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Annual Report 2004-2005

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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 11th Annual General Meeting of the Members of Inani Marbles & Industries Ltd. will be held on Friday, 30th September, 2005 at 11 A.M. at Hotel Padmini, River View, 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, 2005 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 Dinesh Inani who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Rajesh Kumar Inani who retires by rotation and being eligible, offers himself for reappointment.
4. 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.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of section 13, 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956, and the Article of Association of the Company, and subject to the approvals, consents, permissions and sanctions from the appropriate authorities or bodies, if required, the Equity Shares of the Company having a nominal face value of Rs.10/- (Rupees Ten Only) per equity share, be sub-divided into 10 (Ten) equity shares having nominal face value of Rs. 1/- (Rupees One Only) per equity share. "

"RESOLVED FURTHER THAT the share certificates in relation to such of the issued Equity shares of the Company as are in physical form be cancelled and fresh certificates be issued in lieu thereof with regard to the sub-divided equity shares in accordance with the provisions Companies (Issue of Share Certificates) Rules, 1960 and in the case of shareholder who hold the Equity shares to receive the sub-divided equity shares in dematerialized form, the sub-divided equity shares be credited to the respective beneficiary account of the shareholders with their respective Depository Participants.

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution and for removal of any doubts or difficulties, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, expedient, usual or proper and to settle any question or doubt that may arise in relation thereto or as the Board in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons."

"RESOLVED LASTLY THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary or desirable to give effect to this Resolution."

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

'RESOLVED THAT for existing clause V of the Memorandum of Association of the Company, the following clause be substituted:

V The Authorised share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crores Only) divided into 100000000 (Ten Crores) Equity shares of Rs. 1/- (Rupees One Only) each.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary or desirable to give effect to this Resolution."



7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION** :

'RESOLVED THAT for existing Article 4 of the Article of Association of the Company, the following article be substituted:

The Authorised share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crores Only) divided into 100000000 (Ten Crores) Equity shares of Rs. 1/- (Rupees One Only) each. The company shall have power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach there to and rights to consolidate or sub-divide the shares and to vary such rights as may be determined in accordance with the regulations of the company.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary or desirable to give effect to this Resolution."

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and the provisions contained in the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Capt. S. K. Inani as Managing Director of the Company for a period of 5 years with effect from 1st March, 2005 upon the terms, condition and stipulation and on the remuneration and perquisites as set out in the draft supplement (copy of draft supplement agreement placed before the meeting and initiated by the Chairman for identification) to be entered into between the company and Capt. S. K. Inani with an authority and power to the Board of Directors of the Company ("the Board") to alter and vary terms and conditions of the said draft Supplemental Agreement in such manner as may from time to time be stipulated by the Central Government or to be in consonance with any revised terms and condition as may be prescribed by the Central Government in the aforesaid Schedule XIII or any modification thereto as may be agreed to by and between and the Board and Capt. S. K. Inani or as may be varied by the General Meeting;

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to this resolution."

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

"RESOLVED THAT Shri Ravi Birla be and is hereby appointed as Director to hold office subject to retirement by rotation."

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

"RESOLVED THAT pursuant to Sections 309(2) & 310 of the Companies Act, 1956 read with Rule 10B of the Companies (Central Government's) General Rules & Forms, 1956, Listing Agreement with Stock Exchanges and other applicable provisions, if any, of the Companies Act, 1956, approval of the shareholders be and is hereby accorded to the Board of Directors of the company to raise from time to time, the amount of sitting fees payable to Non-Executive Directors of the Company for thereof, within the maximum amount as may be prescribed by the Central Government."

11 To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of the companies Act, 1956 and subject to other approvals, if any, consent of the company be and is hereby accorded to the delisting of **Equity Shares of the Company** from Ahmedabad, Indore, Jaipur and Rajkot Stock Exchanges.

ANNEXURE TO THE NOT.**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

Item No. 5 to 7

The Existing Authorized Share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crores Only) divided into 100000000 (Ten Crores) Equity shares of face value of Rs. 10/- each. It is proposed to re-organize the entire Authorized Share Capital as well as the issued, subscribed and Paid-up share capital of the Company by sub-dividing the existing equity shares of face value of Rs. 10/- (Rupees Ten) each into equity shares of the face value of Rs. 1/- (Rupees One) each. Thus each existing equity share of the face value of Rs. 10/- each is proposed to be sub-divided into 10 Equity shares of Rs. 1/- each.

The Proposed sub-division of the equity shares into shares of smaller denomination as aforesaid would facilitate easy accessibility to the Company's Equity shares by small investors and enhance the liquidity of shares on stock Exchanges.

The resolutions for altering the capital clause in the Memorandum and Article of Association of the Company as set out above are to reflect the corresponding changes in the capital clause of the Memorandum and Article of Association of the Company/ Consequent to splitting of the existing Equity Shares of Rs. 10/- each into 10 Equity Shares of Rs. 1/- each pursuant to sub-division as proposed herein.

