

17th Annual Report

2010-2011



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 Rathi & Associates
Chittorgarh (Raj.)
Company Secretary
Anil Kumar Jain

BANKERS

State Bank of Bikaner & Jaipur
Chittorgarh (Raj.)

SHARE TRANSFER AGENTS

Ankit Consultancy Pvt. Ltd.
Plot No.60, Electronic Complex,
Paradeshipura,
Indore - 452001 (M.P.)

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

"Green Woods"
501, Andheri Kurla,
Mathuradas Vasanji Road,
MUMBAI - 400093 (Maharashtra)

**NOTICE**

NOTICE is hereby given that the 17th Annual General Meeting of the Members of Inani Marbles & Industries Ltd. will be held on Friday, 30th September, 2011 at 03.00 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, 2011 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.
2. To declare dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Shri Nand Lai Inani who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Prem Narayan Sharma who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditor and to fix their remuneration and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Nyati Mundra & Co. Chartered Accountants (Reg. No. 008153C) and M/s Jagdish Rathi & Associates, Chartered Accountants (Reg. No. 04623C) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General meeting i.e. 30.09.2011 until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.

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

Place : Chittorgarh
Date : 25th August, 2011

Anil Kumar Jain
(Company Secretary)

**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 Member and Shares Transfer Books of the Company will remain close from 26th September, 2011 to 30th September, 2011 (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 dividend warrents pertaining to earlier years issued by the company are not yet encashed by some of the members. Hence, those members who have not encashed the dividend warrents may please get the same revalidated by the company and encash them at the earliest to avoid inconvenience at a later date.
6. Members holding shares in physical form are requested to notify immediately the change, if any, in their registered address. The members holding shares in demat mode may contact their Depository Participant for change in their registered address.
7. The equity shares of the company are available for dematerialization, as the company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN No. of the Equity Shares is INE635D01019.
8. 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 Nand Lal Inani | 78 years | Matriculate | 30.09.2011 | -- |
| Shri Prem Narayan Sharma | 49 years | B. Com | 30.09.2011 | -- |

* Excludes directorship held in Pvt. Ltd. Companies.

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

Place : Chittorgarh
Date : 25th August, 2011

Anil Kumar Jain
(Company Secretary)

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 17th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2011.

WORKING RESULTS :

| | <u>2010-2011</u> | (Rupees in lacs) <u>2009-2010</u> |
|--|------------------|--|
| Sales & Income from operations | 4538.09 | 3535.03 |
| Profit from operations | 965.69 | 673.47 |
| Other Income | 27.86 | 7.05 |
| Profit before Interest, Dep. & Taxes | 993.56 | 680.51 |
| Interest | 185.48 | 135.65 |
| Depreciation | 284.36 | 177.68 |
| Profit Before Tax | 523.72 | 367.18 |
| Provision for Taxation including FBT | 104.38 | 74.64 |
| Provision for Deferred Tax | (20.21) | (9.51) |
| Profit After Tax | 439.55 | 302.05 |
| Balance of Profit brought forward | 1172.76 | 870.71 |
| Balance Available For Appropriations | 1562.26 | 1172.76 |
| Proposed Dividend on Equity Shares | 32.53 | 32.53 |
| Corporate Tax on Dividend Distribution | 5.52 | 5.52 |
| Amount Transferred to General Reserve | 12.00 | 12.00 |
| Balance carried forward to Balance Sheet | 1512.21 | 1122.70 |

DIVIDEND & TRANSFER TO GENERAL RESERVE :

Your directors have recommended a dividend of Rs. 1.00/- per equity share (Previous year Rs. 1.00/- per equity share) which amounts to Rs. 32.53 Lacs i.e. 10% of the paid-up capital for the year ended 31st March, 2011, Subject to approval of the shareholders at the ensuing Annual General Meeting of the Company. The total outflow due to dividend payment for the current year will be Rs. 38.05 Lacs which includes dividend distribution tax of Rs. 5.52 Lacs.

Your directors propose to transfer the amount of Rs. 12.00 Lacs (Previous year 12.00 Lacs) to the General Reserve, having regard to the requirements of Section 205 (2A) of the Companies Act, 1956 and with reference to the Companies (Transfer of profits to Reserve) Rules, 1975.

OPERATIONS & FUTURE OUT LOOK :

The Turnover of the company has increased by 28.37 % and profit before tax increased by 42.63% in comparison to previous year. Turnover of the Company was increased mainly due to execution of Material handling work and Full Year working of EOU unit.

DEPOSITS

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

FINANCE

The Company has taken Loan of Rs. 179.50, 123.52 & 41.62 Lacs from Systamatix Securities Ltd, Tata Capital Ltd and ICICI Bank Ltd. respectively during the year. Company is regular in payment of Installment and Interest on Loan Taken earlier from State bank of Bikaner & Jaipur, HDFC Bank Ltd, Tata Capital Ltd and ICICI Bank Ltd.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Nand Lal Inani and Shri Prem Naryan Sharma 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 2010-11 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, 2011 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 31.3.2011 | Year Ending 31.3.2010 |
| Foreign Exchange Earnings | : 2002.88 | 2012.93 |
| Foreign Exchange used | : 504.86 | 221.65 |

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 and forming part of this report.

