




**ISL**  
**INANI SECURITIES LTD.**

**2015-16**  
**22<sup>ND</sup> ANNUAL REPORT**



**CORPORATE INFORMATION****CORPORATE INDENTITY NUMBER (CIN)**

L67120AP1994PLC017583

**BOARD OF DIRECTORS****MANAGING DIRECTOR**

Mr.Lakshmikanth Inani Din (00461829)

**WHOLE-TIME DIRECTOR**

Mr.Vishnukanth Inani Din (00571377)

**DIRECTORS**

Mr. Ramakanth Inani Din (00458875)

Shri.Gopal Inani Din (00885322)  
(Resigned as on 30th July, 2016)**INDEPENDENT DIRECTORS**

Mr. Dhanraj Soni Din (01859486)

Mrs. Rama Kabra Din (06843396)

Mr.Anand Rameshchandra Chandak Din (01190924)

**STATUTORY AUDITORS**M/S G.D. UPADHYAY & Co.  
CHARTERED ACCOUNTANTS  
15-1-53 2<sup>ND</sup> Floor (Upstairs Andhra Bank)  
Opp. Goshamahal High School  
Siddiamber Bazar Hyderabad-500012**REGISTRAR & SHARE TRANSFER****AGENT****VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED**12-10-167  
Bharat Nagar  
Hyderabad-500018  
Tel : +91-040-23818475/23818476**REGISTERED OFFICE**G-15 Raghav Ratna Towers, 5-8-352/14  
& 15, Chirag Ali Lane,  
Hyderabad-500001 Telangana**CORPORATE OFFICE**Office No.1408, 14<sup>th</sup> Floor, Naman  
Midtown B-wing Senapati Bapat Marg  
Next to Indiabulls Finance Centre  
Ephinstone, Mumbai-400013**LISTED AND TRADING AT**

Bombay Stock Exchange of India Ltd.

**BANKERS**Tamilnad Mercantile Bank Limited  
Karur Vysya Bank Limited  
HDFC Bank Limited  
ICICI Bank  
Axis Bank**SECRETARIAL AUDITORS**M/s Ajay Kishen  
Company Secretaries in practice  
4-1-1239/3 and 4 Kishen's Residency  
2<sup>nd</sup> Floor, King Koti, Hyderabad-500001  
Opp. St. George Degree College for  
women**ANNUAL GENERAL MEETING**Date : 30<sup>th</sup> September, 2016  
Time : 2:30 P.M  
Venue : Rajasthani Graduates Association  
Hall  
5-4-790/1 First Floor, Lane Opp. To G.Pulla  
Reddy Sweets. Hyderabad-500001

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**ABOUT US**

Inani Securities Limited generally known as ISL, established in 1994 and listed on BSE in 1996. ISL has evolved one of the paramount Stock Broking & Financial Services Firm in India. Having its Corporate Office in Mumbai.

ISL provides wide range of wealth generation solutions individuals & institutions based on creative value investment ideas. Our power lies with our customer-centric approach and firm commitment to make their money work for them.

ISL is affiliated with the major stock exchange in India for equities and commodities, i.e. BSE. These affiliations has resulted our growth in the market, which makes ISL one of the leading stock broking & financial services in the market.

ISL is accomplished to provide incomparable services to all its clients & associates, by providing all the dealings in transparent manner and maintaining the ethical standards. Our aim is to protect and encourage long term relationship with our clients and associates

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 22<sup>ND</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S **INANI SECURITIES LIMITED** WILL BE HELD ON **FRIDAY THE 30<sup>TH</sup> SEPTEMBER, 2016** AT 2.30 P.M AT RAJASTHANI GRADUATES ASSOCIATION HALL, SITUATED AT 5-4-790/1, FIRST FLOOR, LANE OPP.TO G.PULLA REDDY SWEETS, ABIDS HYDERABAD-500001 TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended on that date, the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramakanth Inani, (Din: 00458875), who retires by rotation at this Annual General Meeting and being eligible for reappointment.
3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re- enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s G.D. Upadhyay & Co., Chartered Accountants (Firm Registration No.05834S), as the Statutory Auditors of the Company to hold the office from the conclusion of this 22<sup>nd</sup> Annual General Meeting until the conclusion of the 23<sup>rd</sup> Annual General Meeting to be held for the Financial year 2017-18 on such remuneration as may be determined by the Board of Directors”.

By Order of the Board of Directors

**For Inani Securities Limited**

Sd/-

**Lakshmikanth Inani**

**Managing Director**

**Din 00461829)**

Date: 30.07.2016

Place: Hyderabad

**IMPORTANT NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Members / proxies should bring the duly filled Attendance slip enclosed herewith to attend the meeting. Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. The shareholder needs to furnish the printed 'attendance slip' along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license, to enter the AGM hall.
4. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 24<sup>th</sup> September, 2016, to 30<sup>th</sup> September, 2016 Friday (both days inclusive), for the purpose of Annual General Meeting.
5. Members are requested to immediately notify the changes, if any, in their registered address to the Company's Registrar and shares transfer agents, M/s. Venture Capital Corporate and Investment Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad - 500 088
6. Electronic copy of the 22<sup>nd</sup> Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the 22<sup>nd</sup> Annual Report for 2016 are being sent in the permitted mode.
7. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Hyderabad for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id: [investors@inanisec.in](mailto:investors@inanisec.in)
8. **Voting through electronic means:**

In compliance with provision of section 108 of the Companies Act, 2013 and Rules 20 of the Companies (Management and Administration) Rules, 2014, the company will provide its members the facility to exercise their right to vote in the 22<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL).

**THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-**

- (i) The voting period begins on Tuesday, 27<sup>th</sup> September, 2016 (09.00 AM. IST) and ends on Thursday, 29<sup>th</sup> September, 2016 (5.00 PM. IST). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday 23<sup>rd</sup> September, 2016 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

Particulars	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the INANI SECURITIES LIMITED.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) , under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
9. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. Friday 23<sup>rd</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@cdslindia.com](mailto:evoting@cdslindia.com) and [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using ‘Forgot User Details / Password’ option available on [www.evotingindia.com](http://www.evotingindia.com).
10. A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
11. The facility for voting through ballot will also be made available at the AGM, and members attending the AGM who have not already cast their vote by remote e-voting will be able to exercise their right at the AGM. Shareholders who have not cast their vote electronically, by remote e-voting may cast their vote at the AGM through ballot paper
12. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
13. **Scrutiny of the Voting Process:**
- a. The Board of directors has appointed **Mr. Ajay Kishen, Practicing Company Secretary**, as a scrutinizer to scrutinize the voting process (both electronic and physical) in a fair and transparent manner.
  - b. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence

of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Annual General Meeting. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

- c. The result, along with the Scrutinizer's Report, will be placed on the Company's website, [www.inanisecl.in](http://www.inanisecl.in) and on the website of CDSL immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the BSE Ltd.

By Order of the Board of Directors

**For Inani Securities Limited**

**Sd/-**

**Lakshmikanth Inani**

**Managing Director**

**Din (00461829)**

Date: 30.07.2016

Place: Hyderabad



## DIRECTORS' REPORT

To  
The Members,

The Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report of the Company, together with the financial statements for the year ended March 31, 2016.

**RESULTS OF OUR OPERATIONS:**

The Company's financial performance for the year ended 31<sup>st</sup> March, 2016 is summarized below:

Particulars	Rs. in Lakhs	
	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
Total Revenue	207.95	237.06
Profit before Interest, Depreciation & Tax	60.40	108.59
Profit before Depreciation & Tax	<b>22.23</b>	<b>71.64</b>
Profit before Tax & Exceptional Item	5.08	38.38
Prior year Adjustment & Exceptional Items	<b>0.00</b>	<b>(18.35)</b>
Net Profit before taxation	5.08	56.72
Provision for Tax		
Current Tax	0.97	18.62
Deferred Tax	<b>0.36</b>	<b>(4.40)</b>
Net Profit	<b>3.75</b>	<b>42.50</b>
Balance brought forward from the last year	<b>939.65</b>	<b>907.77</b>
Earlier Year Tax	<b>0</b>	<b>0</b>
Depreciation/ Deferred Tax Adjustments	<b>0</b>	<b>(10.62)</b>
Profit available for appropriation	<b>943.40</b>	<b>939.65</b>
Proposed Dividend	<b>Nil</b>	<b>Nil</b>
<b>Balance carried to Balance Sheet</b>	<b>943.40</b>	<b>939.65</b>

**Company Performance**

During the year under review, the net profit of the company decreased to Rs.3.75 Lakhs (Previous year Rs.42.50 Lakhs).

