

18th Annual Report

2011-2012



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 18th Annual General Meeting of the Members of Inani Marbles & Industries Ltd. will be held on Saturday, 29th September, 2012 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, 2012 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, 2012.
3. To appoint a Director in place of Shri Rajesh Inani who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Harish Inani 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. 004623C) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General meeting i.e. 29.09.2012 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.

SPECIAL BUSINESS:**Reappointment of Joint Managing Director**

To consider and if thought proper, to pass, with or without modification(s), the following resolution as a 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, 2012 to 30th September, 2017 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 appointment 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."

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

Place : Chittorgarh
Date : 25th August, 2012

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 25th September, 2012 to 29th September, 2012 (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 warrants 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 warrants 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 (CDSL). 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 Appointment	Other Directorship
Shri Rajesh Inani	47 years	B. Com	29.09.2012	--
Shri Harish Inani	43 years	Chartered Accountant	29.09.2012	1

* Excludes directorship held in Pvt. Ltd. Companies.

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

Place : Chittorgarh
Date : 25th August, 2012

Anil Kumar Jain
(Company Secretary)

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE
COMPANIES ACT, 1956
(Re: AGM Date 29.09.2012)**

Reappointment of Joint Managing Director

The present term of appointment of Shri Dinesh Kumar Inani as Joint Managing Director has expired on 30th September, 2012. 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, 2012. 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. 70000-5000-90000 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.

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

Place: Chittorgarh
Date: 25th, August 2012

Anil Kumar Jain
(Company Secretary)

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 18th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2012.

FINANCIAL RESULTS :

	<u>2011-2012</u>	(Rupees in lacs) <u>2010-2011</u>
Sales & Income from operations	5125.01	4538.09
Profit from operations	850.36	965.69
Other Income	118.00	27.86
Profit before Interest, Dep. & Taxes	968.36	993.56
Interest	239.71	185.48
Depreciation	280.97	284.36
Profit Before Tax	447.68	523.72
Provision for Taxation	131.23	104.38
Provision for Deferred Tax	11.16	(20.21)
Profit After Tax	305.29	439.55
Balance of Profit brought forward	1562.26	1172.76
Balance Available for Appropriations	1817.50	1562.26
Proposed Dividend on Equity Shares	32.53	32.53
Corporate Tax on Dividend Distribution	4.90	5.52
Amount Transferred to General Reserve	12.00	12.00
Balance carried forward to Balance Sheet	1768.07	1512.21

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, 2012, 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. 37.43 Lacs which includes dividend distribution tax of Rs. 4.90 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 :

Total Turnover of the company has increased by 12.93% however profit before Tax declined by 14.52% due to stiff Competition faced by the Industries from Ceramic Tiles industry and overall recession in global economy, Political uncertainty in Libya & Middle East etc. Efforts towards higher operational efficiencies shall continue and management is confident and striving to deliver better results with the support of the Bankers and Trust of all the stakeholders.

DEPOSITS :

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

FINANCE :

The Company has taken Loan of Rs. 86.60, Lacs from Systamatix Securities Ltd, and Rs. 91.73 Lacs from ICICI Bank Ltd. 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 Rajesh Kumar Inani and Shri Harish 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 2011-12 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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Director) Rules, 1988 regarding Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange earning & outgo are given in Annexure-A which forms part of Directors' Report.

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 : 30.05.2012

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

ANNEXURE - A TO DIRECTORS' REPORT
**COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF
BOARDS OF DIRECTORS) RULES, 1988**
FORM - B

Sr. No.	Particulars	Action taken
1.	Research & Development (R&D)	
A.	Specific areas in which R&D carried out by the company	Product improvement and cost controlling
B.	Benefits derived as a result of the above R&D	Enhanced capacity and improved performance of the production capacity
C.	Future plan of action	Cost effective production and product development
D.	Expenditure on R&D a) Capital b) Recurring c) Total d) Total R&D expenditure as a percentage of total turnover	Nil Nil Nil Nil
2.	Technology absorption, adaptation and innovation	
A.	Efforts, in brief, made towards technology absorption, adaptation and innovation	N.A.
B.	Benefits derived as a result of the above efforts	N.A.
C.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: a) Technology imported b) year of import c) Has technology been fully absorbed? d) If not fully absorbed, areas where this not taken place, reasons therefore and future plans of action	N.A. N.A. N.A. N.A.

3. Foreign Exchange Earning and Outgo
Foreign Exchange Inflow:

• Exports on FOB basis	Rs. 261902454
Total	Rs. 261902454

Foreign Exchange Outgo:

• On Foreign Travel	Rs. 558978
• Fair & Exhibition	Rs. 1495365
• Purchase of Raw Materials	Rs. 41818708
• Purchase of Stores & Spares	Rs. 17057141
• Purchase of Machinery	Rs. 12462960
Total	Rs. 73393152