

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 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 (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 Systematix 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 Chairmanships
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.

9. Means of Communication

The Financial results of the company are published in at least one prominent national and one 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 as laid down in clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the Directors' Report for the year F.Y 2010-2011. 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 : Friday, Sept. 30th, 2011 at 3.00 P.M.
 - Venue : Hotel Padmini, River view, Chittorgarh (Raj)
2. Financial Calendar
 - Financial Year : April - March
 - Quarterly Financial Reporting : Within one month from the end of each quarter except for fourth quarter where annual audited results are published within three months.
3. Dates of Book Closure : 26.09.2011 to 30.09.2011
4. Dividend Payment Date : With in 30 days from the date of AGM.
5. Listing of Share on Stock Exchange :-
 - 1) The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Mumbai-400001
 - 2) Jaipur Stock Exchange Limited, Stock Exchange Building, Jaipur-302017 and also on Indore, Ahmedabad and Rajkot Stock Exchanges. With very thin trading of company's shares on these four stock exchanges, it is proposed to de-list the shares of the company on these four stock exchanges keeping the listing only on Bombay Stock Exchange.
6. Stock Exchange, Mumbai : 531129
ISIN : INE635D01019
7. Stock Market Data
Market price data of the company's equity shares in Bombay Stock Exchange for the period from April 2010 to March 2011 is as below :-

Month	BSE Price	
	High	Low
April, 2010	70.25	57.60
May, 2010	67.10	50.70
June, 2010	58.00	50.30
July, 2010	82.90	48.25
August, 2010	119.80	67.00
September, 2010	113.00	98.85
October, 2010	114.55	103.00
November, 2010	121.25	105.70
December, 2010	118.80	99.80
January, 2011	113.00	95.15
February, 2011	99.50	67.00
March, 2011	94.50	77.30

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 Share Transfer Agent for matters related to Share Transfers etc. at the following address:

Ankit Consultancy Pvt. Ltd
 Plot No. 60, Electronic Complex
 Paradeshipura,
 Indore (M.P)-452 010
 Tel: 0731-3198601, 3198602
 Fax No. 0731-4065798
 Email: ankit_4321@yahoo.com

9. Share Transfer system:-

The matters related to Share Transfer and transmissions etc. are attended by the Share Transfer Agent M/s Ankit Consultancy Pvt. Ltd. Indore as per address mentioned above. Share transfers are registered and returned within 30 days from the date of receipt, if the documents are in order in all respects.

10. Distribution of Shareholding as on 31st March, 2011.

No. of Equity Share held of Rs 10/- each.	No. of Share Holders	% of Share Holders	Share Amount in (Rs.)	% of Share Holding
UPTO - 1000	676	62.36	541960	1.67
1001 - 2000	86	7.93	160140	0.49
2001 - 3000	27	2.49	72890	0.22
3001 - 4000	28	2.58	106500	0.33
4001 - 5000	20	1.85	97070	0.30
5001 - 10000	47	4.34	363650	1.12
10001 - 20000	24	2.21	388500	1.19
20001 - 30000	33	3.04	904160	2.78
30001 - 40000	55	5.07	1954830	6.01
40001 - 50000	29	2.68	1394900	4.29
50001 - 100000	20	1.85	1477910	4.54
100000 - ABOVE	39	3.60	25062490	77.06
	1084	100.00	32525000	100.00

Category	No. of Share Held	Percentage of Shareholding
A. Promoters Holding		
1. Promoters		
1. Indian Promoters :	1930150	59.34
2. Foreign Promoters :	--	--
2. Persons acting in concert	--	--
Sub Total	1930150	59.34
B. Non-Promoters Holding		
3. Institutional Investors	--	--
1. Mutual Funds and UTI		
2. Banks, Financial Institutions Insurance Companies (Central/State Govt. Institutions, Non-Government Institutions)	82400	2.53
3. FIs	--	--
Sub Total	82400	2.53
4. Others		
1. Private Corporate Bodies	143938	4.43
2. Indian Public	641972	19.74
3. NRIs/OCBs	3356	0.10
4. Any other (please specify)	450684	13.86
Sub Total	1239950	38.12
Grand Total	3252500	100.000

11. Dematerialisation of Share and liquidity

1986155 shares were dematerialized till 31.03.2011, which is 61.06% of the total paid up Equity Share Capital of the Company. Trading in shares of the Company is permitted in dematerialized form only.

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL) and CDSL) and total number of shares in physical form.

12. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on Equity.

The Company has not issued any GDRs/ ADRs/ warrants or any convertible instruments.

13. Plant & Mines Locations:

- | | | |
|-------------|---|---|
| i.) Factory | : | F-17&58, RIICO Industrial Area,
Chittorgarh (Raj.).
EOU UNIT
Araji No. 1312, Mataji Ki Pandoli
Tehsil & District, Chittorgarh. |
| ii.) Mines | : | Post- Paloda, Tah. Gadhi, Dist. Banswara.
Post- Masaron Ki Obri, Tah. Kherwada,
Dist. Udaipur.
Post - Jalera , Tehsil. Bijoliya, Dist Bhitwara |

14. Address for Correspondence :-

Investor correspondence should be addressed to:

Share transfer Agent"

Ankit Consultancy Pvt. Ltd

Plot No. 60, Electronic Complex

Paradeshipura,

Indore (M.P)-452 010

Tel: 0731-3198601, 3198602

Fax No. 0731-4065798

Email: ankit_4321@yahoo.com

In case of need, share holders may also contact -

Managing Director,

Inani Marbles & Industries Ltd.,

F-17&58, RIICO Industrial Area,

Chittorgarh (Raj.).

