

14th



Annual Report

2007-2008

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INANI

Marbles & Industries Ltd.

BOARD OF DIRECTORS

Shri Nand Lal Inani, Chairman
Capt. Suresh Kumar Inani, Managing Director
Shri Dinesh Kumar Inani, Jt. Managing Director
Shri Harish Kumar Inani, Director
Shri Rajesh Kumar Inani, Director
Shri Prem Narayan Sharma, Director
Shri Ravi Birla, Director

AUDITORS

M/s. Nyati Mundra & 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, 4-A, Rajgarh Kothi,
Geeta Bhawan Chouraha, A.B. Road,
Indore - 452001 (M.P.)

REGISTERED OFFICE

F-17 & 58, RIICO Industrial Area,
Chittorgarh (Raj.) - 312001

ADMINISTRATIVE OFFICE

Blaze Business Centre,
134, Naginadas Master Road,
Birla Mansion, 1st Floor,
Mumbai- 400023



NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of Inani Marbles & Industries Ltd. will be held on Tuesday, 30th September, 2008 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 31st March, 2008 and Profit & Loss Account of the Company for the year ended on the same date together with the Report of the Auditors thereon and Report of the Board of Directors and to declare dividend.
2. To appoint a Director in place of Shri Dinesh Kumar 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 Nyati Mundra & Co., (name of the firm changed from 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 i.e. 30.09.2008 until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

5. Reappointment of Joint Managing Director
To consider and if thought proper, 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, 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 shareholders of the Company be and is hereby accorded to the re-appointment of Shri Dinesh Kumar Inani as Joint Managing Director of the Company for a period of 5 years with effect from 1st October, 2007 to 30th September, 2012 upon the terms, condition and stipulation and on the remuneration and perquisites as recommended by the Remuneration Committee of the company and approved by the Board of Directors and as set out in the explanatory statement attached to this notice 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 Agreement in such manner so that the overall remuneration remains within the limit prescribed by the Remuneration Committee of the company and the Companies Act, 1956 and schedule XIII of the Act as amended and as may be agreed upon between the Board and the Joint Managing Director Shri Dinesh Kumar Inani."

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

"RESOLVED FURTHER THAT the remuneration paid and/or payable to the Joint Managing Director Shri Dinesh Kumar Inani in terms of above appointment with effect from 01.10.2007 to 30.09.2008 be and is hereby approved and ratified."

6. Delisting of shares from few Stock Exchanges

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."

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

Place : Chittorgarh
Date : 30th August, 2008

Capt. S.K. Inani
(Managing Director)

H.K. Inani
Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL 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 COMMENCEMENT OF THE MEETING.
2. The Register of Members and Shares Transfer Books of the Company will remain close from 26th September, 2008 to 30th September, 2008 (Both Days inclusive).
3. Members are requested to kindly bring their copies of Annual Report to the Meeting.
4. Appointment/Re-appointment of Directors :
The brief particulars of directors of the company, retiring by rotation, proposed to be reappointed and directors who are newly appointed at the ensuing annual general meeting are as under :

	Age	Qualification	Date of Re-appointment	Other Directorship
Shri Dinesh Kumar Inani	49 years	B.Com	30.09.2008	1 *
Shri Rajesh Kumar Inani	42 years	B.Com	30.09.2008	--

* Excludes directorship held in Pvt. Ltd. Companies.



**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE
COMPANIES ACT, 1956 (Re:AGM dt 30.09.2008)**

ITEM NO. 5

The present term of appointment of Shri Dinesh Kumar Inani as Joint Managing Director has expired on 30th September, 2007. The experience of Shri Dinesh Kumar Inani in managing and running the business of our Company will be helpful in achieving the targets of the company in a better and harmonious way and the Board of Directors feels that the services of Shri Dinesh Kumar Inani should be made available to the Company for a further period of five years with effect from 1st October, 2007. In terms of the provisions of the Companies Act, 1956, the resolution for his re-appointment as Joint Managing Director of the company, is put for the approval of the Members of the Company. The main terms and conditions of re-appointment are as under:

- (a). Salary :- Rs. 50000-5000-70000 per month.
- (b). Commission :- Commission on Net Profits of the Company restricted to an amount equal to the Annual Salary as mentioned in (a) above and in case the commission is paid, the total remuneration not to exceed to 5% of the net profit of the company. The net profit is to be calculated as per provisions of the Companies Act, 1956.
- (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 as mentioned in (a) above.

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 of 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/-.
- (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 at the rate of 12.0% of the salary and further as per amended provisions of the relevant Acts and Rules. Contribution to Pension/Superannuation/ Annuity Fund is to be at the rate of 15% of the salary.



- ii) Gratuity :
Gratuity payable at the rate of one half month's salary for each completed year of service.
- iii) Encashment of leave :
As per rules of the Company
- iv) Telephone :
Provision of telephone at residence and/or mobile phone(s).
- (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) Traveling Expenses: Reimbursement of traveling expenses actually and properly incurred for the business of the Company subject to norms 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 Shri Dinesh Kumar Inani, the remuneration aforesaid excluding commission 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 Shri Dinesh Kumar Inani with the approval of the Central Government, if so, required.