**Dividend:**

Your Directors do not recommend any dividend for the year under review, and has decided to retain the surplus with the company for furthering the growth of the Company.

**Reserves:**

The entire Net Profit of the company for the FY 2015-16 is retained as Surplus. The Company has not proposed to transfer any amount to any reserve.

**Deposits:**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) rules 2014. There are no public deposits, which are pending for repayment.

**Particulars of loans, guarantees or investments:**

Loans and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in this Annual Report.

Further, it is informed that the Company has neither given any guarantees nor provided any security during the financial year under review.

**Director's Responsibility Statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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 and of the profit and loss of the Company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (erstwhile Companies Act, 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis;
- (v) the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Particulars of contracts or arrangements made with related parties:**

During the year, the Company has not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions.

**HUMAN RESOURCE MANAGEMENT:**

To ensure good human resources management at Inani Securities Limited, we focus on all aspects of the employee lifecycle. This provides a holistic experience for the employee as well. During their tenure at the Company, employees are motivated through various skill-development, engagement and volunteering programs. All the while, we create effective dialogs through our communication channels to ensure that the feedback reach the relevant teams, including the leadership.

**Ratio of Remuneration to each Director:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, a remuneration of Rs.9,00,000/-- is being paid to Mr. Vishnukanth Inani, whole time director of the Company and a remuneration of Rs. 11,25,000/ - is being paid to Mr. Lakshmikanth Inani, Managing Director of the Company.



**Particulars of employees:**

The provisions of Section 197 (12) read with the relevant rules are not applicable to the Company during the year under review.

The Company continues its focus on retention through employee engagement initiatives and provides a holistic environment where employees get opportunities to realize their potential.

**Key Managerial Personnels:**

**Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-Time Director**

- (i) Mr. Lakshmikanth Inani Din (00461829) is the Managing Director of the Director of the Company.
- (ii) Mr. Vishnukanth Inani Din (00571377) is the Whole time Director of the Company.

**CORPORATE GOVERNANCE:**

The report on Corporate Governance as stipulated under (Listing Obligations and Disclosure Requirement) Regulation 2015 is not appended to this report as it is not applicable to the company. Since the paid up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance is not applicable.

**Auditors' certificate on corporate governance:**

As required under (Listing Obligations and Disclosure Requirement) Regulation 2015, the Auditors' Certificate on Corporate Governance is not appended to this report as it is not applicable to the company.

**Compliance Department:**

During the year under review,

- ❖ Mr .Lakshmikanth Inani, is the Managing Director cum Compliance Officer of the Company. Details of complaints/ requests received, resolved and pending during the Financial Year 2015-16:

During the Quarter	Received	Resolved	Pending
NIL	NIL	NIL	NIL

The compliance department of the company is responsible for independently ensuring that the operating and business units comply with regulatory and internal guidelines. New instructions/guidelines issued by the regulatory authorities were disseminated across the company to ensure that the business and business units operate within the boundaries set by the regulators and that compliance risks are suitably monitored and mitigated in course of their activities & processes

➤ **Information on the Board of Directors of the Company:**

During the year under review,

- (i) The Shareholders at the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2015 approved the following:

- ❖ Mr. Anand Rameshchandra Chandak (Din: 01190924) as Independent Director of the Company to hold office for five consecutive years, for a term upto the calendar year 2019.

- ❖ Mr. Dhanraj Soni (Din: 08159486), as Independent Director of the Company to hold office for five consecutive years, for a term upto the calendar year 2019.
  - ❖ Mrs. Rama Kabra (Din: 06843396), as Independent Director of the Company to hold office for five consecutive years, for a term upto the calendar year 2019.
- (ii) The Board has received resignation letter from Shri. Gopal Inani as on 30<sup>th</sup> July, 2016. The Board accepted resignation of Shri Gopal Inani w.e.f from 30<sup>st</sup> July, 2016.
- (iii) Mr. Ramakanth Inani (Din: 00458875) retires by rotation and eligible for re-appointment in the annual general meeting.

**Composition of the Board of Directors as on the date of 31<sup>st</sup> March, 2016 is mentioned below;**

Name of the Director	Designation	Category
Lakshmikanth Inani	Managing Director	Executive Director
Vishnukanth Inani	Whole Time Director	Executive Director
Ramakanth Inani	Director	Director
Shri Gopal Inani	Director	Director
Anand Rameshchandra Chandak	Director	Independent Director
Dhanraj Soni	Director	Independent Director
Rama Kabra	Director	Independent Director

**Board Diversity:**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage.

**Details with regards to meeting of Board of Directors of the Company:**

During the FY 2015-2016, 6 (six) meetings of the Board of Directors of the Company were held as on 31<sup>st</sup> May, 2015; 31<sup>st</sup> July, 2015; 31<sup>st</sup> October, 2015; 30<sup>th</sup> January, 2016; 15<sup>th</sup> February, 2016; 25<sup>th</sup> March, 2016.

Name of the Director	Board Meetings attended during the year	Whether last AGM attended
Mr. Shrigopal Inani	1	No.
Mr. Lakshmikanth Inani	4	Yes
Mr. Ramakanth Inani	4	Yes
Mr. Vishnukanth Inani	4	No
Mr. Anand Rameshchandra Chandak	6	Yes
Mr. Dhanraj Soni	6	Yes
Mrs. Rama Kabra	6	Yes

**Policy on directors' appointment and remuneration:**

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 30<sup>th</sup> July, 2016, the Board consists of 6 Members, 2 of whom are Executive

Directors, 3 are Independent Directors and 1 is a Director. The Board periodically evaluates the need for change in its composition and size.

**Declaration by Independent Directors on Annual Basis:**

The Company has received necessary declarations from each Independent Director i.e Mr. Anand Rameshchandra Chandak, Mr. Dhanraj Soni and Mrs. Rama Kabra under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013, and the same are enclosed to this Annual Report.

**Board's Committees:**

Currently, the Board has three committees: the Audit Committee, The Nomination and Remuneration Committee, The Stakeholders Relationship Committee. All the committees are appropriately constituted.

A detailed note on the Board and its committees, including the details on the dates of Committee Meetings is provided below in this Annual Report. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

➤ **AUDIT COMMITTEE:**

The Primary purpose of the Audit Committee of the Company as per the provisions of Section 177 of the Companies Act, 2013 is to assist the Board of Directors (the "Board") of M/s. Inani Securities Limited, (the "Company") in fulfilling its oversight responsibilities with respect to –

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examination with management the quarterly financial results before submission to the Board;
- reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
- review management discussion and analysis of financial condition and results of operations;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;

- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- valuating undertaking or assets of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;

#### ➤ Composition

The Audit Committee consist of the three Independent Director, Mr Anand Rameshchandra Chandak is being designated as the Chairman of the Audit Committee as on last year Annual General Meeting held on 30.9.2015, Mrs. Rama Kabra, and Mr. Dhanraj Soni as the Members of the Audit Committee. The Committee met 4 times during the financial year 2015-16. The attendance record of the members at the meeting were as follows:

Name of the Company Member	Designation/Category	No. Of Meeting Held	No. Of Meeting attended
Mr. Anand Rmaeshchandra Chandak	Chairman/ Independent Non Executive Director	4	4
Mrs Rama Kabra	Member/Independent Non Executive Director	4	4
Mr. Dhanraj Soni.	Member/ Independent Non Executive Director	4	4

#### ➤ NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Board has been constituted to bring on board the independent approach towards determining the remuneration payable/to be paid to the Directors and Key Managerial Personnel's of the Company and to formulate policy of recruitment of the one level below the Key Managerial Personnels.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Recommend to the board the set up and composition of the board and its committees. including the *"formulation of the criteria for determining qualifications, positive attributes and independence of a director"*. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the board the appointment or reappointment of directors.
- Devise a policy on board diversity.
- Recommend to the board on appointment of key managerial personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include *"formulation of criteria for evaluation of independent directors and the board"*.
- Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
- On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company
- Oversee familiarisation programmes for directors.
- Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key managerial personnel and executive team).

- Provide guidelines for remuneration of directors on material subsidiaries.
- Recommend to the board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

The Remuneration Committee consists of three independent directors - Mrs Rama Kabra the chairman of the committee Shri.Gopal Inani and Mr. Anand Rameshchandra Chandak members of the committee.