Tel. No. : 01472-256711/256712

Fax No. : 01472-256717

E-Mail : inani@sancharnet.in

Management Discussions and analysis forming part of Directors' Report :

Marble Industry Structure and Developments : Indian marble industry is a small industrial segment mainly concentrated in the state of Rajasthan and Gujrat . It's unorganized one and found in the various fragmented geological areas based upon availability of raw material. There is no industrial player of reasonably large size. The Central Government granted small scale industrial status to the industry. Now, the days are changed and the Industry is following internationally accepted standards of improved workmanship in almost every module of business. The working now looks much organized then ever before. The new generation promoters are giving attention to the unrepresented areas of business. They are also adding newer capacities to reap the benefits of economics of scale. In last few years, Marble is becoming most popular stone in floor laying and wall cladding. Now, marble stone is available in different colours, designs and sizes suitable to customer specific requirements. Product being a natural one, offers unique characteristics to the customer. Mainly found in remote mining areas, and majority of resources are located in the state of Rajasthan. To exploit these natural resources, majority of integrated processing industries were set up in the state of Rajasthan. Since last two years the central government opened up the imports of foreign material. But the high cost of raw material, transportation and processing failed to generalize the same and the processing of imported material remains in few hands.

Indian marble sector :

Indian marble is available in various colours, designs and sizes. It is directly competing with Italian, Iranian, Turkish and Pakistan marble in the international trade. Compare to our marble, Italian, Iranian and Turkish marble is costly, so there is a direct cost advantage to our material. In addition to this, Indian marble offers more colors, designs and sizes.

Opportunities :

After pick up in the economy and wedding our of recession fear the industry is expecting reasonable demand from the housing and construction segment. Although real estate projects are big size consumers but retail housing segments are equally important. Recent softening in land prices offered opportunity to buy small land parcel for housing and development projects. At the same time easing of liquidity from banks also provide availability of funds. Moderate growth in credit demand from banks provide attractive credit terms to home loan seekers and this will provide reasonable growth to the industry. In the recently concluded investment seminar the government showed its interest to open up new area for mines. Recently the central government reviewed its policy on import of various materials from China. So far the China made vitrified tiles was hampering the growth of local industry. Any positive step, in the direction will provide more opportunity to grow local industry.

Threats :

The Company is expecting big threat from recession in real estate industry. So far demand from the real estate industry has not been pickup to the expectation. At the same time the central government showed its intention to freed up the petroleum prices. In the rising crude prices scenario the prices of petroleum products are bound to rise. Diesel is the main processing cost at mines and quarry sites. In fact diesel works as raw material in processing and excavation of minerals. The rising diesel prices not only increase the prices of raw material but also make mining and excavation unviable proposition for small mines and quarry owners. This leads to scarcity of raw material hence the prices of raw material goes up. Due to inflationary pressure on economy the RBI is started the process of tightening of money supply in the Indian Banking System. This money tightening will indirectly increase the cost of fund for the industry as well as consumer which may hamper the industrial growth in the medium to short run. The growing environmental and forest related issues are other big threat area for the industry. Because of rising concern about environment and pollution issues notification of new mining areas have been suspended since last decade. Whereas, the reserve in the running mining areas are depleting by every passing days. Hence both central as well as state government has to chalk out some timely strategy to overcome the problem in a timely and phased manner.

**CEO CERTIFICATE**

I hereby certify to the Members of INANI MARBLES & INDUSTRIES LIMITED that

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31.03.2011 and that to the best of my knowledge and belief.
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors :
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For : Inani Marbles & Industries Ltd.

Place : Chittorgarh
Date : 30.05.2011

Capt. S. K. Inani
(Managing Director)

AFFIRMATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

To,
The Board of Directors

The Company has adopted a Code of Conduct for all the Board members and senior executives of the company, including the Managing Director.

I hereby confirm that all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended 31st March, 2011.

For : Inani Marbles & Industries Ltd.

Place : Chittorgarh
Date : 30.05.2011

Capt. S.K. Inani
(Managing Director)

**AUDITORS' REPORT**

To
The Members of INANI MARBLES & INDUSTRIES LTD

1. We have Audited the attached Balance Sheet of INANI MARBLES & INDUSTRIES LTD as at 31st MARCH 2011 and also the annexed Profit & Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure here to a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:-
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by Law have been kept by the company so far as appears from our examination of such books ;
 - c) The Balance Sheet and Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts ;
 - d) In our opinion, the Balance Sheet and Profit & Loss account and cash flow statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956 ;
 - e) On the basis of written representations received from the directors as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011, from being appointed as a director in term of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956 ;
 - f) in our opinion and to the best of our information and according to explanation given to us, the said accounts together with the notes in schedule 19, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - ii) In the case of the Profit & Loss Account of the Profit, of the Company for the year ended on that date.
 - iii) In the case of Cash Flow Statement of the cash flows of the Company for the year ended on that date.

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

For : Nyati Mundra & CO.
Chartered Accountants
(Reg.No. 008153C)

CA J. C. Rathi
(Proprietor)
M.N. 39303

CA R. K. NYATI
(Partner)
M.N. 070692

Place : Chittorgarh
Date : 30th May, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date.

