

10th
Annual Report
2003-2004



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INANI Marbles & Industries Ltd.



BOARD OF DIRECTOR -

Nand Lal Inani, Chairman
Suresh Inani, Managing Director
Dinesh Inani, Jt.Managing Director
Harish Inani, Director
Rajesh Inani, Director
Prem Narayan Sharma, Director

AUDITORS -

M/s R.K. Nyati & Co.
Chittorgarh (Raj.)
&
M/s Jagdish Rathi & Associates
Chittorgarh (Raj.)

BANKERS -

State Bank of Bikaner & Jaipur
Chittorgarh (Raj.)

SHARE TRANSFER AGENTS -

Ankit Consultancy Pvt. Ltd.
Alankar Point, 2nd Floor,
Geeta Bhawan Chouraha, A.B. Road,
Indore (M.P.)

REGISTERED OFFICE -

F-17, RIICO Industrial Area,
Chittorgarh (Raj.) - 312001

ADMINISTRATIVE OFFICE -

Blaze Business Centre,
134, Naginadas Master Road,
Birla Mansion, 1st Floor,
Mumbai-23

**NOTICE**

NOTICE is hereby given that the 10th Annual General Meeting of the Members of Inani Marbles & Industries Ltd. will be held on Thursday, 30th September, 2004 at 11 A.M. at Hotel Padmini, Near Sainik School, Chittorgarh, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 March, 2004 and Profit & Loss Account of the Company for the year ended on the same date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Harish Kumar Inani who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s R.K. Nyati & Co., Chartered Accountants and M/s Jagdish Rathi & Associates, Chartered Accountants the retiring Auditors, as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Statement Regarding the Directors Proposed for Appointment :

Name & Designation of Appointee	Age	Qualification	Expertise/ Experience	Date of Appointment	Other Director -ship if any
Shri Harish Kumar Inani	35 years	B.Com., A.CA.	Bussiness	30.09.2004	1

By Order of the Board
For Inani Marbles & Industries Ltd.

Place : Chittorgarh

Date : 02.08.2004

Capt. S. K. Inani
(Managing Director)

NOTES :

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE PROXY REPRESENTATION MUST BE REGISTERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Member and Shares Transfer Books of the Company will remain close from 25th September, 2004 to 30th September, 2004 (Both Days inclusive).
3. Member seeking any further information about the accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready at the meeting.
4. Members are requested to kindly bring their copies of Annual Report to the Meeting.
5. Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of the retiring directors, a statement details of the concerned directors is attached hereto.



10th Annual Reports

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 10th Annual Report and the Audited accounts for the Financial Year ended 31st March 2004.

WORKING RESULTS :

	(Rupees in lacs)	
	2003-2004	2002-2003
Sales & Income from operations	843.76	826.48
Profit from operations	169.39	172.54
Other Income	11.83	13.47
Profit before Interest, Dep. & Taxes	181.22	186.01
Interest	3.41	1.21
Depreciation	101.02	81.23
Profit Before Tax	76.79	103.57
Provision for Taxation	17.37	18.00
Provision for Deferred Tax	(3.98)	1.97
Profit After Tax	63.40	83.60
Balance of Profit brought forward	472.90	389.30
Balance carried forward to Balance Sheet	536.30	472.90

DIVIDEND

To conserve the resources for future expansion programs your directors have not recommended any dividend.

OPERATIONS & FUTURE OUT LOOK

The Turnover of the company has increased by 2.09 % however the operating profit has decreased by 1.83 % in comparison to previous year due to difficult conditions namely market sluggishness and depressed margins. Company achieved export turnover of Rs. 395.02 Lacs (Previous Year Rs. 403.86 Lacs). Your directors are hopeful for better performance and results during the current year.

DEPOSITS

The Company has not accepted any deposits from the Public during the year under review.

DIRECTORS

In accordance with the provisions of the companies Act. 1956 and the Articles of Association of the Company Harish Kumar Inani director who retire by rotation, being eligible has offered himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act , 1956 your Director State that :

- the annual accounts have been prepared by following the applicable accounting standards together with proper explanation relating to material departures.
- the Directors had 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 ;
- the Directors took proper and sufficient care for the maintenance of proper and adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- the annual accounts are prepared on a going concern basis

DISCLOSURE OF SPECIAL PARTICULARS

Information as per Section 217 (1) (e) of the Companies Act , 1956 read with the companies (Disclosure of particulars in the report of Board of Directors) Rules , 1988 for the year ended 31st March , 2004 is given below :

A. CONSERVATION OF ENERGY :

The Company's operations do not involve substantial consumption of energy in comparison to cost of production . Wherever possible energy conservation measures have been implemented .