The Committee met 1 time during the financial year 2015-16 date 15.02.2016. The attendance record of the members at the meeting was as follows:

Name of the Company Member	Designation/Category	No. Of Meeting Held	No. Of Meeting attended
Mrs. Rama Kabra	Chairman/ Independent Non Executive Director	1	1
Mr. Anand Rmaeshchandra Chandak	Member/Independent Non Executive Director	1	1
Mr.Shri Gopal Inani	Member/ Non Independent Non Executive Director	1	1

The details of remuneration for the year ended 31<sup>st</sup> March, 2016 to the Executive Directors are as follows:

Name	Designation	Remuneration
Lakshmikanth Inani	Managing Director	11,25,000/-
Vishnukanth Inani	Whole Time Director	900,000/-

The Company has paid sitting fees of Rs.1000/- per meeting of Board and Rs.500/- per meeting of Committee to Non Executive Directors during the financial year 2015-16.

#### ➤ **REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

##### 1. **Scope:**

This policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

##### 2. **Policy:**

- Remuneration to Executive Director and Key Managerial Personnels.
- The Board on the recommendation of the Nomination and Remuneration (NR) Committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.
- The Board on the recommendation of the Nomination and Remuneration Committee shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.



- iv. The remuneration structure to the Executive Director and Key Managerial Personnel shall include the following components:
  - (i) Basic pay
  - (ii) Perquisites and Allowances
  - (iii) Stock Options
  - (iv) Commission (Applicable in case of Executive Directors)
  - (v) Retrial benefits
  - (vi) Annual performance Bonus
- v. The annual plan and objectives for Executive Committee shall be reviewed by the NR committee and annual performance bonus will be approved by the committee based on the achievement against the annual plan and objectives.

**3. Remuneration to Non – Executive Directors**

- i. The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the Companies Act 2013.
- ii. Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

**4. Remuneration to other employees**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

➤ **STAKEHOLDERS RELATIONSHIP COMMITTEE**

- i. This Committee is responsible, inter alia, to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc.,
- ii. One meeting of the stakeholders’ relationship committee was held during the year on March 25, 2016.
- iii. The composition of the Stakeholders’ Relationship Committee and the details of meetings attended by its members are given below:

Name	Designation/Category	No. of Meetings held	No. of Meetings attended
Mr. Dhanraj Soni	Chairman/Independent, Non-Executive Director	1	1
Mrs.Rama Kabra	Member/Independent, Non-Executive Director	1	1
Mr. Anand Ramesh Chandra Chandak	Member/Independent, Non-Executive Director	1	1

**Board Evaluation:**

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made there under, the independent directors of the company had a meeting on 25/03/2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The company has 3 (three) non-independent directors namely:

1. Mr. Anand Rameshchandra Chandak
2. Mr. Dhanraj Soni
3. Mrs. Rama Kabra

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.

Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

**Listing:**

The equity shares of M/s Inani Securities Ltd (Scrip Code: 531672) are listed at BSE Platform. The Company has paid the Listing Fees to the Exchange for the year 2016-17 as well as 2015-16 in terms of listing agreement entered with the said Stock Exchange.

**Capital/Finance**

During the year, the Company did not allot any shares to its shareholders. As on 31<sup>st</sup> March, 2016, the issued, subscribed and paid up share capital of the Company stood at Rs. 45,577,000/-, comprising 45,57,700 equity shares of Rs.10/- each.

**Nature of Business**

There has been no change in the nature of business of the Company.

**Auditors:****Statutory Auditors:**

At the Annual General Meeting held on 30<sup>th</sup> September, 2015, M/s. G.D. Upadhyay & Co., Chartered Accountants (Firm Registration No. 05834S), were appointed as Statutory Auditors of the Company

from the conclusion of the Twenty First Annual General Meeting of the Company held on 30<sup>th</sup> September, 2015 till the conclusion of the Twenty Second Annual General Meeting to be held in the year 2016. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. G.D. Upadhyay & Co., Chartered Accountants as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regards, the Company has received a certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013

**Secretarial Auditors:**

Mr. Ajay Kishen Company Secretary, were appointed to conduct the Secretarial Audit of the Company for the FY 2015-16, as required under the Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Audit Report for the FY 2015-16 is appended as **Annexure II** to this report.

**Comments of the Board on the qualification/reservation/adverse remarks/disclosure made:****(i) by the Statutory Auditors in the Audit Report:**

The Auditors' report do not contain any qualifications, reservations or adverse remarks

**(ii) by the Secretarial Auditors in the Secretarial Audit Report:**

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

**Internal Financial Control**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**Risk Management:**

In terms of the requirement of the Act, the Company has developed and implemented the Risk Management Policy and the Board of Directors of the company reviews the same periodically. The company's risk management approach comprises governance of risk, identification of risk, and assessment of control of risk. The risk has been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigation the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees. At present the company has not identified any element of risk which may threaten the existence of the Company.

**Vigil Mechanism:**

The Company has established a mechanism for Directors and employees to report their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company. The same has been disclosed in this Annual Report under the heading Whistle Blower Policy, which forms part of the Directors' Report.

**Statement on Material Subsidiary:**

The Company currently do not have any Material Subsidiary.

**Corporate Social Responsibility:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable to the company.



**Particulars on conservation of energy, research and development, technology absorption and foreign exchange earnings and outgo:****Energy Conservation:**

Conservation of energy continues to receive increased emphasis and steps are being taken to reduce the consumption of energy at all levels. The Company has taken steps to conserve energy in its office use, consequent to which energy consumption had been minimized. No additional proposals/ investments were made to conserve energy. Since the Company has not carried on industrial activities, disclosure regarding impact of measures on cost of production of goods, total energy consumption, etc, are not applicable.

**Foreign Exchange Earnings and Outgo:**

During the year, no foreign exchange transactions occurred. The Company did not enter into any foreign exchange and outgo and as a result, there is no foreign exchange money used or earned in the financial year 2015-16

**Subsidiaries Joint Ventures and Associate Companies:**

**The Company does not have any Subsidiaries and Joint Ventures, Inani Commodities and Finance Ltd., is an Associate Company of the Company.**

**Research and Development & Technology Absorption:**

The Company has not adopted any technology for its business and hence no reporting is required to be furnished under this heading. The Company will adopt necessary technology as and when required in the furtherance of the business.

**Extract of Annual Return:**

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as **Annexure I** to this Report.

**Significant and Material Orders:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**Other Disclosures:**

Your Directors state that no disclosure or reporting is required in respect to the following items as there were no transactions on these items during the year under review:

- (i) Issue of equity shares with differential rights as to dividend, voting, or otherwise.
- (ii) Issue of shares (including sweat equity shares) to employees of the company under any scheme.
- (iii) Redemption of Preference Shares and/or Debentures.

**DISCLOSURES:****DETAILS OF RELATED PARTY TRANSACTION:**

The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, is prescribed in this Annual Report as mentioned in the Financial Statements.

**WHISTLE BLOWER POLICY:**

The Board of Directors of the Company has adopted the Whistle Blower Policy. Employees can report to the Management concerned unethical behaviour, act or suspected fraud or violation of the Company's Code of Conduct Policy no employee has been denied access to the Audit Committee.

**CODE OF CONDUCT:**

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2011, 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 code.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the contribution made by the employees at all levels but for whose hard work, and support, your company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the company.

**By Order of the Board of Directors  
For INANI SECURITIES LIMITED**

Sd/-

**LAKSHMIKANTH INANI**

**(DIN: 00461829)**

**Managing Director**

**Date: 30th July, 2016**

**Place: Hyderabad**

Sd/-

**VISHNUKANTH INANI**

**(DIN: 00571377)**

**Whole Time Director**

ANNEXURE-I

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2016**  
 [Pursuant to section 92(3) of the Companies Act, 2013 and  
 Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

I	CIN:	L67120AP1994PLC017583	
ii	Registration Date	19/05/1994	
iii	Name of the Company	Inani Securities Limited	
iv	Category / Sub-Category of the Company	Pubic Company / Limited by shares	
v	Address of the Registered office and contact details	G-15 Raghava Ratna Towers, 5-8-352/14 & 15 Chirag Ali Lane, Abids, Hyderabad-500001 Telangana (T) (91) – 040-23201279 Email : <a href="mailto:info@inanisecl.in">info@inanisecl.in</a>	
vi	Whether listed company	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Venture Capital & Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar Colony, Hyderabad-500018 (T) (91)- 040-23818475, 476 Email: <a href="mailto:info@vccilindia.com">info@vccilindia.com</a>	

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Stock Broking	66120	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Inani Commodities & Finance Limited	U65920TG1996PLC024103	Associate	30.57	2(6)

**iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**
**I. Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2015)				No. of Shares held at the end of the year (31.03.2016)				
	Demat	physical	Total	% of total shares	Demat	physical	Total	% of total shares	%change during the year
<b>A. Promoters</b>									
(1) Indian	-	-	-	-	-	-	-	-	No Change
a) Individual/HUF	19,70,900	-	19,70,900	43.24	19,70,900	-	19,70,900	43.24	
(b) Central Govt	-	-	-	-	-	-	-	-	
(c) State Govt (s)	-	-	-	-	-	-	-	-	
(d) Bodies Corp.	5,69,914	-	5,69,914	12.50	5,69,914	-	5,69,914	12.50	
(e) Banks / FI	-	-	-	-	-	-	-	-	
(f) Any Other....	-	-	-	-	-	-	-	-	
Sub-total (A) (1):	25,40,814	-	25,40,814	55.75	25,40,814	-	25,40,814	55.75	
<b>(2) Foreign</b>									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	
(b) Other - Individuals	-	-	-	-	-	-	-	-	
(c) Bodies Corp.	-	-	-	-	-	-	-	-	
(d) Banks / FI	-	-	-	-	-	-	-	-	
(e) Any Other....	-	-	-	-	-	-	-	-	
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	25,40,814	-	25,40,814	55.75	25,40,814	-	25,40,814	55.75	
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	
(a) Mutual Funds	-	-	-	-	-	-	-	-	
(b) Banks/FI	-	-	-	-	-	-	-	-	
© Central Govt.	-	-	-	-	-	-	-	-	
(d) State Govt.(s)	-	-	-	-	-	-	-	-	
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	
(f) Insurance Companies	-	-	-	-	-	-	-	-	
(g) FIIs	-	-	-	-	-	-	-	-	
(h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	
(i) Others	-	-	-	-	-	-	-	-	
2. Non-Institutions									
(a) Bodies Corp.	-	-	-	-	-	-	-	-	
(i) Indian	3,474	26,000	29,474	0.65	3,474	26,000	29,474	0.65	
(ii) Overseas	-	-	-	-	-	-	-	-	
(b) Individuals	-	-	-	-	-	-	-	-	
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	108,698	289,625	398,323	8.75	108,698	289,625	398,323	8.75	
(ii) Individual shareholders	14,68,619	1,19,700	15,88,319	34.85	14,68,619	1,19,700	15,88,319	34.85	

holding nominal share capital in excess of Rs. 1lakh									
(c) Others Clearing Members	770	-	770	0.02	770	-	770	0.02	
Sub-total (B)(2):- Total Public Shareholding(B)=(B)(1)+(B)(2)	15,81,561	4,35,325	20,16,886	44.25	15,81,561	4,35,325	20,16,886	44.25	
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Grand Total (A+B+C)	41,22,375	4,35,325	45,57,700	100	41,22,375	4,35,325	45,57,700	100	

**(ii) Shareholding of Promoters**

S. No	Shareholders' Name	Shareholding at the Beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			
		No. of Shares	%of total shares of the Company	% of shares pledged /encumbered of total shares	No. of Shares	%of total shares of the Company	% of shares pledged/en cumbered of total shares	% Change in shareholding during the year
1.	DHANSHREE SYNTEX PVT. LTD.	2,00,000	4.39	-	2,00,000	4.39	-	-
2.	INANI COMMODITIES & FINANCE LTD.	3,09,914	6.80	-	3,09,914	6.80	-	-
3.	L.K.I SECURITIES PVT.LTD.	60,000	1.32	-	60,000	1.32	-	-
4.	LAKSHMIKANTH INANI	2,25,100	4.94	-	2,25,100	4.94	-	-
5.	RAMAKANTH INANI(HUF)	50,700	1.11	-	50,700	1.11	-	-
6.	RAMAKANTH INANI	6,64,800	14.59	-	6,64,800	14.59	-	-
7.	CHAMPADEVI INANI	56,400	1.24	-	56,400	1.24	-	-
8.	VENUGOPAL INANI	2,83,100	6.21	-	2,83,100	6.21	-	-
9.	PRAMILADEVI INANI	78,500	1.72	-	78,500	1.72	-	-
10.	ANITA INANI	74,700	1.64	-	74,700	1.64	-	-
11.	VISHNUKANTH INANI	3,15,600	6.92	-	3,15,600	6.92	-	-
12.	SRIKUMAR INANI	71,000	1.56	-	71,000	1.56	-	-
13.	ANURADHA INANI	77,800	1.71	-	77,800	1.71	-	-
14.	BHARAT KUMAR INANI	73,200	1.61	-	73,200	1.61	-	-
	<b>TOTAL</b>	<b>25,40,814</b>	<b>55.75</b>	<b>-</b>	<b>25,40,814</b>	<b>55.75</b>	<b>-</b>	<b>-</b>

**(iii)Change on Promoters' Shareholding (Please Specify, if there is no change) –No Change**

	Shareholding at the beginning of the year (01.04.2015)	Shareholding at the end of the year (31.03.2016)		
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>At the Beginning of the year</b>	<b>There is no change in promoters shareholding between 01-04-2015 to 31.03.2016)</b>			
<b>Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc.)</b>				
<b>At the End of the year</b>				

**(iv)Shareholding Pattern of top ten Shareholders (Other than Promoters and Holders of GDRs and ADRs.)**

Sl. No		Shareholding at the beginning of the year					Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total shares of the Company	Date	Increase/ Decrease	Reason	No. of Shares	% of total shares of the Company
1	VENUGOPAL INANI	147009	3.23	-	-	-	147009	3.23
2	SANGEETA	108825	2.39	-	-	-	108825	2.39
3	V RAJESHWARI	105200	2.31	-	-	-	105200	2.31
4	NIDHI INANI	71000	1.56	-	-	-	71000	1.56
5	SWATI INANI	71000	1.56	-	-	-	71000	1.56
6	PRAMILADEVI RAMAKANTH INANI HUF	44605	0.98	-	-	-	44605	0.98
7	BANKATLAL SHRINIWAS RATHI	44500	0.98	-	-	-	44500	0.98
8	VISHNUKANTH INANI HUF	44300	0.97	-	-	-	44300	0.97
9	LAKSHMIKANTH INANI HUF	44300	0.97	-	-	-	44300	0.97
10	PRANAV INANI	44286	0.97	-	-	-	44286	0.97

**(V) Shareholding of Directors and Key Managerial Personnel:**

Sl. No		Shareholding at the beginning of the year					Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Date	Increase/ Decrease	Reason	No. of Shares	% of total shares of the Company
<b>A</b>	<b>DIRECTORS</b>							
1.	Shri Gopal Inani	-	-	-	-	-	-	-
2.	Ramakanth Inani	664800	14.59	-	-	-	664800	14.59
3.	Rama Kabra	21510	0.47	-	-	-	21510	0.47
4.	Anand Rameshchandra Chandak	-	-	-	-	-	-	-
5.	Dhanraj Soni	-	-	-	-	-	-	-
<b>B.</b>	<b>Key Managerial Personnel</b>							
1.	Lakshmikanth Inani	225100	4.94	-	-	-	225100	4.94
2.	Vishnukanth Inani	315600	6.92	-	-	-	315600	6.92

**v. INDEBTEDNESS**
**Indebtedness of the Company including outstanding/accrued but not due for payment.**

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the Beginning of the Financial Year</b>				
i) Principal Amount	35573906	-	-	35573906
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	35573906	-	-	35573906
<b>Change in Indebtedness during the Financial Year</b>				
Addition	60,18,80,715	-	-	60,18,80,715
Reduction	(62,26,83,882)	-	-	(62,26,83,882)
Net Change	(2,08,03,167)	-	-	(2,08,03,167)
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	1,47,70,739	-	-	14770739
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14770739	-	-	14770739

## vi | REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

In Lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount Rs.
		MD	WTD	MANAGER	
1	Gross salary	Lakshmikanth Inani	Vishnukanth Inani		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.25	9.00	-	20.25
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- As % of Profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, Please specify	-	-	-	-
	Total (A)	11.25	9.00	-	20.25
	Ceiling as per the Act (in accordance with Section II of the Schedule V of the Companies Act, 2013)				42.00

## B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Rama Kabra	Dhanraj Soni	Anand Rameshchandra Chandak	Shri Gopal Inani	
1.	Independent Directors:					
	• Fee for attending board / committee meetings	6500	6000	7000	-	19,500
	• Commission	-	-	-	-	-
	• Others, Please specify	-	-	-	-	-
	Total (1)	6500	6000	7000	-	19,500
2	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	4500	4500
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	4500	4500
	Total (B)=(1+2)	6500	6000	7000	4500	24000
	Total Managerial Remuneration	6500	6000	7000	4500	24000
	Overall Ceiling as per the Act					



**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD:**

In Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- As % of Profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, Please specify	-	-	-	-
	Total	-	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board of Directors  
For INANI SECURITIES LIMITED

Sd/-  
LAKSHMIKANTH INANI

(DIN: 00461829)

Managing Director

Sd/-  
VISHNUKANTH INANI

(DIN: 00571377)

Whole Time Director

Date: 30th July, 2016

Place: Hyderabad

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2016

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Members,  
Inani Securities Limited  
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Inani Securities Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Broad-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Inani Securities Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Not applicable to the company during the Audit period].
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable to the company during the Audit period]
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable to the company during the Audit period].
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; [Not applicable to the company during the Audit period].
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: [Not applicable to the company during the Audit period] and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable to the company during the Audit period].