Further in the event of any statutory amendment or modification or 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 authorized 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.

Shri Nand Lal Inani and Rajesh Kumar Inani are interested in above resolution being relatives of Shri Dinesh Kumar Inani.

This statement should be treated as an abstract of the terms of the agreement with/appointment of Shri Dinesh Kumar Inani for the purpose of Section 302 of the Companies Act, 1956.

ITEM NO. 6

The company's shares are listed on Bombay Stock Exchange and also on Ahmedabad, Indore, Jaipur and Rajkot Stock Exchanges. The annual listing fee of all the Stock Exchanges have been increased substantially. Since the shares of the Company have remained infrequently traded during preceding 9 years in Ahmedabad, Indore, Jaipur and Rajkot Stock Exchanges and no positive sign is being seen for trading in these stock exchanges, therefore, the company has proposed to de-list 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 : 30th August, 2008

Capt. S.K. Inani
(Managing Director)

H..K.Inani
Director



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 14th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2008.

WORKING RESULTS:

	(Rupees in lacs)	
	<u>2007-2008</u>	<u>2006-2007</u>
Sales & Income from operations	1957.43	1431.85
Profit from operations	243.20	181.47
Other Income	10.82	9.05
Profit before Interest, Dep. & Taxes	254.02	190.52
Interest	6.34	5.48
Depreciation	76.97	81.18
Profit Before Tax	170.71	103.86
Provision for Taxation including FBT	67.74	45.69
Provision for Deferred Tax	(9.82)	(10.17)
Profit After Tax	112.79	68.34
Balance of Profit brought forward	699.05	630.71
Balance Available For Appropriations	811.84	699.05
Proposed Dividend on Equity Shares	32.53	NIL
Corporate Tax on Dividend Distribution	5.53	NIL
Amount Transferred to General Reserve	12.00	NIL
Balance carried forward to Balance Sheet	761.78	699.05

DIVIDEND:

Directors have recommended dividend @ 10 % on Equity Share Capital for the Year 2007-08.

OPERATIONS & FUTURE OUT LOOK

The Turnover of the company has increased by 36.71 % and the operating profit has increased by 34.02 % in comparison to previous year due to increase in Export Turnover. Company has achieved export turnover of Rs. 1242.27 Lacs. as compared to Rs 981.45 Lacs in previous year. Your directors are hopeful for much better performance and results during the current year.

ESTABLISHMENT OF 100% E.O.U.

To increase the export of the products, a new industrial undertaking in the name of 'Inani Marble & Granites (100% E.O.U)' having its office at Mataji ki Pandoli, Tehsil & District- Chittorgarh has been established during the 4th Quarter of the financial year under review. Substantial investment in buildings, plant & machineries and on installation of modern machineries to produce the highest grade and quality of products will be made in the unit. Part financing will be made by way of loans from Financial and/or Other Institutions, Banks and part financing will be made from internal accruals. The unit has since received sanction of Term Loan of Rs 810 Lac and Working Capital Limit of Rs 150 Lac from State Bank of Bikaner & Jaipur.

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 retire by rotation, being eligible and have offered themselves for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217(2AA) of the Companies Act , 1956 in relation to financial statements for the year under review, the Directors State that :

- a) the annual accounts have been prepared by following the applicable accounting standards together with proper explanation relating to material departures, if any;
- 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 2007-08 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, 2008 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. FOREIGN EXCHANGE EARNINGS AND OUT GO :

	(Rs. In Lacs)	
	Year Ending 31.3.2008	Year Ending 31.3.2007
Foreign Exchange Earnings	: 1242.27	981.45
Foreign Exchange used	: 57.88	6.30

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 along with 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 the facility of Dematerialization of the Company's shares on either of the Depositories as aforesaid.

**AUDITORS**

M/s Nyati Mundra & Co. Chartered Accountants (name of the firm changed from M/s R.K.Nyati & Co.) and M/s Jagdish Rathi & Associates, Chartered Accountants, the Joint 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.

AUDITORS' REPORT

The Notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore, do not 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 : 30.06.2008

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

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**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, 2008 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 above mentioned 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 Nyati Mundra & Company
Chartered Accountants

For Jagdish Rathi & Associates
Chartered Accountants

Place : Chittorgarh

Date : 30.06.2008

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 Directors of the Company is seven, out of which three are non-executive including the Chairman and two are independent non-executive directors. The Managing director & Joint Managing Director are continued under the category of Promoter Executive Directors.

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 memberships/chairmanships		
				Held	Attended	Director-ships*	Committee Memberships	Committee Chairman-ships
1	Capt S. K. Inani	Man. Director	Promoter-Executive	5	4	--	--	--
2	Shri Dinesh Kumar Inani	Joint Managing Director	Promoter-Executive	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	5	1	--	--
6	Shri P.N. Sharma	Independent Director	Non-Executive	5	4	--	--	--
7	Shri Ravi Birla	Independent Director	Non-Executive	5	5	--	--	--

*Excludes Directorships held in Private Limited Companies.