(26.46)	60.07
D	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	44.67	3.91
	Cash and Cash equivalent at the beginning of the year	483.30	479.39
	Cash and equivalent at the end of the year	527.97	483.30

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



INANI SECURITIES LIMITED

We have verified the above Cash Flow Statement of Inani Securities Limited derived from the Audited Financial Statements for the year ended 31st March, 2012 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**
Chartered Accountant
Firm Registration No. 05834S

G.D. UPADHYAY
Partner
Membership No.0 27187
Place : Hyderabad
Date : 30.05.2012

For and on Behalf of the Board

LAKSHMIKANTH INANI
Managing Director

VISHNU KANTH INANI
Director

Significant Accounting Policies and Notes forming part of the Balance Sheet as at 31st March, 2012 and Profit and Loss Statement for the year ended 31st March, 2012

i. General Information :

Inani securities limited a company incorporated under companies act 1956, is listed on Bombay stock exchange, The company is a member of National Stock exchange, Bombay Stock exchange, MCX Stock Exchange and also depository Participant with CDSL the main activity of company is to deal in shares and securities, and provide DP services to its clients. The company has its presence in the states of Andhra Pradesh and Maharashtra. The Company is engaged in 'Stock broking' & Depository Participant Segments. The other activities such as Trading in Securities, DP services are incidental to Stock Broking activity.

ii. SIGNIFICANT ACCOUNTING POLICIES

i. 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.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

ii. 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/materialized.

iii. 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.

Subsequent expenditure relating to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible assets are stated at cost of acquisition, net of accumulated amortization and accumulated impairment loss if any. Intangible assets are amortised on straight line basis over their estimated useful lives.

iv. Capital Work-in-progress

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

v. 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 greater of 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.

vi. 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.

vii. Inventories:

Stocks of Shares are 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 is 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.

viii. Investments:

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).

ix. 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.

x. Other Income:

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when right to receive dividend is established.

xi. Employee Benefits :**a) Short term employee benefits :**

Employee Benefits such as salaries, allowances, provident fund 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 statement of profit and loss in the period in which the service is rendered.

b) Post- employment benefits :

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 credit 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 Statement.

c) Termination benefits:

Termination benefits in the nature of voluntary retirement benefits are recognized in the statement of profit and loss as and when incurred.

Xii. Taxation :

Tax expenses comprises of current and deferred. Current 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.

Deferred Tax is recognized for all the timing differences. The Company is providing and recognizing deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liability are offset when there is legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Xiii. 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.

Xiv. 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012
3.Share Capital

Sr.No.	Particulars	Current Year	Previous Year
1	AUTHORIZED 53,50,000 (Previous year 53,50,000) Equity Shares of Rs. 10/-each	53,500,000	53,500,000
		53,500,000	53,500,000
2	ISSUED AND SUBSCRIBED CAPITAL 50,21,900 (Previous Year 50,21,900) Equity Shares of Rs.10/- each	50,219,000	50,219,000
3	PAID UP CAPITAL 45,57,700 Equity Shares of Rs. 10/- each Add : Forfeited Shares 4,64,200 Equity shares forfeited and not reissued (Amount originally paid up Rs. 5/- on 171,400 shares and Rs. 2.5/- on 2,92,800 shares)	45,577,000 1,589,056	45,577,000 1,589,056
		47,166,056	47,166,056

3.1 During the year there was no fresh issue of equity shares, hence balance at the begining of the year and at the end of the year remains the same i.e. 50,21,900/- shares.