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:

1. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
2. The Payment of Bonus Act, 1965, and rules made there under,
3. Payment of Gratuity Act, 1972, and rules made there under,
4. The Securities and Exchange Board of India Act, 1992 (15 of 1992);
5. The SEBI (Depositories and Participants) Regulations, 1996;
6. The Bye Laws and Business Rules of NSDL;
7. Directives / Circulars / Clarifications / Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL, from time to time;
8. Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified there under by SEBI or Statutory / Regulatory Authorities;

I / We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

SD/-

**Ajay Kishen**

**Practicing Company Secretary**

**FCS: 6298 CP: 5146**

**Place: Hyderabad**

**Date: 30.07.2016**

Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**'ANNEXURE A'**

To,  
The Members,  
Inani Securities Limited  
Hyderabad

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SD/-  
Ajay Kishen  
Practicing Company Secretary  
FCS: 6298 CP: 5146

Place: Hyderabad  
Date: 30.07.2016

**DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR  
MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

To  
The Shareholders  
Inani Securities Limited  
Hyderabad.

I, Lakshmikanth Inani , Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the Board  
**INANI SECURITIES LIMITED**  
SD/-  
Lakshmikanth Inani  
Managing Director  
Din:00461829

Place: Hyderabad  
Date: 30.07.2016

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

To  
The Board of Directors,  
M/s Inani Securities Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall obtain prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the Company

(d) I have not been a material supplier, service provider or customer or lessor or lessee of the Company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.  
Yours faithfully,  
SD/-  
Anand Rameshchandra Chandak  
(Independent director)

Place: Hyderabad  
Date: 30.07.2016

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

To  
The Board of Directors  
M/s Inani Securities Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material, I shall obtain prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.  
Yours Faithfully,  
SD/-  
Dhanraj Soni  
(Independent director)

Place: Hyderabad  
Date: 30.07.2016



**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

To  
The Board of Directors  
M/s Inani Securities Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall obtain prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the Company

(d) I have not been a material supplier, service provider or customer or lessor or lessee of the Company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.  
Yours Faithfully,  
SD/-  
Rama Kabra  
(Independent director)

Place: Hyderabad  
Date: 30.07.2016



**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**Inani Securities Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Inani Securities Limited** which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder, to the extent applicable.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by The Institute of Chartered Accountants of India. Those Standards and other pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and 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 it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate report in Annexure B and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer to note 17.1 to the Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts in respect of which there were any material foreseeable losses.
  - iii. An amount of Rs 66,012/- pertaining to F.Y. 2007-08 towards final dividend was transferred after 31st March 2016 but before signing of audit report to the Investor Education and Protection Fund by the Company.

For G.D.Upadhyay & Co.,  
Chartered Accountants  
Firm Regd No.05834S  
SD/-  
G.D. Upadhyay  
Partner  
Membership No.027187

Place: Hyderabad  
Date: 30/05/2016.

**Annexure "A" to the Independent Auditors' Report**

The Annexure referred in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner. All the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) According to the information and explanations given to us, and on the basis of our examination of records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company has conducted physical verification of inventories at reasonable intervals and no material discrepancies were noticed on such verification.
- (iii) The Company has granted loan to one body corporate covered in the register maintained under Sec 189 of the Companies Act 2013 ("The Act").
  - a. In our opinion the rate of interest and other terms and conditions on which the loans have been granted to the body corporate listed in the register maintained under Sec 189 of the Act were not, prima facie, prejudicial to the interest of the company.
  - b. In the case of loans granted to the body corporate listed in the register maintained under Sec 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated
  - c. There are no overdue amounts in respect of loan granted to the body corporate listed in the register maintained under Sec 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sec 185 & 186 of the Act, with respect to Loans & Investments made.
- v) The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) is not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by the Company.
- vii) (a) According to the information and explanations given to us and the records of the Company examined by us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable. However, the Company has not paid undisputed Income Tax Liability of the Assessment Year 2003-04 amounting to Rs. 4,08,360/- which was outstanding for more than six months at the Balance Sheet date.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no material dues relating to income tax / sales tax / wealth tax / service tax / duty of customs / duty of excise / value added tax / cess, which have not been deposited on account of disputes with the related authorities.

- (viii) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institutions or banks.
- (ix) The Company did not raise any money by way of initial public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examinations of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) is not applicable to the Company.
- (xiii) According to the information and explanations given to us and the records of the Company examined by us, transactions with the related parties are in compliance with section 177 & 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Hyderabad  
Date: 30/05/2016.

For **G.D.Upadhyay & Co.**,  
Chartered Accountants  
Firm Regd No.05834S  
SD/-  
**G.D. Upadhyay**  
Partner  
Membership No.027187



**Annexure "B" to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **Inani Securities Limited** ('the Company') as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities included the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting (the Guidance Note) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the Company and
- (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date: 30/05/2016

for G.D.Upadhyay & Co.,  
Chartered Accountants  
Firm Regd No.05834S  
SD/-  
G.D. Upadhyay  
Partner  
Membership No.027187

**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders Funds</b>			
(a) Share Capital	3	47,166,056	47,166,056
(b) Reserves and Surplus	4	94,340,090	93,965,557
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	5,430,369	7,472,411
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	9,975,848	30,701,234
(b) Trade Payables	7	7,384,456	12,589,222
(c) Other Current Liabilities	8	6,678,556	3,733,915
(d) Short-Term Provisions	9	765,212	765,212
<b>Total Equity &amp; Liabilities</b>		<b>171,740,588</b>	<b>196,393,607</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	26,989,763	28,571,520
(ii) Intangible Assets	10	46,777	47,341
(b) Non-Current Investments	11	23,738,123	23,738,123
(c) Deferred Tax Asset	12	318,195	354,589
(d) Long term Loans and Advances	13	28,676,484	32,320,920
<b>(2) Current Assets</b>			
(a) Inventories	14	589,541	589,541
(b) Trade Receivables	15	9,287,942	7,972,462
(c) Cash and Cash Equivalents	16	67,087,892	88,860,477
(d) Short-term Loans and Advances	17	15,005,870	13,938,635
<b>Total Assets</b>		<b>171,740,588</b>	<b>196,393,607</b>

**Significant Accounting Policies & Notes on Financial Statements** 1 to 25

Notes referred to above attached there to form an integral part of financial statement.

This is the Balance Sheet referred to in our Report of even date.

**FOR G.D. UPADHYAY & CO.,**

Chartered Accountants

Firm Reg. No: 05834S

SD/-

**(G.D.UPADHYAY)**

Partner

Membership No.027187

Place: Hyderabad, Telangana

Date : 30/05/2016

**For and on Behalf of Board**

SD/-

**Lakshmikanth Inani**

Managing Director

SD/-

**Vishnukanth Inani**

Whole time Director



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2016**

Sr. No	Particulars	Note No	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	<b><u>Income:</u></b>			
I	Revenue from Operations (Net)	18	14,012,700	17,853,404
II	Other Income	19	6,782,340	5,853,021
III	<b>III. Total Revenue (I +II)</b>		<b>20,795,039</b>	<b>23,706,425</b>
	<b><u>Expenditure:</u></b>			
IV	Changes in inventories of Stock-in-Trade	20	-	-
	Employee Benefit Expense	21	8,356,869	5,973,828
	Financial Costs	22	3,817,854	3,694,933
	Depreciation and Amortization Expense	23	1,714,872	3,326,426
	Other Administrative Expenses	24	6,397,783	6,873,332
	<b>Total Expenditure (IV)</b>		<b>20,287,377</b>	<b>19,868,519</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>507,662</b>	<b>3,837,906</b>
VI	<b>Exceptional Items</b>			
a	(Profit)/Loss on Sale of Fixed Assets		-	-1,165,597
b	MAT Credit Entitlement (AY 2012-13 & 2014-15)		-	668,941
VII	Profit before tax (V - VI)		<b>507,662</b>	<b>5,672,444</b>
VIII	<b><u>Tax expenses:</u></b>			
	(1) Current Tax		96,735	1,862,235
	(2) Deferred Tax		36,394	(439,895)
IX	Profit/(Loss) for the period (VII-VIII)		<b>374,533</b>	<b>4,250,104</b>
X	Earning per equity share of face value of Rs 10 each :			
	(1) Basic		0.08	0.93
	(2) Diluted		0.08	0.93
	<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>	1 to 25		

