

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 OutgoForeign 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



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, 2012 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 thereof, 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. 004623C)

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

CA Jagdish Rathi
Proprietor
M.N. 039303

Place : Chittorgarh

Date : 30.05.2012

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 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	5	--	--	--
3	Shri Dinesh Kumar Inani	Joint Managing Director	Promoter-Executive	5	4	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 2011-2012 were held on 30th May, 2011, 12th Aug, 2011, 25th August, 2011, 14th Nov, 2011, and 13th Feb. 2012.

The gap between any two meetings did not exceed four month. The Previous Annual General Meeting of the Company was held on 30th September, 2011 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 Lal 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, 2011, 08th August, 2011, 10th Nov, 2011, and 10th Feb, 2012. Attendances of each member of Audit committee, in meeting held during the year are as under:

Name of Director	No. of Meeting attended
Shri Nand Lal Inani	3
Shri Rajesh Kumar Inani	4
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 details of remuneration paid to Executive Directors during the Financial Year 2011-12 are as under (excluding Company's contribution towards P.F.)

S.No.	Name of Director	Particulars	Amount Rs
1.	Capt. S. K. Inani	Salary & Managerial Commission	22,00,000/-
2.	Dinesh Kumar Inani	Salary & Managerial Commission	17,90,000/-

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 2011-12 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 2011-2012, 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 2011-2012 from the share holders which were resolved well within stipulated time.

7. General Body Meetings.

The last three Annual General Meetings (AGM) were held as per details given below:

Date of AGM	Relevant Financial Year	Venue /Location Where Held	Time of Meeting
30th Sept.,2009	2008-2009	Hotel Padmini, Chittorgarh	04.00 P.M.
30th Sept.,2010	2009-2010	Hotel Padmini, Chittorgarh	03.00 P.M.
30th Sept.,2011	2010-2011	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 2011-2012. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the Company.

SHAREHOLDERS' INFORMATION

1. Annual General Meeting
 - Date and Time : Saturday, Sept. 29th, 2012 at 3.00 P.M.
 - Venue : Hotel Padmini, River view, Chittorgarh (Raj)
2. Financial Calendar
 - Financial Year : April - March
 - Quarterly Financial Reporting : Within 45 Days from the end of each quarter except for fourth quarter where annual audited results are published within 60 Days.
3. Dates of Book Closure : 25.09.2012 to 29.09.2012
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 Jee jeebhoy 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 2011 to March 2012 is as below :-

Month	BSE Price	
	High	Low
April, 2011	105.00	81.00
May, 2011	107.00	87.55
June, 2011	108.00	82.00
July, 2011	171.00	105.50
August, 2011	146.65	98.30
September, 2011	111.85	88.95
October, 2011	147.90	100.85
November, 2011	179.75	115.45
December, 2011	150.90	97.70
January, 2012	125.00	93.60
February, 2012	143.15	95.35
March, 2012	188.00	124.00

8. Registrar and Transfer Agents
The Company has appointed M/s Ankit Consultancy Pvt. Ltd. as its Share transfer Agent. The Shareholders may contact the 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, 2012

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	23	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	934150	2.78
30001 - 40000	55	5.07	1954330	6.01
40001 - 50000	29	2.68	1394900	4.29
50001 - 100000	20	1.85	1477910	4.54
100000 - ABOVE	38	3.60	25002490	77.06
	1084	100.00	32525000	100.00

Category	No. of Share Held	Percentage of Shareholding
A. Promoters Holding		
1. Promoters		
1. Indian Promoters :	1948650	59.91
2. Foreign Promoters :	--	--
2. Persons acting in concert	--	--
Sub Total	1948650	59.91
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	2.54
3. FIs	--	--
Sub Total	82400	2.54
4. Others		
1. Private Corporate Bodies	101239	3.11
2. Indian Public	546947	19.89
3. NRIs/OCBs	22711	0.69
4. Any other (please specify)	450553	13.85
Sub Total	1221450	37.55
Grand Total	3252500	100.000

11. Dematerialisation of Share and liquidity
2866075 shares were dematerialized till 31.03.2012, which is 88.11% 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, Teh. Gadhi, Dist. Banswara.
	:	Post- Masaron Ki Obri, Teh. Kherwada, Dist. Udaipur.
	:	Post-Jalera, Tehsil. Bijoliya, Dist Bhilwara

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 of our 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 issued 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 31.03.2012 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 : 30.05.2012

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 here by 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, 2012.