1. (a) The Company has maintained proper records showing full particulars including quantitative details & situations of the fixed assets. The situation of the moveable assets used in the mining activity keeps on changing from Mines sites depending upon requirements for a particular contract.
- (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company, the nature of its assets. According to the information given to us and to the best of our knowledge, no material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off a substantial part of the fixed assets during the year.
2. (a) As explained to us the inventory has been physically verified during the year by the management.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies noticed on physical verification between the physical stock and the book records.
3. (a) The Company has not granted nor taken any loans, secured or unsecured to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub clause (b), (c) and (d) are not applicable.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, Fixed Assets and with regards to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us such transactions made in pursuance of contracts or arrangements entered in registers maintained under section 301 of the Company Act, 1956 and exceeding value of Rs.500000/- during the year in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public in terms of Section 58A and 58AA of the Act and the rules framed there under.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. No cost records have been prescribed by the Central Govt.
9. (a) According to the record of the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material, statutory dues applicable to it.
- (b) According to the information & explanation given to us, no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at the last day of the financial year for a period of more than six month from the date they became payable.
- (c) As per records produced before us the dues of Income Tax, Sales Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute are stated hereunder :

Name of Statute	Period to which amount relates	Forum Where dispute is pending	Amount (Rs. in Lacs)
Income Tax	F.Y. 2002-03	Commissioner Of Income Tax(Appeal),Mumbai	8.89
10.	The Company does not have any accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.		
11.	In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.		
12.	The Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities. There is no question of maintaining adequate records.		
13.	In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.		
14.	In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investment, accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order 2003 are not applicable to the company.		
15.	In our opinion the company has not given any guarantee for loans taken by others from bank or financial institutions.		
16.	The Company has not taken any term loans and hence, our requirement of reporting regarding application of term loans in terms of Clause (xvi) of the order does not arise.		
17.	According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company we report that the no funds raised on short-term basis have been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.		
18.	According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.		
19.	According to the information and explanations given to us, during the period covered by our audit report, the Company has not created any security in respect of debentures issued.		
20.	The Company has not raised any money by way of public issues during the year; therefore there is no need for any disclosure required in clause 4(XX).		
21.	According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.		

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

For : Nyati Mundra & CO.
Chartered Accountants
(Reg.No. 008153C)

CA J. C. Rathi
(Proprietor)
M.N. 39303

CA R. K. NYATI
(Partner)
M.N. 070692

Place : Chittorgarh
Date : 30th May, 2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS ON 31.3.2011	AS ON 31.3.2010
SOURCES OF FUNDS			
Shareholder's Funds :			
Share Capital	1	32525000	32525000
Reserve & Surplus	2	158020501	117870257
Loan Funds :			
Secured Loans	3	201159889	180935992
Unsecured Loans	4	18733789	3057612
	Total	410439179	334388861
APPLICATION OF FUND			
Fixed Assets			
Gross Block	5	326974339	309876644
Less: Depreciation		123169612	102059341
Net Block		203804727	207817303
Capital WIP		24604207	2525284
Advance to Suppliers of Capital Goods		2202494	770000
Investments	6	4000000	5000000
Current Assets, Loans and Advances			
Inventories	7	77677758	64737070
Sundry Debtors	8	103221593	75113659
Cash & Bank Balances	9	14198282	15990656
Loans & Advances	10	46901575	38395010
Less :		241999208	194236395
Current Liabilities & Provisions			
Current Liabilities	11	54987776	66281190
Provisions	12	14913402	11387132
		69901178	77668322
Net Current Assets		172098030	116568073
Deferred Tax Asset		3729721	1708201
	Total	410439179	334388861

Significant Accounting Policies and

Notes on Accounts 19

Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For : NYATI MUNDRA & CO.
CHARTERED ACCOUNTANTS
(Reg.No. 008153C)

For: JAGDISH RATHI & ASSOCIATES
CHARTERED ACCOUNTANTS
(Reg.No. 04623C)

FOR AND ON BEHALF OF THE BOARD

CA R.K. NYATI
(PARTNER)
M.N. 070692

CA JAGDISH RATHI
(PROPRIETOR)
M.N. 39303

CAPT.S.K.INANI
(MANAGING DIRECTOR) H.K.INANI
(DIRECTOR)

Anil Kumar Jain
(Company Secretary)
M. N. A22464

Ravi Birla
(Director)

Place : Chittorgarh

Date : 30.05.2011

PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS ON 31.3.2011	AS ON 31.3.2010
INCOME			
Sales & Income From Operations	13	453808746	353503279
Other Income	14	2786293	704557
Increase/(Decrease) in Stock	15	11990300	23724679
		<u>468585339</u>	<u>377932515</u>
EXPENDITURE			
Material, Manufacturing & Mining Exp.	16	279734201	242483244
Payment to and Provision for Employee	17	51516350	29772820
Administrative and Other Exp.	18	37979094	37625166
Interest		18547652	13565447
Depreciation	5	28436058	17767765
		<u>416213355</u>	<u>341214442</u>
PROFIT FOR THE YEAR BEFORE TAX			
		52371984	36718073
Provision for Taxation		10437998	7464490
Provision for Deferred Taxation		(2021520)	(951327)
Profit for the Year after Tax		<u>43955506</u>	<u>30204910</u>
Balance Brought Forward from Last Year		112270257	87070609
Amount Available for Distribution & Appropriations		<u>156225763</u>	<u>117275519</u>
APPROPRIATIONS			
Proposed Dividend on Equity Shares		3252500	3252500
Corporate Tax on Dividends		552762	552762
Transfer to General Reserve		1200000	1200000
Balance Carried to Balance Sheet		151220501	112270257
		<u>156225763</u>	<u>117275519</u>
Basic and Diluted Earning per Share in Rs.		13.51	9.29

**SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON ACCOUNTS**

19

As per our report of even date attached

 For : NYATI MUNDRA & CO.
CHARTERED ACCOUNTANTS
(Reg.No. 008153C)