After the members have adopted the resolution, the board of the Directors will fix a Record date for determining the shareholders who will be entitled for the split share certificates. Shareholders holding shares in electronic form will be allotted split/sub-divided shares in electronic form (demat mode) and those holding shares in the form of physical Certificates will have the opportunity to either receive split/sub-divided shares in demat mode or in the form of physical certificates. In view of the fact that the Company's shares are now tradable only in the demat mode and sale in physical form (to the extent permissible) cause delay /risks associated with postal interception and potential fraud, it will be in the interest of the members to opt for receiving split shares in demat mode in lieu of their existing holding in form of physical certificates.

A copy of the Memorandum and Articles of Association of the Company is available for inspection during the business hours on any working day at the Registered office of the Company up to the date of this meeting.

None of Directors of the Company may be considered to be concerned or interested in the said Resolution except to the extent of equity shares, if any, held by them together with their respective relatives in the Company.

ITEM NO. 8

The present term of appointment of Capt. S. K. Inani as Managing Director was expired on 28th February, 2005. The Members of Company feels that for the sake of continuity of the present management and for efficient running of the Company, the services of Capt. S. K. Inani should be available to the Company for a further period of five years with effect from 1st March, 2005. In terms of the provisions of the articles of association of the Company, the Members of the Company at the time of A.G.M. will re-appoint him as a Managing Director for a further period of five years with effect from 1st March, 2005 the main terms and conditions of re-appointment are as under:

- (a). Salary :- Rs. 100000-5000-125000 per month.
- (b). Commission :- commission on Net Profits of the Company restricted to an amount equal to the Annual Salary.
- (c). Perquisites:- Perquisites shall be allowed in addition to both salary and commission However, it shall be restricted to an amount equal to the annual salary.

Perquisites are presently classified as follows :

- (i). Housing/House rent allowance :
The expenditure incurred by the Company will be subject to a ceiling of 60 % of the salary.
- ii) Gas, electricity, water and furnishing. :
The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the income tax Rules, 1962.
- iii) Medical reimbursement :
Expenses incurred for the appointee and his family.
- iv) Leave and Leave travel concession :
Leave as per the rules of the Company including encashment of leave. Leave travel concession for self and family once in a year incurred in accordance with the rules the company.



- v) Club fees :
Fees of Clubs subject to a maximum of two Clubs.
- vi) Personal accident insurance :
Personal accident insurance of an amount the annual premium of which does not exceed Rs.4000/-

For the purpose of calculating the above ceiling, perquisites will be evaluated as per income tax Rules, wherever applicable. In the absence of any rule, perquisites shall be evaluated at actual cost.

- (d). Other payment and provisions which shall not be included in the computation of the ceiling on remuneration:
 - i) Contribution towards Provident Fund and Superannuation Fund :
Contribution towards Provident Fund will be subject to a ceiling of 12.5% of the salary. Contribution to Pension/ Superannuation/ Annuity Fund together with contribution to Provident Fund shall not exceed 27.5% of the salary. Contribution to Provident Fund to the extent of limit prescribed under Income-tax Act/Rules, 1962 or notification issued there under from time to time will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act/Rules/Notification.
 - ii) Gratuity :
Gratuity payable shall not exceed one half month's salary for each completed year of service.
 - iii) Encashment of leave :
As per rules of the Company
 - iv) Car :
Provision of Company's car for Business and Personal USE
 - v) Telephone :
Provision of telephone at residence.
 - (e). Reimbursement of expenses :
 - i) Entertainment expenses: Reimbursement of entertainment expenses actually and properly incurred for the business of the Company subject to a reasonable ceiling as may be fixed from time to time by the Board.
 - ii) Reimbursement of traveling expenses actually and properly incurred for the business of the Company subject to a reasonable ceiling as may be fixed from time to time by the Board.

MINIMUM REMUNERATION :

In the event of loss, absence or inadequacy of profits, in any financial year during the currency of tenure of Capt. S. K. Inani, the remuneration aforesaid shall be the minimum remuneration payable to him. However, any excess over the limits on minimum remuneration prescribed under the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 shall be payable to Capt. S. K. Inani with the approval of the central Government, if so, required.

Further in the event of any statutory amendment or modification of relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 or any provision of the companies Act, Income-tax Act and to income tax Rules or issuance of any notification under the aforesaid Acts/ Rules, the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration/ minimum remuneration including salary, commission perquisites and other allowances within such revised limit or ceiling without any further reference to the company in General Meeting or the Central Government.

None of the director except Nand Lal Inani is interested in above said resolution being relatives of Capt. S. K. Inani.

This statement should be treated as an abstract of the terms of the agreement with Capt. S. K. Inani for the purpose of section 302 of the companies Act, 1956. The renewal agreement approved by remuneration committee of the company and Board of Directors commends the resolution for your approval.

A copy of the draft agreement may be inspected at the registered office of the Company on any working day during business hours.