For : Inani Marbles & Industries Ltd.

Place : Chittorgarh
Date : 30.05.2012

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 2012 and also the annexed Profit & Loss Statement 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 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012, 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 Note 2, 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 2012;
 - ii) In the case of the Profit & Loss Statement 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. 004623C)

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

Place : Chittorgarh CA J. C. Rathi
Date : 30th May, 2012 (Proprietor)
M.N. 039303

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

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. 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	Income Tax Appellate, Tribunal, 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. 004623C)

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

Place : Chittorgarh
Date : 30th May, 2012

CA J. C. Rathi
(Proprietor)
M.N. 039303

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

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	NOTE	AS ON 31.3.2012	AS ON 31.3.2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	32525000	32525000
(b) Reserves and surplus	4	184807728	158020501
		217332728	190545501
2 Non-current liabilities			
(a) Long-term borrowings	5	63069030	80169980
(b) Other long-term liabilities		--	--
(c) Long-term provisions		--	--
		<u>63069030</u>	<u>80169980</u>
3 Current liabilities			
(a) Short-term borrowings	6	100796170	102034375
(b) Trade payables	7	70631229	32056693
(c) Other current liabilities	8	104008229	52695284
(d) Short-term provisions	9	16655219	12400526
		<u>292090847</u>	<u>199186878</u>
	TOTAL	<u>572492605</u>	<u>469902359</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	224059546	203804727
(ii) Capital work-in-progress		7851495	24604207
(b) Non-current investments	11	3000000	4000000
(c) Deferred tax assets (net)		2613374	3729721
(d) Long-term loans and advances	12	5096867	4900157
(e) Other non-current assets	13	5376303	5736776
		<u>247997585</u>	<u>246775588</u>
2 Current assets			
(a) Current investments		--	--
(b) Inventories	14	136734315	77677758
(c) Trade receivables	15	146902999	103221593
(d) Cash and cash equivalents	16	5463564	8461506
(e) Short-term loans and advances	17	35394142	33765914
(f) Other current assets		--	--
		<u>324495020</u>	<u>223126771</u>
	TOTAL	<u>572492605</u>	<u>469902359</u>

The accompanying notes are an integral part of the financial statements.

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. 004623C)

FOR AND ON BEHALF OF THE BOARD

CAR.K.NYATI
(PARTNER)
M.N. 070692

CA JAGDISH RATHI
(PROPRIETOR)
M.N. 039303

CAPT.S.K.INANI
(MANAGING DIRECTOR)

H.K.INANI
(DIRECTOR)

Place : Chittorgarh
Date : 30.05.2012

ANIL KUMAR JAIN
(COMPANY SECRETARY)
M. N. A22464

RAVI BIRLA
(DIRECTOR)

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

(Amount in Rs.)

PARTICULARS	NOTE	AS ON 31.3.2012	AS ON 31.3.2011
1 Revenue from operations	18	512500602	453808746
2 Other Income	19	11800090	2786293
3 Total Revenue (1+2)		<u>524300692</u>	<u>456595039</u>
4 Expenses:			
(a) Cost of materials consumed	20.A	63151485	58762374
(b) Purchases of traded goods	20.B	113413432	70097538
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.C	(27625456)	(11990300)
(d) Employee benefits expense	21	62827464	53915350
(e) Finance costs	22	23971484	18547652
(f) Depreciation and amortisation expense	10	28097917	28436058
(g) Manufacturing & direct expenses	23	159753429	150874289
(g) Other expenses	24	55942567	35580094
Total Expenses		<u>479532322</u>	<u>404223055</u>
5 Profit before exceptional and extraordinary items and tax		44768370	52371984
6 Exceptional Items		--	--
7 Profit before extraordinary items and tax (5-6)		44768370	52371984
8 Extraordinary Items		--	--
9 Profit before tax (7-8)		<u>44768370</u>	<u>52371984</u>
10 Tax expense:			
(1) Current tax		13122615	10437998
(2) Deferred tax		1116347	(2021520)
		<u>14238962</u>	<u>8416478</u>
11 Profit(Loss) from the period from continuing operations (9-10)		30529408	43955506
12 Profit/(Loss) from discontinuing operations		--	--
13 Tax expense of discontinuing operations		--	--
14 Profit/(Loss) from Discontinuing operations (12-13)		--	--
15 Profit/(Loss) for the period for appropriation (11+14)		<u>30529408</u>	<u>43955506</u>
16 Earning per equity share:(Face Value Rs. 10 each)			
(1) Basic		9.39	13.51
(2) Diluted		9.39	13.51

The accompanying notes are an integral part of the financial statements.