**B. TECHNOLOGY ABSORPTION :**

The company has neither purchased nor Imported any technology within India.

C. LISTING :

The equity shares of the company are listed on the Mumbai & Jaipur Stock Exchanges. The Annual listing fee to both the Exchanges have been paid.

D. FOREIGN EXCHANGE EARNINGS AND OUT GO :

(Rs. In Lacs)

	Year Ending as on 31.3.2004	Year Ending as on 31.3.2003
Foreign Exchange Earnings	395.02	403.86
Foreign Exchange used	—	35.37

PARTICULARS OF EMPLOYEES

There were no employees covered under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended. Hence no particulars are given herewith.

CORPORATE GOVERNANCE

The management discussion and Analysis, Report on Corporate Governance alongwith the Compliance Certificate of the auditors as required under the Listing Agreement are annexed.

DEPOSITORY SYSTEM

As the members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantage offered by the Depository System, members are requested to avail of the facility of Dematerialization of the Company's shares on either of the Depositories as aforesaid.

AUDIT COMMITTEE

Under the provisions of Companies Act, 1956 and Listing Agreement with the Stock Exchanges a Audit committee comprises of Shri Nand Lal Inani, Shri Rajesh Kumar Inani, Shri Harish Kumar Inani and Shri Prem Narayan Sharma.

AUDITORS

M/s R.K. Nyati & Co. Chartered Accountants and M/s Jagdish Rathi & Associates Chartered Accountants Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The company has received a Certificate from them That their re-appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956.

AUDITOR'S REPORT

The Notes to the Accounts referred to in the Auditors Report are self explanatory and therefore, don't call for any further explanation under section 217(3) of the Companies Act, 1956.

ACKNOWLEDGMENT

Your Directors would like to place on record their appreciation for Co-operation and support extended by State Bank of Bikaner & Jaipur and Share holders. They also record their appreciation of the devoted services rendered by Staff members and Workman of the company.

For and on behalf of the Board

Place : Chittorgarh
Date : 25.06.2004

Nand Lal Inani Capt.S.K.Inani
(Chairman) (Managing Director)



10th Annual Reports

CORPORATE GOVERNANCE :

1. Company's Philosophy on Corporate Governance

The Company is committed to good Corporate Governance. The Company's policies and practices are aimed at efficient conduct of business and effectively meeting its obligations for the interest of shareholders, creditors, customers, employees and other stakeholders.

2. Board of Directors:

The present strength of the board of director of the Company is six of which three are non-executive including the Chairman and one is independent non-executive. The Managing director & Joint Managing Director are continued under the category of Promoter Executive director.

The Composition of the Board of Directors and their attendance at the meetings during the year and the number of other Directorships, Committee memberships and Committee Chairmanships are as follows:

Sl. Name No.	Title	Category	No. of Meetings		No. of other Directorships and Committee membership/chairmanships		
			Held	Attended	Director-ships*	Committee Memberships	Committee Chairmanships
1. Shri S.K.Inani	Man. Director	Promoter-Execut	5	4	—	—	—
2. Shri Dinesh Inani	Joint Managing Director	Promoter-Execut	5	3	1	—	—
3. Shri N.L.Inani	Chairman	Non-Executive	5	3	—	—	—
4. Shri R.K.Inani	Director	Non-Executive	5	3	—	—	—
5. Shri H.K.Inani	Director	Non-Executive	5	3	1	—	—
6. Shri P.N. Sharma	Independent Director	Non-Executive	5	2	—	—	—

*Excludes Directorships held in Private limited companies.

The meetings of the Board of Directors during the financial year 2003-2004 were held on 25th June, 2003, 31st July, 2003, 15th September, 2003, 31st October, 2003 and 31st January, 2004.

The Previous Annual General Meeting of the Company was held on 30th September, 2003 and was attended by all the directors of the Company.

3. Audit Committee

The Audit Committee comprised of Shri Nand Lal Inani, Shri Rajesh Kumar Inani and Shri Harish Kumar Inani, all of above Directors are non-executive director and Prem Narayan Sharma, an independent director. Shri Harish Kumar Inani was Chairman of this Committee till 24th October, 2003 thereafter Shri Prem Narayan Sharma, was elected to Chairman of this committee.