3.2 Details of shares held by shareholders holding more than 5% of the aggregate shares in the company.

Sr.No.	Particulars	Current Year	Previous Year
1	Equity Shares : Ramakanth Inani 664800/- shares of Rs.10 Each	14.59% 6,648,000	14.59% 6,648,000
2	Vishnukanth Inani 315600/- Shares of Rs. 10 Each	6.92% 3,156,000	6.92% 3,156,000
3	Venugopal Inani 283100/- Shares of Rs.10 Each	6.21% 2,831,000	6.21% 2,831,000
4	Inani Commondities and Finance Limited 309914/- Shares of Rs. 10 Each	6.80% 3,099,140	6.80% 3,099,140

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012
4: Reserves & Surplus

Sr.No.	Particulars	Current Year	Previous Year
1	Surplus in Profit & loss Statement	85,069,339	82,862,717
	As per Last Balance Sheet	82,862,717	78,001,043
	Less: Tax of earlier years paid	0	44,626
	Add Profit for the period	2,206,617	4,906,300
		85,069,334	82,862,717

5 : Long Term Borrowings

Sr.No.	Particulars	Current Year	Previous Year
1	Secured Long Term Maturities of Term Loans from Bank and NBFC	7,195,790	-
		7,195,790	-

5.1 The Company has obtained a term loan of Rs. 12,20,000/- from M/s. Alphaera financial Services for purchase of motor car for use of directors, it is secured against mortgage of motor car which is repayable in 36 months with 10.01% of ROI

5.2 The Company has obtained a term loan of Rs. 81.64 Lac from ICICI Bank for purchase of office at Bangalore, it is secured by mortgage of flat which is repayable in 120 months with 10.75% as ROI

6 : Deffered Tax Liability (Net)

Sr.No.	Particulars	Current Year	Previous Year
	Opening Balance	50,241	640
	Timing Difference on account of Depreciation	147,602	49,601
		197,843	50,241

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012
7: Short Term Borrowings

Sr.No.	Particulars	Current Year	Previous Year
1	Secured Working Capital Loans -From Banks	67,003	10,952,271
2	Unsecured Loans & Advances From Related Parties	1,770,281	0
3	Deposits	3,020,000	3,746,309
		4,857,284	14,698,580

7.1 Working capital loan from HDFC bank is secured against pledge of equity shares belonging to the directors, relatives & associated concerns and against mortgage of FDR worth Rs. 2.00 Crores.

7.2 Deposits includes deposits received from clients as security deposits for their trades.

8 : Trades Payable

Sr.No.	Particulars	Current Year	Previous Year
	Sundry Creditors	9,866,896	14,226,654
		9,866,896	14,226,654

8.1As confirmed by the management, there are no dues above Rs. 1.00 Lakh outstanding for more than 45 days to Micro and Small Scale Undertakings.

9 : Other Current Liabilities

Sr.No.	Particulars	Current Year	Previous Year
1	Margin money	28,169,292	10,608,053
2	Current Maturities of long term debt	1,804,260	0
3	Unclaimed Dividend (2007-08)	66,012	66,012
4	Other Payables (Note 9.1)	2,126,699	6,911,945
		32,166,262	17,586,010

9.1 Other Payable includes Statutory Dues and outstanding Liabilities

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012

10: Short Term Provisions

Sr.No.	Particulars	Current Year	Previous Year
1	Provision For Employees Benefit		
	Provident Fund Payable	-	492,811
	Provision for Gratuity (Refer Note No. 25 iv)	356,852	322,087
2	Others		
	Provision for Taxation	408,360	523,120
		765,212	1,338,018

INANI SECURITIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

11 : Fixed Assets

Descriptions	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2011	Additions	Deductions	As At 31.03.2012	Upto 01.04.2011	For the year	Deductions	Upto 31.03.2012	As At 31-03-2012	As At 31-03-2011
Tangible Assets											
Premises	1.63%	12,037,510	0	0	12,037,510	906,574	196,211	0	1,102,785	10,934,725	11,130,936
Computer Equipments	16.21%	179,794	175,084	0	354,878	16,654	43,524	0	60,178	294,700	163,140
Office Equipments	4.75%	3,307,190	98,550	0	3,405,740	700,214	161,135	0	861,349	2,544,391	2,606,976
Vehicles (car)	9.50%	3,725,861	1,585,791	1,353,697	3,957,955	1,357,916	455,381	743,873	1,069,424	2,888,531	2,367,945
Furniture and Fixtures	6.33%	5,958,210	0	0	5,958,210	1,557,946	377,155	0	1,935,101	4,023,109	4,400,264
SUB TOTAL (A)		25,208,565	1,859,425	1,353,697	5,714,293	4,539,304	1,233,406	743,873	5,028,837	20,685,456	20,669,261
Intangible Assets											
Sterling Holiday Resort		55,800	0	0	55,800	6,203	564	0	6,767	49,033	49,597
Classic Club Resorts		5,000	0	0	5,000	450	50	0	500	4,500	4,550
SUB TOTAL (B)		60,800	0	0	60,800	6,653	614	0	7,267	53,533	54,147
Total (A+B) Current year		25,269,365	1,859,425	1,353,697	25,775,093	4,545,957	1,234,020	743,873	5,036,104	20,738,989	20,723,408
Previous year		28,709,520	3,001,048	6,441,203	25,269,365	9,281,721	1,396,131	6,131,895	4,545,957	20,723,408	19,427,799