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. 004623C)

FOR AND ON BEHALF OF THE BOARD

CAR.K.NYATI
(PARTNER)
M.N.070692

CA JAGDISH RATHI
(PROPRIETOR)
M.N.039303

CAPT.S.K.INANI
(MANAGING DIRECTOR)

H.K.INANI
(DIRECTOR)

Place : Chittorgarh
Date : 30.05.2012

ANIL KUMAR JAIN
(COMPANY SECRETARY)
M. N. A22464

RAVI BIRLA
(DIRECTOR)

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012**

(Amount in Rs.)

PARTICULARS	AS ON 31.3.2012	AS ON 31.3.2011
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extra ordinary items	44768370	52371984
Adjustments for :		
Depreciation	28097917	28436058
Gain on Fixed Assets Sale	---	(162831)
Interest Expenses	23971484	18547652
Interest Income	(541431)	(610674)
Operating profit before working capital changes	<u>96296340</u>	<u>98582189</u>
Adjustment for changes in:		
Inventories	(43681406)	(12940688)
Sundry Debtors	(59056557)	(28107934)
Short Term Loans & Advances	(910685)	(6020160)
Trade and other payables	38574536	(6566919)
Short term Provisions	4265161	1598446
Other Current Liabilities	55143271	(6324941)
Cash generated from operations	<u>90630660</u>	<u>40219993</u>
Direct Taxes paid	(13272469)	(9453230)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>77358191</u>	<u>30766763</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(31137221)	(48358068)
Sale of Fixed Assets	---	586000
Long Term Loans & Advances	(659513)	(497665)
Interest Received	541431	610674
Investment	1000000	1000000
NET CASH USED IN INVESTING ACTIVITIES	<u>(30255303)</u>	<u>(46659059)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds /Repayment of Long Term Borrowings	(17100950)	20223897
Net Proceeds /Repayment of Short Term Borrowings	(5068531)	15676177
Dividend paid including Tax thereon	(4320338)	(3252500)
Interest Paid	(23971484)	(18547652)
NET CASH USED IN FINANCING ACTIVITIES	<u>(50461303)</u>	<u>14099922</u>
Net increase/(decrease) in Cash and Cash equivalents	(3358415)	(1792374)
CASH AND CASH EQUIVALENTS AS AT 01.04.2011	14198282	15990656
CASH AND CASH EQUIVALENTS AS AT 31.03.2012	<u>10839867</u>	<u>14198282</u>

For and on behalf of the Board

Place : Chittorgarh
Date : 30th May, 2012Capt.S.K. Inani
(Managing Director)Harish Kumar Inani
(Director)

Notes forming part of the Cash Flow Statement
Notes:

- 1 Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 "Cash Flow Statement" as specified in the Companies (Accounting Standard) Rules, 2006.
- 2 Purchase of Fixed Assets includes movement of capital work-in-progress during the year.
- 3 Cash & Cash equivalents are reflected in the Balance Sheet as follows:

Particulars	As at 31 March, 2012	As at 31 March, 2011
a) "Cash & Cash equivalent disclosed under "Current Assets (Note 16) "	5463564	8461506
b) "Cash & Cash equivalent disclosed under" Non Current Assets (Note 13) "	5376303	5736776
Total Cash & Cash equivalents as per Cash Flow Statement	<u>10839867</u>	<u>14198282</u>

- 4 Previous Year figures have been regrouped / reclassified wherever applicable.

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. 004623C)

FOR AND ON BEHALF OF THE BOARD

CAR K. NYATI
(PARTNER)
M.N. 070692

CA JAGDISH RATHI
(PROPRIETOR)
M.N. 039303

CAPT. S.K. INANI
(MANAGING DIRECTOR)

H.K. INANI
(DIRECTOR)

Place : Chittorgarh
Date : 30.05.2012

ANIL KUMAR JAIN
(COMPANY SECRETARY)
M. N. A22464

RAVI BIRLA
(DIRECTOR)

NOTE 1: COMPANY OVERVIEW

Inani Marbles & Industries Ltd. (The Company) is a public limited company and listed on Mumbai Stock Exchange Ltd. (BSE). The company is engaged in manufacturing, processing and trading of Marble, Granite & Stone Blocks, Slabs & Tiles. The company sells its products in the domestic as well as export markets. The company has one manufacturing unit at Chittorgarh and another one 100% Export Oriented unit at Mataji ki Pandoli, Chittorgarh (Raj.).