The Audit Committee is functioning within the broad terms of reference laid down in Listing Agreements with Stock Exchanges and the Companies Act, 1956. With the guidance and supervision of the Committee, the internal audit function and internal control systems within the Company have further strengthened.

10th Annual Reports 

During the financial year, four meetings of the Audit Committee were held on 20th June, 2003, 26th July, 2003, 24th October, 2003 and 21st January, 2004. Attendance of each member of Audit committee meeting held during the year is as under :

Name of Director	No. of Meeting attended
Shri Nand Lal Inani	2
Shri Rajesh Kumar Inani	3
Shri Harish Kumar Inani	3
Shri Prem Narayan Sharma	2

4. Remuneration Committee

The company has not constituted a Remuneration Committee in view of the fact that remuneration of Capt. S.K. Inani Managing Director and Dinesh Inani Joint Managing Director has been decided by the Board of Directors without their presence, in accordance with the relevant provisions of the Companies Act, 1956 for a term of five years and which has subsequently approved by the members of the Company at the Annual General Meeting. The Company is not paying any remuneration to Non-Executive Directors apart from Sitting fees for attending the meetings of the Board or any Committee thereof.

The details of remuneration paid to Executive directors during Financial Year 2003-04 are as under:

S.No.	Name of Director	Particulars	Amount
1.	Capt. S. K. Inani	Salary & Commission	785000
2.	Dinesh Inani	Salary	195000

The Company doesn't pay any remuneration to its Non – Executive Director except sitting fee for attending the meetings of the Board. The company pays sitting fee to its resident directors of Rs. 4000 for attending each meeting of the Board of Directors. The details of sitting fee paid during the year 2003-04 are as follows:

S.No.	Name of Director	Particulars	Amount
1.	Nand Lal Inani	Sitting Fee	12000
2.	Rajesh Kumar Inani	Sitting Fee	12000
3.	Harish Kumar Inani	Sitting Fee	12000
4.	Prem Narayan Sharma	Sitting Fee	8000

5. Management

- The Management Discussion and Analysis Report is forming part of the Directors Report.
- Material related party transactions : During the financial year 2003-2004, there were no transactions of material nature with its promoters, the directors or the management, their subsidiaries or relatives ,etc., which may have potential conflict with the interests of the Company at large.



10th Annual Reports

6. Shareholder's/ Investor's Grievance Committee

Shareholders/Investors Grievance Committee of the Company performed its functions actively throughout the year. Shareholders/ Investors Grievance were redressed on priority and the Committee monitored investors complaints like transfer of shares, non-receipt of annual reports and declared dividends which were resolved to the satisfaction of the concerned shareholder/ investor.

The committee chaired by Shri Harish Kumar Inani. Capt. S. K. Inani, Managing Director, Shri Harish Kumar Inani, Director and Shri Prem Narayan Sharma, Director are constituent members of the Committee. The meetings of the Committee were held at periodic intervals during the year under review.

The Company received 5 complaints during the financial year 2003-2004 all of which were resolved to the satisfaction of the shareholders. As at 31st March, 2004, requests for 2300 equity shares of the Company for dematerialisation were pending for approval in the normal course which were dealt with subsequently by the Company. No complaints is pending at the year end.

It is pertinent to mention that apart from the above Committee, the Company also has a Share Transfer Committee to deal with the requests such as transfer of Equity Shares and related matters such as transmission of share, issue of duplicate shares and consolidation /split of shares etc. Besides this, Capt. S. K. Inani, Managing Director is also authorized severally by the Board of Directors to attend and approve the share transfer requests on fortnightly basis.

7. General Body Meetings.

The last three Annual General Meetings (AGM) were held as per details below:

Date of AGM	Relevant Financial Year	Venue /Location Where Held	Time of Meeting
29th Sept., 2001	2000-2001	Hotel Padmini	3.00 P.M.
28th Sept., 2002	2001-2002	Hotel Padmini	4.00 P.M.
30th Sept., 2003	2002-2003	Hotel Padmini	11.00 A.M.

No Special Resolutions was put through postal Ballot in the last AGM nor is any proposed for this year.

8. Compliances

The Company has been complying with all the requirements and there were no penalties, strictures imposed on the Company by stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

9. Means of Communication

The Financial results of the company are published in at least one prominent national and regional newspaper and also displayed on Company's website at www.inanimarbles.com

10. Auditor Certificate on Corporate Governance

The Company has obtained the certificate from the Auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the Director's Report for the year 2003-2004. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the Company.