 For: JAGDISH RATHI & ASSOCIATES
CHARTERED ACCOUNTANTS
(Reg.No. 04623C)

FOR AND ON BEHALF OF THE BOARD

 CA R.K. NYATI
(PARTNER)
M.N. 070692

 CA JAGDISH RATHI
(PROPRIETOR)
M.N. 39303

 CAPT.S.K.INANI
(MANAGING DIRECTOR)

 H.K.INANI
(DIRECTOR)

 Anil Kumar Jain
(Company Secretary)
M. N. A22464

 Ravi Birla
(Director)

 Place : Chittorgarh
Date : 30.05.2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011**

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS ON 31.3.2011	AS ON 31.3.2010
A	CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extra ordinary items		52371984	36718073
Adjustments for :			
Depreciation		28436058	17767765
Gain on Fixed Assets Sale		(162831)	--
Interest Expenses		18547652	13565447
Interest Income		(610674)	(592041)
Operating profit before working capital changes		96582189	67459244
Adjustments for change in			
Inventories		(12940688)	(41470680)
Sundry Debtors		(28107934)	(33923446)
Loans & Advances		(6517825)	(5183969)
Trade and other payables		(11293414)	28756215
Cash generated from operations		39722328	15637364
Direct Taxes paid(Net)		(9382311)	(8493419)
NET CASH FLOW FROM OPERATING ACTIVITIES		30340017	7143945
B.	CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(48358068)	(77168129)
Sale of Fixed Assets		586000	--
Interest Received		539755	526465
Investment		1000000	--
NET CASH USED IN INVESTING ACTIVITIES		(46232313)	(76641664)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds /Repayment of Secured Loans		20223897	87878471
Net Proceeds /Repayment of Unsecured Loans		15676177	3057612
Dividend paid including Tax thereon		(3252500)	(3805262)
Interest Paid		(18547652)	(13565447)
NET CASH USED IN FINANCING ACTIVITIES		14099922	73565374
Net increase/(decrease) in Cash and Cash equivalents		(1792374)	4067655
CASH AND CASH EQUIVALENTS AS AT 01.04.2010		15990656	11923001
CASH AND CASH EQUIVALENTS AS AT 31.03.2011		14198282	15990656

For and on behalf of the Board

Place :Chittorgarh
Date : 30.05.2011Capt. S.K. Inani
(Managing Director)Harish Kumar Inani
(Director)



**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH 2011**

PARTICULARS	SCHEDULE	AS ON 31.3.2011	AS ON 31.3.2010
SCHEDULE 1 : SHARE CAPITAL			
Authorised :		100000000	100000000
1,00,00,000 Equity Shares of Rs. 10 each		100000000	100000000
Issued, Subscribed and Paid up :			
32,52,500 Equity Shares of Rs. 10 each, fully paid up (None of the above Shares have been issued for a consideration otherwise than in cash)		32525000	32525000
		32525000	32525000
SCHEDULE 2 : RESERVE & SURPLUS			
Capital Reserve :			
State Subsidy		2000000	2000000
General Reserve :		4800000	3600000
Surplus as per Profit & Loss Account		151220501	112270257
		158020501	117870257
SCHEDULE 3 : SECURED LOANS			
Term Loan with S.B.B.J.Chittorgarh (Secured by equitable mortgage on factory Land & Building situated at F-17 & 58, RIICO Industrial area and Araj No. 1312, Mataji ki Pandoli,Chittorgarh and hypothecation of Plant & Machinery and Mining Equipment and floating charge on Stock of Raw Materials, Work in Progress, Finished Goods, Stores & Spares, Book Debts and further personally guaranteed by Directors.)		60324474	82239807
Cash Credit with S.B.B.J. Chittorgarh (Secured by equitable mortgage on factory Land & Building situated at F-17 & 58, RIICO Industrial area and Araj No. 1312, Mataji ki Pandoli,Chittorgarh and hypothecation of Plant & Machinery and floating charge on Stock of Raw Materials, Work in Progress, Finished Goods, Stores & Spares, Book Debts and further personally guaranteed by Directors.)		102034375	60558683
Term Loan from HDFC Bank Ltd (Secured by Way of Hypothecation of Equipment)		13888827	22092362
ICICI Bank Ltd. (Secured by way of Hypothecation of Equipment)		4050039	--
Tata Capital Ltd (Secured by way of Hypothecation of Equipment)		20862174	16045140
		201159889	180935992
SCHEDULE 4 : UNSECURED LOANS			
Inter Corporate Deposites		18733789	3057612
		18733789	3057612

SCHEDULE 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 01.04.2010	ADDITION	DELETION	AS ON 31.03.2011	FOR THE YEAR	ON DELETION	AS ON 31.03.2011	AS ON 31.03.2010
LAND:								
Lease hold	4657273		--	4657273	--	--	4657273	4657273
Free hold	4325430			4325430	--	--	4325430	4325430
Building	25286202		--	25286202	844559	--	2623939	23506822
Plant & Machinery	128283671	3884141	--	132167812	6189630	--	22032652	112440649
Mining Equipments	137143616	20321179	7349125	150115670	20436617	7306639	91455570	58818024
Furniture & Fixtures	2868611	130800	--	2999411	188633	--	1014991	2042253
Vehicles	6581704	399831	399831	6581704	644410	19148	5327475	1879491
E.D.P. Equipments	730137	110700	--	840837	132209	--	714985	147361
Total	309876644	24846651	7748956	326974339	28436058	7325787	123169612	207817303
Previous Year	167388256	142488388	--	309876644	17767765	--	102059341	83096680