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES****2.1 BASIS OF ACCOUNTING:**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) (Companies (Accounting Standards) Rules, 2006, as amended) and the other relevant provisions of the Companies Act, 1956.

2.2 SYSTEM OF ACCOUNTING:

- 1) The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of significant uncertainties.
- 2) Financial Statements are prepared under the Historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- 3) Estimated and Assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

2.3 USE OF ESTIMATES:

The preparation of financial statement requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which the results are known/materializes.

2.4 TANGIBLE FIXED ASSETS:

Fixes assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses related to existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is derecognized.

2.5 DEPRECIATION:

- (a) Depreciation on Fixed assets is provided on straight line method, except Mining Equipments on which depreciation is provided on written down value method. Depreciation is produced in accordance with the provision of Sec 205(2) (b) and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (b) Cost of lease hold land is not being amortized over the period of lease.

2.6 INVESTMENTS:

Investments are classified as Non Current & Current as per the AS-13 (Accounting for Investments) issued by the Institute of Chartered Accountants of India. Non Current Investments are stated at Cost less permanent diminution in value, if any, and hence does not call for provision there against.

2.7 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS:

Carrying amount of cash generating units/assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amounts being the higher of net realizable price and value in use. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

There was no impairment loss on fixed assets during the year on the basis of review carried out by the management in accordance with AS-28 issued by the Institute of Chartered Accountants of India.

2.8 VALUATION OF INVENTORIES:

- | | | |
|----------------------------|---|--|
| i. Raw Material | - | At weighted average cost |
| ii. Stores, Spares & Tools | - | At cost |
| iii. Finished Goods | - | At lower of cost or net realizable value |
| iv. Goods in transit | - | At cost on the Basis of Bill |

Cost comprises of cost of acquisition and all other costs attributable in bringing inventories to the condition of their intended use.

2.9 REVENUE RECOGNITION:

- i. Sales are recognized at the time of dispatch. Sales exclude excise duty.
- ii. Job work receipts are recognized on completion of work.
- iii. Interest income is recognized on accrual basis.

2.10 EXCISE DUTY:

Excise Duty payable on production is accounted for only at the time of dispatch of goods from the factory.

2.11 FOREIGN CURRENCY TRANSACTIONS:

- i. Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of transaction.
- ii. Foreign currency denominated assets and liabilities are translated into INR at the rates of exchange prevailing on the date of Balance Sheet.
- iii. Any income or expense on account of exchange differences, either on settlement or on translation is recognized in the Statement of Profit and Loss.

2.12 TAXES ON INCOME:

- i. Current Tax:
Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.



ii. Deferred Tax:

The deferred tax for timing differences between the book profits and tax profits for the year is accounted for, using the tax rates and laws that have been substantially enacted as on the Balance Sheet date.

2.13 BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.14 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized in terms of Accounting Standard (AS-29) Provisions, Contingent Liabilities and Contingent Assets notified pursuant to Companies (Accounting Standards) Rules, 2006, when there is present legal or statutory obligation as result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation can not be measured in terms of future outflow of resources or where a realizable estimate of the obligation cannot be made. Obligations are assessed on an on going basis and only those having largely probable outflow of resources are provided for.

2.15 EMPLOYEE BENEFITS:

Contribution made to Provident Fund is charged to Profit and Loss account every month. 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.

Accounting policies not specifically referred to otherwise are consistent and in consonance with Generally Accepted Accounting Principles and are in accordance with the applicable Accounting Standards specified U/s 211 (3C) of the Companies Act, 1956.

2.16 EARNING PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of the equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

2.17 DISCONTINUED OPERATIONS:

Assets and Liabilities of discontinued operations are assessed at each Balance Sheet date. Impacts of any impairments and write backs are dealt with in the Profit and Loss Account.