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012
12: Non Current Investment

Sr.No.	Particulars	Current Year	Previous Year
	Unquoted Equity Shares :		
	Inani Commodities and Finance Ltd (4,26,150 equity shares face value of Rs. 10/- each	23,261,500	23,261,500
	The Hyderabad Stock Exchange Ltd (10,000 equity Shares)	10,000	10,000
	The HSE Securities Ltd Rights Issue (Face Value 10/-) Party Paid 2.5/-	0	25,000
	Equity Shares of Bombay Stock Exchange Ltd Includes written down Value of the Membership Card (23,2577 Equity Shares)	466,623	466,623
	Other -Mutual Funds (Refer Note 12.1 Below)	6,500,000	0
		30,238,123	23,763,123

12.1 HDFC Short Term Mutual Funds amounting to Rs. 50,00,000/- has been mortgaged in HDFC bank for obtaining the cash credit limits and the NAV of these mutual funds as on 31/03/2012 is Rs. 65.49/- Lakhs.

13. Long Term Loans and advances

Sr.No.	Particulars	Current Year	Previous Year
I	Capital Assets <u>a) Secured and Considered Good</u> Capital Advances (Refer Note 13.1)	10,098,772	-
II	Security Deposit <u>a) Unsecured , Considered Good</u> Deposit with Stock Exchanges Other Deposit (Refer Note 13.2)	35,698,000 161,056	10,728,460 188,255
III	Loans and Advances to related parties	-	42,494,650
		45,957,828	53,411,365

13.1 Capital Advances include an amount of Rs.10,098,772 paid to M/s. Mantri Developers for purchase of office at Bangalore.

13.2 Other Deposit includes deposits paid towards amenities i.e. Electricity, Telephone etc.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012
14: Inventories

Sr.No.	Particulars	Current Year	Previous Year
1	Shares held for Trade (At lower of Cost or Net Estimated Realisable Value and as per Inventory taken Valued and certified by the Management) Aggregate Value of Quoted stocks is Rs.11.43 Lakhs (previous year Rs. 15.14 Lakhs)	589,541	589,541
		589,541	589,541

15: Trade Recivables

Sr.No.	Particulars	Current Year	Previous Year
	Unsecured and Considered Good.		
	Over Six Months	9,607,587	5,466,990
	Others	14,550,134	12,646,344
		24,157,721	18,113,334

16. Cash & Cash Equivalents

Sr.No.	Particulars	Current Year	Previous Year
1	Cash-in-Hand Cash Balance	256,043	463,601
	Sub Total (A)	256,043	463,601
2	Bank Balance In Current Accouts	11,679,111	552,476
	Fixed Deposits with Banks (Refer Note 16.1 below)	40,794,640	47,232,562
	Upaid Dividend Account	66,012	66,012
	Sub Total (B)	52,539,763	47,851,050
3	Stamps on Hand (C)	1,338	15,505
		52,797,144	48,330,156

16.1 Held as lien by banks against bank guarantees and Deposits with Banks Includes deposits of Rs. 403.95 Lakhs (Previous year Rs. 437.33 Lakhs) with maturity of more than 12 months.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012
17: Short Term Loans & Advances

Sr.No.	Particulars	Current Year	Previous Year
1	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Other Advances (refer Note17.1)	11,581,853	12,021,088
	Advance Income Tax/Refund Due	359,327	-
	Balance With Revenue Authorities	145,391	239,012
	Prepaid Expenses	718,754	737,248
		12,805,325	12,997,349

17.1 Other Advances include advances to Y. Ashwin amounting to Rs. 10,899,715 which is overdue and the case is pending in the court for recovery of the same.