Notes referred to above attached there to form an integral part of financial statement

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

**FOR G.D. UPADHYAY & CO.,**

Chartered Accountants

Firm Reg. No.: 05834S

SD/-

**(G.D.UPADHYAY)**

Partner

Membership No.027187

Place: Hyderabad, Telangana

Date : 30/05/2016

For and on Behalf of Board

SD/-

**Lakshmikanth Inani**

Managing Director

SD/-

**Vishnukanth Inani**

Whole time Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

S.No	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
a	Net Profit/(Loss) before Tax	507,662	5,672,444
	<b><u>Adjustments for :</u></b>		
	Depreciation & Amortization	1,714,872	3,326,426
	Interest Paid	3,817,854	3,694,933
	Interest Received	(6,582,172)	(4,931,717)
	Dividend Received	(200,168)	(293,028)
	Rent Received	0	(628,275)
	Profit on Sale of Investment	0	(1,165,597)
	Profit on sale of furniture	0	(469)
	Mat Credit Entitlement	0	(668,941)
<b>b</b>	<b>Operating Profit/(Loss) before Working Capital Changes :</b>	<b>(741,952)</b>	<b>5,005,776</b>
	<b><u>Adjustments for :</u></b>		
	Increase/(Decrease) in Trade & Other Receivables	(1,315,480)	(785,633)
	Increase/(Decrease) in Trade & Other Payables	(5,204,766)	(2,491,488)
	Increase/(Decrease) in Other current Liabilities	2,944,641	(2,362,981)
<b>c</b>	<b>Cash Generated/(outgo) from Operation</b>	<b>(4,317,556)</b>	<b>(634,326)</b>
	Direct Taxes(Paid)/Refund	(96,735)	(1,193,294)
<b>d</b>	<b>Cash Flow before Extraordinary Items</b>	<b>(4,414,291)</b>	<b>(1,827,620)</b>
	Profit/ (Loss) on Sale of Fixed Assets	0	0
	Prior Year Adjustments	0	0
	<b>Net Cash Flow from Operating Activities (A) :</b>	<b>(4,414,291)</b>	<b>(1,827,620)</b>
<b>B</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES :</u></b>		
	Purchase of Fixed Assets	(132,551)	(1,126,901)
	Proceeds from Sale of Fixed Assets	0	31,974
	Movement in Loans & Advances	2,577,199	7,863,731
	Interest Received	6,582,172	4,931,717
	Dividend Received	200,168	293,028
	Rent Received	0	628,275
	Profit On Sale Of Investment	0	1,165,597
	<b>Net Cash Flow/(used) in Investing Activities (B) :</b>	<b>9,226,988</b>	<b>13,787,421</b>
<b>C</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES :</u></b>		
	Proceeds/(Repayment) from/of Long Term Borrowings	(2,042,042)	(8,660,530)
	Proceeds/(Repayment) from/of Short Term Borrowings	(20,725,386)	14,356,700
	Interest Paid	(3,817,854)	(3,694,933)
	<b>Net Cash Flow/(used) from Financing Activities (C) :</b>	<b>(26,585,282)</b>	<b>2,001,237</b>
<b>D</b>	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(21,772,585)</b>	<b>13,961,037</b>
	Cash and Cash Equivalents at the beginning of the year	88,860,476	74,899,438
	Cash and Cash Equivalents at the end of the year	67,087,891	88,860,476

1. This is the cash flow statement referred to in our report of even date.
2. The cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard – 3 "Cash Flow Statements " specified in the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (The Act) read with the Rule 7 of the Companies (Accounts) Rules, 2014.
3. Figures in bracket indicate cash out flows.

**FOR G.D. UPADHYAY & CO.,**

Chartered Accountants

Firm Reg. No: 05834S

SD/-

**(G.D.UPADHYAY)**

Partner

Membership No.027187

Place: Hyderabad

Date : 30/05/2016

**For and on Behalf of Board**

SD/-

SD/-

**Lakshmikanth Inani**    **Vishnukanth Inani**

Managing Director    Whole time Director

**Notes to the Financial Statements:****1. GENERAL INFORMATION :**

Inani Securities Limited a company incorporated in the year 1994 under companies act 1956, is listed on Bombay stock exchange, The Company commenced its operations as an independent provider of information analysis and research covering Indian businesses, financial markets and economy to institutional clients. Over a period Inani Securities Ltd expanded its services offerings in the financial services space offering equity/ currency in NSE/BSE and MCX-SX, depository participant services, portfolio management services and distribution of mutual funds, bonds etc., The Company has its presence in the states of Telengana and Maharashtra. The Company is one of the oldest and reliable players in the Indian Financial service space.

**2. SIGNIFICANT ACCOUNTING POLICIES :****i. Basis of preparation of financial statements:**

These financial statements of the Company have been prepared as a going concern in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the applicable accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI) The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements have been consistently applied.

**ii. Use of Estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reporting period like useful lives of fixed assets, provision for doubtful receivables / advances, provision for diminution in value of investments, provision for employee benefits, provision for taxation, provision for contingencies etc. Accounting estimates could change from period to period. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

**iii. Fixed Assets :**

All Fixed Assets are stated at cost of acquisition, less accumulated depreciation and impairment if any. 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 impairment loss if any. Intangible assets are amortized on straight line basis over their estimated useful lives.

**iv. Capital Work-in-progress**

Capital work-in-progress if any comprises the cost of fixed assets that are not yet ready for their intended use at reporting date. Capital work-in-progress is carried at cost, comprising direct cost and related incidental expenses.

**v. Depreciation & Amortization:**

Depreciation has been provided on straight line method as per the useful lives and manner as specified in Schedule II of the Companies Act, 2013. Depreciation for assets purchased or sold during the period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its use.

Depreciation on fixed assets is provided on the straight line method over the useful lives of assets as prescribed under Schedule III of Companies Act, 2013.

**vi. Impairment:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

**vii. Foreign Currency Transactions:**

Transactions in foreign currency and non-monetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transaction are recognized as income or expense in the Statement of Profit and Loss.

**viii. Investments:**

Trade investments are the investments made to enhance the Company's business interests. Interests are either classified as current or long term based on the management's intention. Current investments are carried at lower of the cost or fair market value. Long term investments are carried at cost less provision, if any recorded to recognize any decline, other than temporary, in the carrying value of each investment.

**ix. Inventories:**

Inventories are valued at lower of cost and net realizable value whichever is lower.

Estimated Net Realizable Value: In case realizable value is not ascertainable due to non-availability of Quotation in the Stock Markets, the value of such Shares is adopted at `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.

**x. Revenue Recognition :**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

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

**xi. Other Income:**

- a. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- b. Dividend income is recognized when right to receive dividend is established.

**xii. Financial Derivatives and Commodity Hedging Transactions:**

In respect of derivative contracts, premium paid gain/losses on settlement and losses on restatement are recognized in the Statement of Profit and Loss.

**xiii. Employee Benefits :****a) Short term employee 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.

**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 Account.

**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.

**xiv. Taxation :**

Tax expense 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.

**xv. 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. Provisions are determined by the best estimate of the outflow of economic benefits to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made for a contingent liability. A disclosure for contingent liability is also 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.

**xvi. 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.

**xvii. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby Net Profit/(Loss) before tax is adjusted for the effects of transactions of a non-cash nature, and any deferrals or accruals of past or future cash receipts or payments an item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents for the purpose of cash flow comprises of cash at bank and in hand.

**xviii. Operating Cycle:**

'Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**Notes on Financial Statements for the Year Ended 31st March, 2016**
**3: Share Capital**

a. The Authorized, Issued, Subscribed and fully paid up share capital comprises of equity shares as follows:

Sr. No	Particulars	Current Year	Previous Year
1	<b><u>AUTHORIZED</u></b> 53,50,000/- (Previous year 53,50,000) Equity Shares of Rs.10/- each	53,50,000	53,50,000
		<b>53,50,000</b>	<b>53,50,000</b>
2	<b><u>ISSUED &amp; SUBSCRIBED CAPITAL</u></b> 50,21,900/- (Previous year 5021900) Equity Shares of Rs.10/- each	50,21,900	50,21,900
		<b>50,21,900</b>	<b>50,21,900</b>
3	<b><u>PAID UP CAPITAL</u></b> 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 1,71,400 shares and 2,92,800 shares of 2.50/- each)	45,57,700 1,589,056	45,57,700 1,589,056
	<b>Total in `</b>	<b>47,166,056</b>	<b>47,166,056</b>

3.1 During the year, there was no fresh issue of equity shares, hence balance at the beginning 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.