**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH 2011**

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS ON 31.3.2011	AS ON 31.3.2010
SCHEDULE 6 : INVESTMENTS			
LONG TERM UNQUOTED AT COST			
Action Marble & Granites Pvt. Ltd.		3000000	3000000
60000 (Previous year 60000) Equity Shares of Rs.10 each fully paid up			
Aravali Associates Pvt. Ltd.		1000000	1000000
2000 (Previous year 2000) Equity Shares of Rs.100 each fully paid up			
Roop Rajat Builders Pvt. Ltd. (Share Application Money)		--	1000000
		<u>4000000</u>	<u>5000000</u>
SCHEDULE 7 : INVENTORIES			
(As taken, valued and certified by the Management)			
Raw Material		30131755	29242405
Finished Goods		39171707	27466458
Traded Goods		1930775	1645724
Stores & Spares		6443521	6382483
		<u>77677758</u>	<u>64737070</u>
SCHEDULE 8 : SUNDRY DEBTORS			
(Unsecured, considered good)			
Debt Due Over Six Months		33479862	12082800
Others		69741731	63030859
		<u>103221593</u>	<u>75113659</u>
SCHEDULE 9 : CASH & BANK BALANCE			
Cash in Hand		1212254	2487591
Balance with Schedule Bank			
In Current Account		6757783	805112
In Fixed Deposit Account (With Accrued Interest)		5736776	7044014
(Receipts worth Rs. 5736776; previous year Rs. 7044014, pledged with banks)			
In HDFC Dividend Account		391469	274644
Cheques in Hand		100000	5379295
		<u>14198282</u>	<u>15990656</u>
SCHEDULE 10 : LOANS & ADVANCES			
(UNSECURED CONSIDERED GOOD)			
Advance Recoverable in Cash or Kind or Value to be Received		28267133	23863439
Advance Income Tax		12280770	10292030
Deposit With Govt. & Other Authorities		6353672	4239541
		<u>46901575</u>	<u>38395010</u>
SCHEDULE 11 : CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors		36212335	42779254
Other Current Liabilities		8997213	8550692
Advance from Customers		9386759	14676600
Unclaim Dividend		391469	274644
		<u>54987776</u>	<u>66281190</u>
SCHEDULE 12 : PROVISIONS			
For Income Tax		10555378	7581870
For Proposed Dividend on Equity Shares		3252500	3252500
For Dividend Distribution Tax		1105524	552762
		<u>14913402</u>	<u>11387132</u>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH 2011**

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS ON 31.3.2011	AS ON 31.3.2010
SCHEDULE 13 : SALES & INCOME FROM OPERATION			
Sales		335530299	254281766
Job Work & Work Contract Receipts (TDS Rs. 2328461 /- : P.Y. Rs.2132884)		118278447	99221513
		<u>453808746</u>	<u>353503279</u>
SCHEDULE 14 : OTHER INCOME			
Interest Income (T.D.S. Rs 70919; P.Y. Rs.65576)		610674	592041
Gain on Fixed Assets Sale		162831	-
Foregin Exchange Gain		1723984	-
Rebate & Discount		160175	112516
Refund Of Service Tax		116434	-
Marine Insurance		12195	-
		<u>2786293</u>	<u>704557</u>
SCHEDULE 15 : INCREASE /(DECREASE) IN STOCK			
Closing Stock		41102482	29112182
Less: Opening Stock		29112182	5387503
		<u>11990300</u>	<u>23724679</u>
SCHEDULE 16 : MATERIAL, MANUFACTURING & MINING EXP.			
Raw Material Consumed/Sold			
Opening Stock		29242405	16428977
Add : Purchase & Expenses		62681244	44651430
Mining Expenses:-			
Power & Fuel	13064215		15379810
Stores & Spares Consumed	6855631		13477061
Repair & Maintance	882398		917735
Royalty	11457362		7756312
		<u>32259606</u>	<u>37530918</u>
		124183255	98611325
Less : Closing Stock		30131755	29242405
		<u>94051500</u>	<u>69368920</u>
Purchases for Trading		70097538	65368895
Power & Fuel		23644555	17073909
Stores Spares & Consumables		48948638	37575790
Repairs & Maintenance to Plant		718304	864168
Sawing Charges			828266
Job Work & Work Contract Exp:-			
Construction Exp.	19966446		40617042
Power & Fuel	13642390		6637914
Stores & Spares Consumed	4247681		525343
Repair & Maintance	3289080		271615
Equipment Charges	1128069		3351382
		<u>42273666</u>	<u>-</u>
		<u>279734201</u>	<u>242483244</u>
SCHEDULE 17 : PAYMENT TO & PROVISION FOR EMPLOYEES			
Salary,Wages, Bonus & Other Allowance		43858796	25536233
Workmen & Staff Welfare		1936747	1005632
Contribution to Provident Fund, Gratuity, & Other Funds		5720807	3230955
		<u>51516350</u>	<u>29772820</u>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH 2011**

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS ON 31.3.2011	AS ON 31.3.2010
SCHEDULE 18 : ADMINISTRATIVE & SELLING EXP.			
Bank Charges		1678395	2624767
Rent Rates & Taxes		1018083	1293198
Printing & Stationery		249182	200895
EDP Repair & Maintance		295361	284121
Legal Fees & Professional Charges		1298247	1069044
Travelling & Coveyance		1791204	2307160
Telephone & Telegrame Expenses		334276	392628
Postage & Courier Expenses		332684	184501
Advertisement & Publicity		405616	459508
Vehicle Running & Maintenance		758047	846302
Office Expenses		209928	412548
Secretarial Charges		122395	68123
Insurance Charges		1218890	1036679
Auditors Remuneration for :			
Audit Fees		100000	100000
Other Matter		20000	20000
Directors Sitting Charges		84000	84000
Directors Remuneration		2315000	2135000
Fees & Subscriptions		37481	26348
Fair & Exhibition		1726789	1386433
Export Freight & Forwarding Exp.		21304998	17770884
Misc. Exp.		29224	63979
Sales Commission		125027	35363
Discount & Rebates		2313267	1725874
Foreign Exchange Gain Loss		--	3097811
Sale Of Fixed Assets		211000	--
		37979094	37625166

SCHEDULE 19 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES****(i) BASIS OF ACCOUNTING :**

The Financial Statements are prepared under the historical cost convention on accrual basis and are in accordance with the requirement of the Companies Act, 1956.