18 : Revenue from Stock Market Operations

Sr.No.	Particulars	Current Year	Previous Year
1	Brokerage Income	15,631,425	19,807,161
2	Net DP Income	311,523	509,253
		15,942,948	20,316,414

19 : Other Income

Sr.No.	Particulars	Current Year	Previous Year
1	Interest on FDR's	6,540,357	5,917,111
2	Dividends	135,699	130,526
3	Other Non Operating Income	553,500	683,867
		7,229,556	6,731,504

19.1 Other Non Operating Income includes income from Rent and Bad Debts Recovered

20 : Change in Inventories of Stock-in-Trade

Sr.No.	Particulars	Current Year	Previous Year
1	Opening Stock	589,541	1,052,158
2	Closing Stock	589,541	589,541
		0	462,617

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012
21: Employee Benefit Expenses

Sr.No.	Particulars	Current Year	Previous Year
1	Salaries Incentives & Bonus	6,083,455	6,200,295
2	Staff Welfare Expenses	75,892	218,051
3	Gratuity (refer note no 25 (iv))	34,765	110,578
4	Provident Fund (refer note 21.1 below)	175,512	272,256
5	Directors Remuneration	672,000	810,000
		7,041,624	7,611,180

21.1 Provident fund for eligible employees is managed by the company in line with the Provident Fund and Miscellaneous Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement whichever is earlier.

22 : Financial Costs

Sr.No.	Particulars	Current Year	Previous Year
1	Interest Expenses	3,338,770	14,43,669
2	Bank Charges	162,918	2,364
3	Bank Gurantee Charges	696,982	850,824
		4,198,670	2,296,857

23 : Depreciation & Amortization Expenses

Sr.No.	Particulars	Current Year	Previous Year
1	Depreciation & Amortization	1,234,020	1,396,111
		1,234,020	1,396,131

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012
24 : Other Administrative Expenses

Sr.No.	Particulars	Current Year	Previous Year
1	Rent	334,000	431,500
2	Rates and Taxes	259,408	279,386
3	Insurance	59,710	25,784
4	Travelling and Conveyance	245,546	259,425
5	Tele Communication charges	1,001,022	1,414,457
6	Printing & Stationery	165,507	287,568
7	Electricity Charges	404,736	516,879
8	Computer Repair and Maintenance	475,107	831,512
9	Directors Sitting Fee	28,000	22,500
10	Remuneration to Auditors	141,800	108,350
11	Computer Software	542,234	619,793
12	Legal Expenses	331,860	97,818
13	Professional Charges	48,030	10,000
14	Vehicle Maintenance	100,591	181,470
15	Stock Exchange Expenses	308,645	438,879
16	Debit written off	10,923	13,550
17	AGM Expenses	21,960	31,526
18	Office and General Expenses	394,002	694,449
19	Research & Consultancy	2,301,096	1,680,874
		7,174,178	7,945,720

25. NOTES ON ACCOUNTS :

31/03/2012

31/03/2011

i)	Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	NIL	NIL
ii)	Contingent Liabilities :		
	a) Uncalled Liability on account of 10000 partly paid right shares of HSE Securities limited	NIL	Rs. 75,000/-
	b) Not provided for Bank Guarantee issued by the Banks.	Rs. 393.00 Lacs	Rs. 418.00 Lacs
iii)	Auditors Remuneration (excluding Service Tax)		
	Statutory Audit Fees	Rs.45,000/-	Rs.35,000/-
	Tax Audit Fees	Rs.20,000/-	Rs.15,000/-
	Other Services	Rs.10,000/-	0

iv) Employee Benefits :