	Particulars	Current Year	Previous Year
	<b><u>Equity Shares:</u></b>		
1.	Ramakanth Inani 664800/- Shares of Rs 10 Each	14.59% 6,648,000	14.59% 6,648,000
2.	Vishnu Kanth Inani 315600 /- Shares of Rs 10 Each	6.92% 3,156,000	6.92% 3,156,000
3.	Venu Gopal Inani 283100 /- Shares of Rs 10 Each	6.21% 2,831,000	6.21% 2,831,000
4.	Inani Commodities and Finance Limited 309914/- Shares of Rs 10 Each	6.80% 3,099,140	6.80% 3,099,140

**4: Reserves & Surplus**

Sr. No	Particulars	Current Year	Previous Year
1	Profit & Loss Account	94,340,090	93,965,557
	As per Last Balance Sheet	93,965,557	90,777,262
	Add: Taxes of earlier years /(Taxes paid)		-
	Add: Profit for the period	374,533	4,250,104
	Less: Depreciation Adjustment as per Schedule II	-	1,536,627
	Add: Deferred Tax Adjustment as per Schedule II	-	474,818
	<b>Total in `</b>	<b>94,340,090</b>	<b>93,965,557</b>

**5 :Long Term Borrowings**

Sr. No	Particulars	Current Year	Previous Year
1	<b>Secured</b> Long Term Maturities of Term Loans from Bank	4,872,672	4,872,672
2	<b>Unsecured</b> Security Deposits received from Customers	557,697	2,599,739
	<b>Total in `</b>	<b>5,430,369</b>	<b>7,472,411</b>

- 5.1 The company has obtained a term loan of Rs 51,73,238 /-from ICICI Bank for purchase of flat in Bangalore & the same is secured by mortgage of flat which is repayable in 120 months with 10.60 % as ROI.
- 5.2 Deposits includes deposits received from clients as security deposits for their trades.

**6: Short Term Borrowings**

Sr. No	Particulars	Current Year	Previous Year
1	<b>Secured</b> <u>Working Capital Loan</u> - From Bank	9,975,848	30,701,234
	<b>Total in `</b>	<b>9,975,848</b>	<b>30,701,234</b>

- 6 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 2.30 Crores.

**7: Trades Payables**

Sr. No	Particulars	Current Year	Previous Year
1	Sundry Creditors	7,384,456	12,589,222
	<b>Total in `</b>	<b>7,384,456</b>	<b>12,589,222</b>

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

**8: Other Current Liabilities**

Sr. No	Particulars	Current Year	Previous Year
1	Unclaimed Dividend (2007-08)	66,012	66,012
2	Other Payables (Note 9.1)	6,612,544	3,667,903
	<b>Total in `</b>	<b>6,678,556</b>	<b>3,733,915</b>

- Other Payable includes Statutory Dues and Outstanding  
8.1 Liabilities

**9: Short Term Provisions**

Sr. No	Particulars	Current Year	Previous Year
1	<b><u>Provision For Employees Benefit</u></b> Provision for Gratuity (Refer Note No. 25 iv)	356,852	356,852
2	<b><u>Others</u></b> Provision for Taxation	408,360	408,360
	<b>Total in `</b>	<b>765,212</b>	<b>765,212</b>

**Notes on Financial Statements for the Year Ended 31st March, 2016**

**10: Fixed Assets**

Sr. No	Description	Useful Life (in Years)	Gross Block			Depreciation/Amortisation			Net Block			
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2016	WDV as on 31.03.2015
<b>I</b>	<b>Tangible Assets</b>											
1	Premises	60	24,034,081	-	-	24,034,081	1,220,669	380,070	-	1,600,739	22,433,342	22,813,412
2	Computer Equipment	3	395,863	85,500	-	481,363	337,205	31,003	-	368,208	113,155	58,658
3	Office Equipment	5	3,872,586	36,801	-	3,909,387	3,178,142	195,772	-	3,373,914	535,473	694,444
4	Vehicles (Cars)	8	3,741,575	-	-	3,741,575	2,090,408	470,490	-	2,560,898	1,180,677	1,651,167
5	Vehicles (Motor Cycles)	10	38,661	-	-	38,661	36,104	623	-	36,727	1,934	2,557
6	Furniture & Fixtures	10	6,741,854	10,250	-	6,752,104	3,390,572	636,350	-	4,026,922	2,725,182	3,351,282
	<b>SUB TOTAL (A)</b>		<b>38,824,620</b>	<b>132,551</b>	<b>-</b>	<b>38,957,171</b>	<b>10,253,100</b>	<b>1,714,308</b>	<b>-</b>	<b>11,967,408</b>	<b>26,989,763</b>	<b>28,571,520</b>
<b>II</b>	<b>Intangible Assets</b>											
	Sterling Holiday Resort		55,800	-	-	55,800	8,459	564	-	9,023	46,777	47,341
	<b>SUB TOTAL (B)</b>		<b>55,800</b>	<b>-</b>	<b>-</b>	<b>55,800</b>	<b>8,459</b>	<b>564</b>	<b>-</b>	<b>9,023</b>	<b>46,777</b>	<b>47,341</b>
	<b>Total [A + B] (Current Year)</b>		<b>38,880,420</b>	<b>132,551</b>	<b>-</b>	<b>39,012,971</b>	<b>10,261,559</b>	<b>1,714,872</b>	<b>-</b>	<b>11,976,431</b>	<b>27,036,540</b>	<b>28,618,861</b>
	<b>(Previous Year)</b>		<b>37,786,093</b>	<b>1,126,901</b>	<b>32,574</b>	<b>38,880,420</b>	<b>5,399,575</b>	<b>3,326,426</b>	<b>1,069</b>	<b>10,261,559</b>	<b>28,618,861</b>	<b>32,386,518</b>

**11: Non Current Investment**

Sr. No	Particulars	Current Year	Previous Year
	<b>UNQUOTED EQUITY SHARES:</b>		
	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 (10000 equity shares)	10,000	10,000
	The HSE Securities Ltd Rights Issue (Face Value `10/-) Partly Paid (2.5/-) Equity Shares of Bombay Stock Exchange Ltd includes written down Value of the Membership Card (23,257/- Equity Shares)	466,623	466,623
	<b>Total in `</b>	<b>23,738,123</b>	<b>23,738,123</b>

**12: Deferred Tax Asset (Net)**

Sr. No	Particulars	Current Year	Previous Year
	Opening Balance	354,589	(560,124)
	Timing Difference on account of Depreciation	(36,394)	439,895
	Timing Difference on account of Depreciation Adjustment as per Schedule II	-	474,818
	<b>Total in `</b>	<b>318,195</b>	<b>354,589</b>

**13: Long Term Loans and Advances**

Sr. No	Particulars	Current Year	Previous Year
I)	<b>Capital Assets</b>		
	a) Secured and Considered Good		
	Capital Advances (Refer Note 13.1)	7,026,844	6,496,549
II)	<b>Security Deposit</b>		
	a) Unsecured, Considered Good :		
	Deposit with Stock Exchanges	20,965,001	25,140,757
	Other Deposit (Refer Note 13.2)	684,640	683,614
	<b>Total in `</b>	<b>28,676,484</b>	<b>32,320,920</b>

13.1 Capital Advances includes an amount of Rs.64,96,549/- paid to Mantri Developers for purchase of flat in Bangalore.

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

**14: Inventories**

Sr. No	Particulars	Current Year	Previous Year
	1 Shares held for Trade (At lower of Cost or Net Estimated Realisable Value)	589,541	589,541

(Valued and Certified by Management) Aggregate Value of Quoted stocks is Rs 19.42/- (Previous year 9.67 /- Lakhs)		
<b>Total in `</b>	<b>589,541</b>	<b>589,541</b>

**15 :Trade Receivables**

Sr. No	Particulars	Current Year	Previous Year
	<b>Unsecured and Conidered Good,</b>		
	Over Six Months	4856167	3,937,691
	Others	4431775	4,034,771
	<b>Total in `</b>	<b>9,287,942</b>	<b>7,972,462</b>

**16: Cash & Cash Equivalents**

Sr. No	Particulars	Current Year	Previous Year
1	<b>Cash-in-Hand</b>		
	Cash Balance	196598	404,135
	<b>Sub Total (A)</b>	<b>196,598</b>	<b>404,135</b>
2	<b>Bank Balance</b>		
	In Current Accounts	24,172,437	45,718,732
	Fixed Deposits with Banks (Refer Note below)	42,718,306	42,737,388
	<b>Sub Total (B)</b>	<b>66,890,743</b>	<b>88,456,120</b>
3	<b>Stamps on Hand</b>	550	220
	<b>Total [ A + B + C ]</b>	<b>67,087,891</b>	<b>88,860,476</b>

16.1 Held as lien by banks against Bank Guarantees and Deposits with banks include deposits of Rs.458.00 lakhs (Previous year 426.04 lakhs) with maturity of less than 12 months.