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 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, HDFC bank Ltd, Tata capital Ltd 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 : 30.05.2011

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

**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, 2011 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
(Reg.No. 008153C)

For Jagdish Rathi & Associates
Chartered Accountants
(Reg.No. 04623C)

CA R. K. Nyati
Partner
M.N. 070692

CA Jagdish Rathi
Proprietor
M.N. 39303

Place : Chittorgarh
Date : 30.05.2011

CORPORATE GOVERNANCE REPORT :

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 board of director alongwith its committees provide leadership and guidance to the company management and directs, supervises and controls the performance of the company. The present strength of the Board of Directors of the Company is seven out of which Five 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. All directors except the Executive Director are liable to retire by rotation. None of the directors on the board is a member of more than 10 Committees and Chairman of more than 5 Committees across all companies in which they are 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 | Shri N. L. Inani | Chairman | Non-Executive | 5 | 4 | -- | -- | -- |
| 2 | Capt S. K. Inani | Man. Director | Promoter-Executive | 5 | 4 | -- | -- | -- |
| 3 | Shri Dinesh Kumar Inani | Joint Managing Director | Promoter-Executive | 5 | 3 | 1 | -- | -- |
| 4 | Shri R. K. Inani | Director | Non-Executive | 5 | 4 | -- | -- | -- |
| 5 | Shri H. K. Inani | Director | Non-Executive | 5 | 3 | 1 | -- | -- |
| 6 | Shri P. N. Sharma | Independent Director | Non-Executive | 5 | 5 | -- | -- | -- |
| 7 | Shri Ravi Birla | Independent Director | Non-Executive | 5 | 5 | -- | -- | -- |

*Excludes Directorships held in Private Limited Companies.

The meetings of the Board of Directors during the financial year 2010-2011 were held on 31st May, 2010, 31st July, 2010, 25th August, 2010, 15th Nov, 2010, and 15th Feb, 2011.

The gap between any two meetings did not exceed four month. The Previous Annual General Meeting of the Company was held on 30th September, 2010 and was attended by all the board of director of the Company. Agenda papers containing all necessary information/ documents are made available to the board in advance to enable the board to discharge its responsibilities effectively and take informed decision.

3. Audit Committee

The Audit Committee comprised of Shri Prem Narayan Sharma, Shri Nand Lai Inani, Shri Harish Kumar Inani and Shri Rajesh Kumar Inani, all of above Directors are non-executive directors and Prem Narayan Sharma, an independent director and chairman of the 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 25th May, 2010, 28th July, 2010, 10th Nov, 2010, and 12th Feb, 2011. Attendance of each member of Audit committee meeting held during the year are as under:

| Name of Director | No. of Meeting attended |
|--------------------------|-------------------------|
| Shri Nand Lai Inani | 4 |
| Shri Rajesh Kumar Inani | 2 |
| Shri Harish Kumar Inani | 3 |
| Shri Prem Narayan Sharma | 4 |

The statutory auditors of the company were invited to attend the Audit Committee Meetings.

4. Remuneration Committee

The remuneration Committee reviews and makes recommendations on annual salaries, performance linked incentive perquisites and other employment conditions of Executive directors. Remuneration Committee comprising of Shri P.N. Sharma, Shri Ravi Birla and Shri H.K. Inani is functioning in the company under the Chairmanship of Shri P.N. Sharma. The meeting of the Remuneration Committee was held on 24th December, 2010.

The details of remuneration paid to Executive Directors during the Financial Year 2010-11 are as under (excluding Company's contribution towards P.F.)

| S.No. | Name of Director | Particulars | Amount Rs |
|-------|--------------------|-------------|-----------|
| 1. | Capt. S. K. Inani | Salary | 1565000/- |
| 2. | Dinesh Kumar Inani | Salary | 750000/- |

The Company doesn't pay any remuneration to its Non - Executive Directors except sitting fee for attending the meetings of the Board. The company pays sitting fee to its non executive directors of Rs. 4000 for attending each meeting of the Board of Directors. The details of sitting fee paid during the financial year 2010-11 are as follows:

| S.No. | Name of Director | Particulars | Amount Rs |
|-------|---------------------|-------------|-----------|
| 1. | Nand Lal Inani | Sitting Fee | 16000 |
| 2. | Rajesh Kumar Inani | Sitting Fee | 16000 |
| 3. | Harish Kumar Inani | Sitting Fee | 12000 |
| 4. | Prem Narayan Sharma | Sitting Fee | 20000 |
| 5. | Ravi Birla | Sitting Fee | 20000 |

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 2010-2011, 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. Shareholders'/ Investors' Grievance Committee

Shareholders/Investors Grievance Committee of the Company performs its functions actively throughout the year. Shareholders/ Investors Grievances, if received, are redressed on priority basis and the Committee monitors investor complaints in the areas of transfer of shares, non-receipt of annual reports and declared dividends, etc to the satisfaction of the concerned shareholder/ investor.

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

The Company has received 3 complain during the financial year 2010-2011 from the shareholders which were resolved well within stipulated time.

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.,2008 | 2007-2008 | Hotel Padmini, Chittorgarh | 02.00 P.M. |
| 30th Sept.,2009 | 2008-2009 | Hotel Padmini, Chittorgarh | 04.00 P.M. |
| 30th Sept.,2010 | 2009-2010 | Hotel Padmini, Chittorgarh | 03.00 P.M. |

No Special Resolution 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.