(ii) FIXED ASSETS :

Fixed Assets are stated at cost less depreciation.

(iii) DEPRECIATION :

(a) Depreciation on Fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956. Except on mining equipments depreciation has been provided on written down value method at the rates and manner prescribed in schedule XIV to the Companies Act. 1956.

(b) Cost of lease hold land is not being amortised over the period of lease.

(iv) VALUATION OF INVENTORIES

Raw Material	-	At Average cost
Stores, Spares & Tools	-	At Cost
Finished Goods	-	At lower of cost or net realisable value
Goods in transit	-	At cost on the Basis of Bill

(v) SALES :

Sales are recognised at the time of dispatch Job Work receipts on Completion of Works.

(vi) EXCISE DUTY :

Excise Duty Payable on production is accounted for only at the time of dispatch of goods from the factory. However excise duty on closing stocks is accounted at the end of year for valuation of stock in view of Accounting Standard 2 (Revised) . Modvat Credit available is accounted by recording machinery/materials purchased at net of excise duty.

(vii) FOREIGN CURRENCY TRANSACTIONS :

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of transaction. Foreign currency denominated assets and liabilities are translated into rupees at the rates of exchange prevailing on the date of balance sheet. All exchange differences are dealt with in the statement of profit and loss account.

(viii) INCOME TAX :

Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the balance sheet date.

(ix) RETIREMENT BENEFITS :

(a) Contribution made to Provident Fund is charged to Profit and Loss account every month.
(b) The Company has taken a policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and premium paid to the LIC is charged to Profit & Loss Account.

(x) INVESTMENTS :

Investments are classified as long term as per the AS-13 on Accounting for Investments issued by the Institute of Chartered Accountants of India, New Delhi and hence, valued at cost and diminution in the value of investments, if any does not call for provision there against.

(xi) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company and are in accordance with the applicable Accounting Standards as specified U/s 211 (3C) of the Companies Act 1956.

**B : NOTES ON ACCOUNTS :**

	<u>2010-2011</u>	<u>2009-2010</u>
(1) Contingent Liabilities not provided for in respect of :		(Rs. in lacs)
(a) Guarantee Furnished to Banks and Govt. Dept. including in respect of letter of credit.	141.28	304.88
(b) Differential amount of Excise duty in respect of equipment purchased under EPCG scheme and interest thereon	NIL	32.17
(c) Excise & Custom Duty Foregone Against Bond	262.97	136.08
(d) Excise & Custom Duty Foregone Under 100% EOU Scheme	93.94	112.83

The Company has not generally called for balance confirmations of Creditors, Debtors, Loans, Advances and Deposits. The Management has however scrutinised the accounts and confirm that these are current and are payable/recoverable.

- (2) There are no outstanding due to Small Scale Industrial undertakings as on 31st March 2011 there are no Delayed payments to the suppliers covered under the 'Interest on delayed payments to Small Scale and Auncilliary Undertaking Act, 1993'
- (3) In the opinion of the Board the investments, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- (4) Promoters have authorised the Company without any consideration to develop and excavate the Marble blocks from their Mines for a period upto March, 2012.
- (5) Deferred Tax Liability (Net) : In accordance with Accounting Standard 22, 'Accounting for Taxes on Income' (AS22), issued by the Institute of Chartered Accountants of India, the Company has provided for deferred tax as under:

	Deferred Tax Asset/(Liability) As at 01.04.2010	Current Year (Charge)/Credit	Deferred Tax Asset/(Liability) as at 31.03.2011
Difference between Book & Tax Depreciation	1708201	(2021520)	3729721

- (7) In view of Accounting Standard -17 "Segment Reporting" issued by "The Institute of Chartered Accountant of India" and made mandatory applicable w.e.f. 1st April 2001, the disclosure in respect of Segment information for the year ended 31st March, 2011 is as given below:
- a) Primary Business Segment:
- The Company is engaged mainly in the business of Mining, manufacturing of Marble and Sand Stone. These in the context of AS-17 "Segment Reporting" are considered to constitute one single segment.

(b) Secondary Segment Reporting (by Geographical Segments)

The following is the distribution of the Company's consolidated sales by geographical markets,

Regardless of where the goods were produced.

	Current year	(Rs. In Lacs) Previous year
Sales to Domestic Market	2535.20	1537.07
Sales to Overseas Markets	2002.88	1997.96
	-----	-----
	4538.08	3535.03
	-----	-----

The Company has common fixed assets for producing goods for Domestic Market and Overseas Market. Hence, separate figures for fixed assets/addition to fixed assets can not be furnished.