As per Accounting Standard 15"Employee Benefits", the disclosures as defined in Accounting Standard are given below:

Particulars	2011-12
a) Changes in the Present Value of Obligation	
Present value of obligations as at beginning of year	2,97,561
Interest cost	25,293
Current Service cost	26,438
Benefits paid	0
Actuarial (gain)/loss on obligations	7,560
Present value of obligations as at end of the year	3,56,852
b) Changes in Fair value of plan assets	
Fair value of plan assets at beginning of the year	1,51,200
Expected return of plan assets	12,096
Contributions	0
Benefits paid	0
Actuarial (gain)/loss on plan assets	0
Fair value of plan assets at the end of the year	1,63,296
c) Assets recognized in the Balance Sheet	
Present value of obligations as at the end of the year	3,56,852
Fair value of plan assets as at the end of the year	1,63,296
Funded status	(1,93,556)
Net asset/(liability) recognized in balance sheet	(1,93,556)
d) Expenses recognized in the Statement of Profit & Loss	
Current service cost	26,438
Interest cost	25,293
Expected return on plan assets	12,096
Net Actuarial (gain)/loss recognized in the year	7,560
Expenses recognized in statement of profit and loss	47,195
e) Assumptions	
Discount Rate	8%
Salary Escalation	4 %

- v. Sundry Debtors, Loans and Advances and Creditors are subject to confirmation and reconciliation.
- vi. 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
- vii. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the company.

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.

The company operates in only one segment i.e. 'India'. Hence separate information on geographical segment is not required.

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

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

ix) Related party Transactions

(Rs. in Lakhs)

Particulars	Keyperson/Relatives	Associates
Directors Sitting Fees	0.28	-
Remuneration	6.72	-
Rent paid	3.09	-
Interest received	18.45	-
Advances given	-	336.91/(338.68)
Brokerage Received	3.40	0.18

- x) Basic and Diluted Earnings per Share {"EPS"} computed in accordance with Accounting Standard (AS) 20 'Earnings per Share'

Particulars	2011-12	2010-11
Basic		
Profit after tax as per Profit and Loss account	22,06,617	48,61,674
Number of Shares subscribed	45,57,700	45,57,700
Basic EPS (Rupees)	0.48	1.07
Diluted		
Profit after Tax as per Profit & Loss Account	22,06,617	48,61,674
Number of Shares Scrib(Rupees)	0.48	1.07

- xi. Value of Imports on CIF Basis NIL
- xii. Expenditure in Foreign Currency NIL
- xiii. Earning's in Foreign Currency NIL

xiv. Figures in brackets in these notes are in respect of previous year.

xv. The financial statements for the year ended March 31, 2011 had been prepared as per the applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31,2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

for G.D. UPADHYAY & CO
Chartered Accountants
Firm Registration No. 05834S

G.D. UPADHYAY
Partner
Membership No. 027187

Place : Hyderabad
Date : 30.05.2012

for and on Behalf of the Board

LAKSHMIKANTH INANI
Managing Director

VISHNUKANTH INANI
Director

INANI SECURITIES LIMITED

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

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)
18th Annual General Meeting - 14th July, 2012

I/We hereby record my/our presence at 18th Annual General Meeting of the Company to be held on Saturday, the 14th day of July, 2012 at 10.30 A.M. at Rajasthani Graduates Association Hall, situated at 5-4-790/1, First Floor, Lane Opp. to G.Pulla Reddy Sweets, Abids, Hyderabad - 500 001.

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 18th Annual General Meeting of the Company to be held on Saturday, the 14th day of July, 2012 at 10.30 A.M. at Rajasthani Graduates Association Hall, situated at 5-4-790/1, First Floor, Lane Opp. to G.Pulla Reddy Sweets, Abids, Hyderabad - 500 001.

As Witness my hand/our hand this day of

Affix 1/- Rupee Revenue Stamp
--

Signature

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.



INANI SECURITIES LIMITED

18th
Annual Report
2011-12



INANI SECURITIES LIMITED



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