**17: Short Terms Loans and 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 Note A)	11,748,097	11,422,240
	Advance Income Tax/Refund Due	1,610,097	1,208,290
	Balance With Revenue Authorities	826,320	476,907
	Prepaid Expenses	821,356	831,199
	<b>Total in `</b>	<b>15,005,870</b>	<b>13,938,635</b>

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 Operations**

Sr. No	Particulars	Current Year	Previous Year
1	Brokerage Income	13,500,337	17,364,430
2	Net DP Income	512,363	488,974
	<b>Total in `</b>	<b>14,012,700</b>	<b>17,853,404</b>

**19: Other Income**

Sr. No	Particulars	Current Year	Previous Year
1	Interest received	6,582,172	4,931,717
2	Dividends	200,168	293,028
3	Other Non Operating Income	-	628,275
	<b>Total in `</b>	<b>6,782,340</b>	<b>5,853,021</b>

20.1 Other non operating Income includes income from Rent and Commission received.

**20: Change in Inventories**

Sr. No	Particulars	Current Year	Previous Year
1	Opening Stock	589,541	589,541
2	Closing Stock	589,541	589,541
	<b>Total in `</b>	<b>-</b>	<b>-</b>

**21: Employee Benefit Expense**

Sr. No	Particulars	Current Year	Previous Year
1	Salaries Incentives & Bonus	5,948,403	4,109,484
2	Staff Welfare Expenses	124,349	100,393
3	Provident Fund (refer note 22.1 below)	259,117	143,951
4	Directors Remuneration	2,025,000	1,620,000
	<b>Total in `</b>	<b>8,356,869</b>	<b>5,973,828</b>



- 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: Finance Cost**

Sr. No	Particulars	Current Year	Previous Year
1	Interest Expenses	2,953,792	3,114,418
2	Bank Charges	864,062	580,515
	<b>Total in `</b>	<b>3,817,854</b>	<b>3,694,933</b>

**23: Depreciation & Amortization Expenses**

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation & Amortization	1,714,872	3,326,426
	<b>Total in `</b>	<b>1,714,872</b>	<b>3,326,426</b>

**24: Other Administrative Expenses**

Sr. No	Particulars	Current Year	Previous Year
1	Rent	304,000	166,000
2	Rates and Taxes	519,981	213,662
3	Insurance	56,847	59,497
4	Travelling and Conveyance Charges	401,970	309,074
5	Telecommunication Charges	817,522	807,391
6	Printing and Stationery	206,456	140,067
7	Electricity Charges	558,572	372,869
8	Repairs and Maintenance	723,318	873,371
9	Directors Sitting Fees	24,000	24,000
10	Remuneration to Auditors	180,000	190,000
11	Computer Software	847,411	471,797
12	Legal Expenses	20,000	842,020
13	Professional Charges	328,677	999,100
14	Stock Exchange Expenses	268,328	326,692
15	Discount	1,500	22,544
16	AGM Expenses	39,438	31,380
17	Office and General Expenses	1,099,763	1,023,868
	<b>Total in `</b>	<b>6,397,783</b>	<b>6,873,332</b>

**25. NOTES ON ACCOUNTS:**

		31/03/2016	31/03/2015
i.	Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	NIL	NIL
ii.	Contingent Liabilities : Not provided for Bank Guarantees issued by the Banks	483Lacs	468 Lacs
iii.	Auditors Remuneration (excluding Service Tax)	60000	60000
	Statutory Audit Fees	30000	30000
	Tax Audit Fees	10000	10000
	Other Services		

iv. Sundry Debtors, Loans and Advances and Creditors are subject to confirmation and reconciliation.

v. The company does not have whole time Company Secretary, as per requirements of Section 203 of the Companies Act, 2013 .Hence, the accounts have not been signed by the company Secretary.

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.).

Sl. No.	Key Managerial Persons
1	Lakshmikanth Inani
2	Ramakanth Inani
3	Vishnukanth Inani
	<b>Associates Concerns</b>
1	Inani Commodities & Finance Limited
	<b>Relatives of Key Management Personnel</b>
1	Anita Inani
2	Champa Devi Inani
3	Anuradha Inani

ix. Related Party Transactions (Amount in Rs.)

Particulars	Key person/Relatives	Associates
Directors Sitting Fees	24,000	-
Remuneration	22,20,000	-
Rent paid	1,26,000	-
Advances given/ (Repaid) in Lakhs	-	1,341/(1,317)
Brokerage Received	259,002	27,526

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

Particulars	2015-16	2014-15
Basic		
Profit after tax as per Profit and Loss account	374,533	4,250,102
Number of Shares subscribed	4,557,700	4,557,700
Basic EPS (Rupees)	0.08	0.93
Diluted		
Profit after tax as per Profit and Loss account	374,533	4,250,102
Number of Shares subscribed	4,557,700	4,557,700
Diluted EPS (Rupees)	0.08	0.93

- |  |     |     |
|--|-----|-----|
| xi. Value of Imports on CIF Basis  | NIL | NIL |
| xii. Expenditure in Foreign Currency                                     | NIL | NIL |
| xiii. Earning's in Foreign Currency                                      | NIL | NIL |
| xiv. Figures in brackets in these notes are in respect of previous year. |     |     |

For **G.D. Upadhyay & Co.**,  
Chartered Accountants  
Firm Registration No: 05834S  
SD/-

**G.D.Upadhyay**  
M.No. 027187  
Place: Hyderabad (T.S.)  
Date 30.05.2016

For and on Behalf of the Board

SD/-  
Lakshmikanth Inani  
Managing Director

SD  
Vishnukanth Inani  
Whole Time Director

**PROXY FORM**

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and administration) Rules, 2014

**Cin No.L67120AP1994PLC017583**

Name of the Company: **INANI SECURITIES LIMITED**

Regd Office: G-15, Raghava Ratna Towers, 5-8352/14 & 15, Chirag Ali Lane, Hyderabad-500001 Telangana

Name of the Member(s) : .....

Registered Address: .....

Email ID:.....

Folio No./Client & DP ID:.....

I/We being the member(s) of .....Shares of the above named company hereby appoint:

1. Name: .....

Address: .....

E-mail ID: .....

Signature :.....or failing him

2. Name: .....

Address: .....

E-mail ID: .....

Signature :.....or failing him

3. Name: .....

Address: .....

E-mail ID: .....

Signature :.....or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on Friday the 30<sup>th</sup> September, 2016 at 2.30 P.M. at Rajasthani Graduates Association Hall, situated at 5-4-790/1, First Floor, Lane Opp.to G.pulla Reddy Sweets Abids Hyderabad-500001 and at any adjournment thereof such resolution as are indicated below:

Resolution No.	Resolutions	For	Against
1.	Adoption of Balance Sheet, statement of Profit and Loss, Report of the Board of Directors and Auditors thereon.		
2.	Reappointment of Mr.Lakshmikanth Inani who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ratification of appointment of G.D. Upadhyaya & Co. chartered Accountants as Auditors and fixing their remuneration.		

Signed this..... day of.....2015

Affix 1/- Rupee Revenue Stamp

Signature of shareholder

Signature of proxy holder(s)

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.

**ATTENDANCE SLIP**

Attendance by

(Please tick the appropriate box)

Member

Proxy

Authorized Representative

I hereby record my presence at the 21<sup>st</sup> Annual General Meeting of the Company being held on Friday, the 30<sup>th</sup> September, 2015 at 2.30 at Rajasthani Graduates Association Hall, Situated at 5-4-790/1 First Floor Lane opp. To G.Pulla Reddy Sweets Abids, Hyderabad-500001

Name of the Proxy (in BLOCK LETTERS)

Shareholder's/Proxy Signature

MEMBER ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT WITH THEM TO THE ANNUAL GENERAL MEETING.

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**INANI SECURITES LIMITED**

G-15, Raghava Ratna Towers,  
# 5-8-352/14 & 15, Chirag Ali Lane,  
Hyderabad - 500 001. T.S.  
Website : [www.inanisecl.in](http://www.inanisecl.in)