- (8) In view of Accounting Standard -18 "Related Party Disclosures" issued by "The Institute of Chartered Accountant of India" and made mandatory applicable w.e.f. 1st April 2001, the disclosure in respect of related party transactions for the year ended 31st March, 2011 are given below:

I. List of Related Parties:

(a)

Key Management Personnel :

Capt. S. K. Inani - Managing Director
Dinesh Inani - Joint Managing Director

(b)

Relative to Key Management Personnel

Nand Lai Inani - Director
Rajesh Kumar Inani - Director

(c)

Enterprises over which Key Management Personnel is able to exercise significant influence :

Inani Marbles Pvt. Ltd.
Inani Tiles Pvt. Ltd.
Inani Securities & Investments Ltd.
Action marble & Granite Pvt.Ltd.
Inani Infra Project Pvt.Ltd.

II. Transaction with related party mentioned in (a) above:

Nature of transaction	Current Year	Previous Year
Directors remuneration	23,15,000	21,35,000

III. Transaction with related parties mentioned in (b) above:

Nature of transaction	Current Year	Previous Year
Sitting fees	32,000	36,000

IV. Transaction with related parties mentioned in (c) above:

Nature of transaction	Current Year	Previous Year
Sale of finished & other goods	48,15,300	9,46,934
Purchase of finished goods	71,78,682	26,59,434

Note: Transactions relating to reimbursement of actual expenses to/ from related parties have not been considered above.

- (9) In view of Accounting Standard 20 on "Earning Per Share" issued by the "The Institute of Chartered Accountant of India" and made mandatory w.e.f. 1st April, 2001, the following are the disclosures in respect of the Calculation of earning per share for the year ended 31st March, 2011 :

	<u>2010-2011</u>	<u>2009-2010</u>
(a) Calculation of weighted Average Number of Equity Shares of Rs. 10 each		
Number of shares at the beginning of the year	32,52,500	32,52,500
Shares issued during the year	Nil	Nil
Total equity shares outstanding at the end of Year	32,52,500	32,52,500
Weighted average number of equity shares Outstanding during the year	32,52,500	32,52,500
(b) Net Profit after tax available for equity shareholders(Rs.)	4,39,55,506	3,02,04,910
(c) Basic and diluted earning per share (Rs.)	13.51	9.29

(10) Director's Emoluments:	2010-2011	2009-2010
i) Salaries	23,15,000	21,35,000
ii) Sitting Fees	84,000	84,000
	23,99,000	22,19,000

- (11) Additional information pursuant the provisions of para 3,4O & 4D of part II of schedule VI of the Companies Act, 1956. (to the extent applicable)

I. A. Licensed and Installed Capacity - IMIL UNIT

Item	Unit	<u>Licensed Capacity</u>	<u>Installed Capacity</u>
(a) Marble Slabs	Sq. Mtrs.	N.A.	1,32,600 (1,32,600)
(b) Marble Blocks	Cft.	N.A.	N.A.

B. Licensed and Installed Capacity 100% EOU UNIT

Item	Unit	<u>Licensed Capacity</u>	<u>Installed Capacity</u>
(a) Marble/ Serpentine Slabs/Tiles	Sq. Mtrs.	557414	44200
(b) Quartzide Stone & Other	Sq. Mtrs.	222966	80000
(c) Granite Slabs/ Tiles	Sq. Mtrs.	222966	80000

(Installed Capacity is as certified by the Directors and accepted by the Auditors being a technical matter.)

B. Actual Production

Item	Unit	<u>2010-2011</u>	<u>2009-2010</u>
(a) Marble Slabs	Sq.Mtrs.	98520	106361
(b) Stone Slabs Incl out side Job	Sq.Mtrs.	57026	68716
(c) Granite Slabs	Sq.Mtrs	37313	12288
(d) Marble Blocks	C.Ft.	584585	469740
(e) Stone Blocks	C.Ft.	--	83740



II. Quantitative information in respect of Stocks, Purchases, Sales and Consumption of Raw Materials:

	Unit	2010.-2011		2009.-2010	
		Quantity	Amount	Qty.	Amount
(i) Opening Stock					
Marble Slabs	Sq.Mtrs.	21372	12396456	7070	3306970
Marble Slabs(Traded)	Sq.Mtrs.	633	393070	---	---
Marble Blocks	Cft.	70757	13896750	55315	10455801
Stone Slabs	Sq.Mtrs	21569	10902522	3253	2080533
Stone Blocks	Cft.	97697	9662954	52103	5500455
StoneBlocks(InTransit)	Cu. Fts..	--	--	4332	472721
Granite Slabs	Sq.Mtrs	7395	5420134	--	--
Granite Blocks	Cft.	20832	5682701	--	--
(ii) Purchase					
Marble Slabs	Sq.Mtrs.	19226	22086145	2631	1886567
Marble Tiles	Sq.Mtrs.	3299	1925473	7161	2568371
Marble Block	Cu. Fts.	94654	25748436	86543	21932326
Stone Blocks	Cu. Fts.	94534	7514901	86616	8718236
Stones Slabs	Sq. Mtrs.	6480	2166701	6242	2352995
Stone Tiles	Sq. Mtrs.	452	189031	3141	1835144
Granite Slabs	Sq. Mtrs.	35881	39357076	48026	52039371
Granite Block	Cu. Fts.	50068	19191119	37090	7738860
(iii) Sales					
Marble Slabs	Sq.Mtrs.	120616	112099364	94057	65118077
Marble Tiles	Sq.Mtrs.	3299	1090650	7161	3207149
Marble Blocks	Cu. Fts.	569782	42999122	417382	34948720
Stone Slabs	Sq.Mtrs.	67763	66179141	56642	57063357
Stone Tiles	Sq.Mtrs.	452	252453	3141	1920812
Stone Blocks	Cu. Fts.	26169	14006396	38689	20106481
Granite Slabs	Sq. Mtrs.	65455	92666465	52919	71917170
Granite Block	Cu. Fts	8996	6025708	--	--
Others	--	--	211000	--	--
(iv) Raw Materials Consumed					
Marble Block	Cu. Fts.	116620	62532652*	123459	51859855*
Stone Blocks	Cu. Fts.	69507	10066479*	90405	13073998*
Granite Blocks	Cu. Fts.	51930	21452369*	16258	4435067*
* Includes cost of Blocks sold					
(v) Closing Stock					
Marble Slabs	Sq.Mtrs.	18611	14430809	21372	12396456
Marble Slabs(Traded)	Sq.Mtrs.	524	760341	633	393070
Stone Slabs (Incl Job)	Sq.Mtrs.	17312	10063934	21569	10902522
Marble Blocks	Cu. Fts.	63594	16763929	70757	13896750
Stone Blocks	Cu. Fts..	96555	10159742	97697	9662954
Granite Slabs	Sq.Mtrs.	14421	14676964	7395	5420134
Granite Slabs (Traded)	Sq.Mtrs.	713	308614	--	--
Granite Block	Cu. Fts.	9974	4069904	20832	5682701

