

13th



Annual Report

2006-2007

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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
Ravi Birla, Director

AUDITORS

M/s. R. K. Nyati & Co.
Chittorgarh (Raj.).
& M/s. Jagdish Rath & 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 13th Annual General Meeting of the Members of Inani Marbles & Industries Ltd. will be held on Saturday, 29th September, 2007 at 02.00 P.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, 2007 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 a Director in place of Shri Ravi Birla 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.

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

Place : Chittorgarh
Date : 4th September, 2007

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, 2007 to 29th September, 2007 (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. 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 Harish Kumar Inani	38 years	Chartered Accountant	29.09.2007	1 *
Shri Ravi Birla	33 years	B.A. and M.A.	29.09.2007	--

* Excludes directorship held in Pvt. Ltd. Companies.



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 13th Annual Report and the Audited accounts for the Financial Year ended 31st March 2007.

WORKING RESULTS :

	(Rupees in lacs)	
	2006-2007	2005-2006
Sales & Income from operations	1431.85	1304.18
Profit from operations	181.47	155.22
Other Income	9.05	6.57
Profit before Interest, Dep. & Taxes	190.52	161.79
Interest	5.48	3.39
Depreciation	81.18	74.79
Profit Before Tax	103.86	83.61
Provision for Taxation including FBT	45.69	39.94
Provision for Deferred Tax	(10.17)	(12.86)
Profit After Tax	68.34	56.53
Balance of Profit brought forward	630.71	574.18
Balance carried forward to Balance Sheet	699.05	630.71

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 9.79 % and the operating profit has increased by 16.91 % in comparison to previous year due to increase in export Turnover. Company has achieved export turnover of Rs. 981.45 Lacs. as compare to previous year 792.25 Lacs. Your directors are hopeful for much 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 Harish Kumar Inani and Shri Ravi Birla directors 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 :

- 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

**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, 2007 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 31.3.2007	Year Ending as on 31.3.2006
Foreign Exchange Earnings	: 981.45	792.25
Foreign Exchange used	: 6.30	5.56

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 : 30.06.2007

Nand Lal Inani Capt. S. K. Inani
[Chairman] [Managing Director]



**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE AS PER LISTING AGREEMENT**

To the Members of
Inani Marbles & Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Inani Marbles & Industries Limited, for the year ended on 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders /Investors Grievance Committee.

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

For R.K. Nyati & Company
Chartered Accountants

For Jagdish Rathi & Associates
Chartered Accountants

Place : Chittorgarh

Date : 30.06.2007

R. K. Nyati
Partner

Jagdish Rathi
Proprietor

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. No.	Name	Title	Category	No. of Meetings		No. of other Directorships and Committee membership/chairmanships		
				Held	Attended	Director ships*	Committee Memberships	Committee Chairman-ships
1	Shri S.K.Inani	Man. Director	Promoter-Execut	5	3	--	--	--
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	4	--	--	--
5	Shri H.K.Inani	Director	Non-Executive	5	4	1	--	--
6	Shri P.N. Sharma	Independent Director	Non-Executive	5	4	--	--	--
7	Shri Ravi Birla	Independent Director	Non-Executive	5	4	--	--	--

*Excludes Directorships held in Private limited companies.



The meetings of the Board of Directors during the financial year 2006-2007 were held on 30th June, 2006, 31st July, 2006, 17th April, 2006, 30th October, 2006 and 31st January, 2007.

The Previous Annual General Meeting of the Company was held on 30th September, 2006 and was attended by all the directors of the Company except Shri Dinesh Inani.

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 Prem Narayan Sharma was 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.

During the financial year, four meetings of the Audit Committee were held on 27th June, 2006, 26th July, 2006, 27th October, 2006 and 30th January, 2007. Attendance of each member of Audit committee meeting held during the year are 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	4

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 there of.

The details of remuneration paid to Executive directors during Financial Year 2006-07 are as under:

S.No.	Name of Director	Particulars	Amount:
1.	Capt. S. K. Inani	Salary	1260000/-
2.	Dinesh Inani	Salary	285000/-

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 2006-07 are as follows:

S.No.	Name of Director	Particulars	Amount
1.	Nand Lal Inani	Sitting Fee	12000
2.	Rajesh Kumar Inani	Sitting Fee	16000
3.	Harish Kumar Inani	Sitting Fee	16000
4.	Prem Narayan Sharma	Sitting Fee	16000
5.	Ravi Birla	Sitting Fee	16000



5. Management

- a) The Management Discussion and Analysis Report is forming part of the Directors Report.
- b) Material related party transactions : During the financial year 2006-2007, 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.

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 did not receive any complaints during the financial year 2006-2007 from the shareholders.

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
30th Sept., 2004	2003-2004	Hotel Padmini	11.00 A.M.
30th Sept., 2005	2004-2005	Hotel Padmini	11.00 A.M.
30th Sept., 2006	2005-2006	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 2006-2007. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the Company.

**SHAREHOLDERS' INFORMATION**

1. Annual General Meeting
 - Date and Time : Saturday , Sept. 29th, 2007 at 2.00 P.M.
 - Venue : Hotel Padmini
2. Financial Calendar
 - Financial Year : April - March
 - Quarterly Financial Reporting : Within one month from the end of each quarter

except fourth quarter when annual results are published within two months.
3. Dates of Book Closure : 25.09.2007 to 29.09.2007
4. Dividend Payment Date : N/A
5. Listing of Share on Stock Exchange :-
 - 1) The Mumbai Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Mumbai-400001
 - 2) Jaipur Stock Exchange Limited, Stock Exchange Building, Jaipur-302017

Listing fees as prescribed has been paid to each of these Stock Exchanges upto 31st March, 2007.
6. Stock Code
 - The Stock Exchange, Mumbai : 531129
 - Jaipur Stock Exchange Ltd : —
7. Stock Market Data

Market price data of the company's equity shares in Bombay Stock Exchange for the period from April 2006 to March 2007 is as below :-

Month	BSE Price	
	High	Low
April 2006	53.75	34.00
May 2006	69.20	49.30
June 2006	57.05	35.60
July 2006	57.20	34.25
August 2006	55.45	44.40
September 2006	52.00	37.10
October 2006	50.70	32.50
November 2006	36.00	24.60
December 2006	35.00	28.00
January 2007	33.50	29.40
February 2007	37.20	26.30
March 2007	36.80	21.00

8. Registrar and Transfer Agents

The Company has appointed M/s Ankit Consultancy Pvt. Ltd. as its Share transfer Agent. The Shareholders may contact the transfer Agent for matters related to Share Transfers etc. at the following address:

Ankit Consultancy Pvt. Ltd.,
 2nd Floor, Alankar Point,
 Gita Bhawan Chouraha,
 A.B. Road, Indore (M.P.)
 Phone No. : 0731-2491298/2495226
 Fax No. : 0731-4065798
 E-MAIL : ankitind@sancharnet.in