ITEM NO. 9

Shri Ravi Birla Post Graduate in Arts having 8 years experience in Marble Field Trading is proposed to appoint an Independent Director of the Company. The Company has received notices alongwith requisite deposits under section 257 of the Companies Act, 1956 for appointment of him as Director of the Company at the ensuing Annual General Meeting.



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Yours Board of Directors feels that appointment on the Board will be in the best interest of the company and recommend the adoption of the resolution proposed under this item. None of the directors of the company is concerned or interested in the proposed resolution except Shri Ravi Birla.

ITEM NO. 10

The non executive directors of your company are presently entitled to a sitting fee of Rs.4000/- for attending each meeting of the Board of Directors or Committees thereof. Keeping in view the sitting fee structure currently prevalent in the industry, the vast experience and expertise of the directors and expanding scale of operations of the company, the Board has decided to seek approval of shareholders of the company to authorize the board to increase the sitting fee from time to time within the limits mentioned in rule 10B of the companies (Central Government) general rules and form, 1956 read with section 310 of the companies Act, 1956, the piercing of which would require the approval of the Central Government. Further, as per the revised clause 49 of the listing agreement with the stock exchanges, all fees/compensation to non executive directors of the company shall be fixed by the Board and Shall require previous approval of shareholders in general meeting. Hence, the Board of Directors commends the resolution for your approval.

None of the directors of the company, except the non executive directors to the extent of sitting fee payable to them, each concerned or interested in the resolution.

The Board of Directors commends the resolution for your approval.

ITEM NO. 11

As the company's shares are listed on Ahmedabad, Indore, Jaipur and Rajkot Stock Exchanges, the annual listing fee of all the Stock Exchange have been increased substantially. Since the shares of the Company have remained infrequently traded during preceeding 9 years in Ahmedabad, Indore, Jaipur and Rajkot Stock Exchange and no positive sign is being seen for trading in theses stock exchanges, therefore the company has proposed to delist its Shares from Ahmedabad, Indore, Jaipur and Rajkot Stock Exchanges.

None of the directors of the Company is, in any way concerned or interested in this resolution.

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

Place : Chittorgarh

Date : 7th September, 2005

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 26th September, 2005 to 30th September, 2005 (Both Days inclusive).

3. Member seeking any further information about the accounts are requested to write to the Company at least 7 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. The relative explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business under Item No. 5 to 11 are annexed hereto.

6. Appointment/Re-appointment of directors :

The brief particulars of directors of the company, retiring by rotation, proposed to be re-appointed and directors who are newly appointed at the ensuing annual general meeting are as under :

	Age	Qualification	Date of Applicant	Other Directorship
Shri Dinesh Inani	45 years	B. Com.	30.09.2005	1 *
Shri Rajesh Kumar Inani	39 years	B. Com.	30.09.2005	--
Shri Ravi Birla	31 years	B.A. and M.A.	30.09.2005	--

* Excludes directorship held in Pvt. Ltd. Companies.



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 11th Annual Report and the Audited accounts for the Financial Year ended 31st March 2005.

WORKING RESULTS :

(Rupees in lacs)

	2004-2005	2003-2004
Sales & Income from operations	976.74	843.76
Profit from operations	146.13	169.39
Other Income	13.92	11.83
Profit before Interest, Dep. & Taxes	160.05	181.22
Interest	6.41	3.41
Depreciation	92.54	101.02
Profit Before Tax	61.10	76.79
Provision for Taxation	26.21	17.37
Provision for Deferred Tax	(2.99)	(3.98)
Profit After Tax	37.88	63.40
Balance of Profit brought forward	536.30	472.90
Balance carried forward to Balance Sheet	574.18	536.30

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 15.76 % however the operating profit has decreased by 13.73 % in comparison to previous year due to difficult conditions namely market sluggishness and depressed margins due to stiff competition face by entire marble industry from the use of vitrified tiles imported from China. However company achieved export turnover of Rs.577.91 Lacs (Previous Year Rs.395.02 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 Shri Dinesh Kumar Inani and Shri Rajesh Kumar Inani directors who retire by rotation, being eligible has offered himself for re-appointment.

Company has also received notice U/S 257 of the Companies Act, 1956 for appointment of Shri Ravi Birla as Director in ensuing Annual General Meeting. Capt. S.K. Inani was reappointed as a Managing Director by the Board of Directors for a period of 5 years w.e.f. 1st day of March, 2005. The Board of Directors recommended the resolution for approval in ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) the annual accounts have been prepared by following the applicable accounting standards together with proper explanation relating to material departures.
- b) 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 :
- c) 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 ;
- d) the annual accounts are prepared on a going concern basis

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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, 2005 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 31.3.2005	Year Ending as on 31.3.2004
Foreign Exchange Earnings :	577.91	395.02
Foreign Exchange used :	7.98	--

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 : 30.06.2005

Nand Lal Inani

[Chairman]

Capt. S. K. Inani

[Managing Director]