(vi) Value of Imported and Indigenous Raw Materials and Stores & Spares consumed.

Raw Material	2010-2011		2009-2010	
	%	Rs.	%	Rs.
Imported	19.87	18684907*	16.34	11335223*
Indigenous	80.13	75366593*	83.66	58033697*
(Includes cost of Block Sold)	100.00	94051500	100.00	69368920*

Stores & Spares Consumed

Imported	19.05	11440164#	14.52	7491000#
Indigenous	80.95	48611786#	85.48	44087194#
Total	100.00	60051950#	100.00	51578194#

Rs. 11103312/- includes in Mining Exp. (Previous Year Rs. 13477061/-)

(vii) Expenditure in foreign currency on account of :

	2010-2011	2009-2010
CIF Value of Raw Material Import	13375425	7450242
Traveling	1191803	635360
Fair & Exhibition	1726789	1177155
Plant & Machinery	17442232	1526063
	<u>33736249</u>	<u>10788820</u>

(viii) Earning in Foreign Exchange :

	2010-2011	2009-2010
FOB Value of goods exported	200288044	199796225

(12) Figures for the Previous year have been regrouped/reclassified to confirm with the figures of the current year wherever necessary.

(13) **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.**

A. Registration Details :-

Registration No. : 08930 State Code : 17
 Balance Sheet Date : 31-03-2011

B. Capital raised during the year (Amount in Rs. 000)

(i) Public issue -
 (ii) Right issue -
 (iii) Bonus issue -
 (iv) Private Placement -

C. Position of mobilisation and deployment of fund (Amount in 000)

Total Liabilities 410439
 Total Assets 410439

Source of Funds

Paid up Capital 32525
 Reserve & Surpluses 158021
 Secured Loans 201160
 Unsecured Loans 18733
410439

Application of Funds

Net Fixed Assets 230611
 Investments 4000
 Net Current Assets 172098
 Miscellaneous Expenditure --
 Deferred Tax Assets 3730
410439



D. Performance of Company (Amount in 000)	
Turn over & other income	456595
Total Expenditure (including Stock effect)	404223
Profit Before Tax	52372
Profit After Tax	43955
Earnings per Share in Rs.	13.51*
Dividend %	10 %

* Annualised

E. General Names of Principal Products/Services of Company (as per monetary terms)	
Items Code No.	6802
Product Description (ITC Code)	Marble & Granite

SIGNATURE TO SCHEDULE 1 TO 19

As per our Report of even date Attached

For Nyati Mundra & Co. Chartered Accountants Reg.No. 008153C	For Jagdish Rathi & Associates Chartered Accountants Reg.No. 04623C	For and on behalf of the Board
--	---	--------------------------------

C.A. R. K. Nyati
(Partner)
M.N. 070692

C.A. Jagdish Rathi
(Proprietor)
M.N. 39303

Capt. S.K. Inani
(Managing Director)

H.K. Inani
(Director)

Anil Kumar Jain
(C.S.)
M.N. - A22464

Ravi Birla
(Director)

Place : Chittorgarh
Date : 30.05.2011

INANI MARBLES & INDUSTRIES LTD.

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

ATTENDANCE SLIP

17th Annual General Meeting - 30th September, 2011

Regd. Folio No. _____ No. of Shares Held _____

DP ID No. _____ Client ID No. _____ No. of Shares Held _____

I/we Certify that I am a registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 17th Annual General Meeting of the Company at Hotel Padmini, River View, Near Sainik School, Chittorgarh on Friday, 30th September, 2011 at 3.00 P.M.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL

INANI MARBLES & INDUSTRIES LTD.

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

FORM OF PROXY

I/We _____ of _____
being a member/members of the above named Company hereby appoint
_____ of _____ in the district of
_____ or failing him _____ of
_____ in the district of _____ as my/
our proxy to vote for me/us on my/our behalf at the 16th Annual General Meeting of
the Company to be held on Friday, 30th September, 2011 at 3 P.M. and at any
adourment thereof.

Signed this _____ day of _____ 2011

Regd. Folio No. _____

DP ID No. _____ Client No. _____

No. of Shares held _____

Affix
Revenue
Stamp
Signature

Note : This form in order to be effective should be duly stamped, completed and deposited at the Registered office of the Company, not less than 48 hours before the time of commencement of the meeting.

INANI Marbles & Industries Ltd.

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

Tel. : 0091-1472-256711 to 714 Fax : 0091-1472-256717

E-mail : inani@sancharnet.in Website : www.inanimarbles.com