Impacts of discontinued operations are distinguished from the ongoing operations of the Company, so that their impact on the Profit and Loss Account for the year can be perceived.

2.18 PROVISIONS:

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision are not discounted to their present value of and determined based on the best estimate required to settle the obligation at the reporting date. These estimated are reviewed at each reporting period and adjusted to reflect the current best estimated.

2.19 CASH AND CASH EQUIVALENTS:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.20 CONTINGENT LIABILITIES:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.21 BASIS OF CLASSIFICATION OF CURRENT AND NON CURRENT:

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Revised Schedule VI notified under the Companies Act 1956.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

2.22 MEASUREMENT OF EBITDA:

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

PARTICULARS	AS ON 31.3.2012	AS ON 31.3.2011
NOTE 3: SHARE CAPITAL		
a) Authorised :		
1,00,00,000 Equity Shares of Rs. 10 each	<u>100000000</u>	<u>100000000</u>
b) 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) Total	<u>32525000</u>	<u>32525000</u>
c) Reconciliation of number of shares outstanding at the beginning and end of the year:		
Equity Shares		
Outstanding at the beginning of the year	3252500	3252500
Issued during the year	--	--
Outstanding at the end of the year	<u>3252500</u>	<u>3252500</u>
d) Terms / Rights attached to Equity Shares		
The Company has only one class of shares having a par value of Rs. 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual general Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.		
e) Details of shareholders holding more than 5% shares in the Company		
Name of Shareholder	As at 31st March, 2012	As at 31st March, 2011
	No. of Shares % Holding	No. of Shares % Holding
Inani Securities & Investments Ltd.	432500 13.30	432500 13.30
Suresh Kumar Inani	450100 13.83	350100 13.83
Dinesh Kumar Inani	201100 6.18	201100 6.18
Radha Kishan Phulwani	200000 6.15	200000 6.15
NOTE 4: RESERVES & SURPLUS		
(a) Capital reserve - State Subsidy	2000000	2000000
(b) General reserve		
Opening balance	4800000	3500000
Add: Transferred from surplus in Statement of Profit and Loss	<u>1200000</u>	<u>6000000</u> <u>1200000</u>
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	151220501	112270257
Add: Profit / (Loss) for the year:	<u>30529408</u>	<u>43955506</u>
	181749909	156225763
Less: Dividends proposed to be distributed to equity shareholders (Rs.1.00 per share)"	3252500	3252500
Dividend Distribution Tax	489681	552762
Transferred to General Reserve	<u>1200000</u>	<u>1200000</u>
	4942181	5005262
	<u>176807728</u>	<u>151220501</u>
Total	<u>184807728</u>	<u>158020501</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

PARTICULARS	AS ON 31.3.2012	AS ON 31.3.2011
NOTE 5: LONG TERM BORROWINGS		
(a) Secured		
Term Loan from S.B.B.J., Chittorgarh (Refer Note (i) & (ii) below.)	31406804	43864474
Term Loan from HDFC Bank Ltd (Refer Note (iii) & (iv) below.)	0	4813959
Term Loan from ICICI Bank Ltd. (Refer Note (iii) & (v) below.)	6638979	2245051
Term Loan from Tata Capital Ltd. (Refer Note (iii) & (vi) below.)	2053040	10512707
	40098823	61436191
(b) Unsecured		
Inter Corporate Deposits	22970207	18733789
Total	63069030	80169980

(i) Secured by equitable mortgage on factory Land & Building situated at F-17 & 58, RIICO Industrial Area and Araji 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.

(ii) Terms of Repayment State bank of Bikaner & Jaipur

Sanctioned Loan Amount	81000000	20000000
Date of Maturity	Jun-2015	Nov-2014
Rate of Interest	13.00%	13.75%
Balance Number of Quarterly Installments	13	9
Amount of each Quarterly Installment	3115000	1000000

(iii) Secured by way of Hypothecation of Assets

(iv) Terms of Repayment

HDFC Bank Ltd.

Sanctioned Loan	19315000	1650000	4358000
Date of Maturity	Aug-2012	Sep-2012	Jan-2013
Rate of Interest	10.25%	10.25%	9.50%
Balance Number of Monthly Installments	5	6	10
Amount of each EMI	640862	54740	143120

(v) Terms of Repayment

ICICI Bank Ltd.

Sanctioned Loan	4625000	4625000	2380000
Date of Maturity	Jan-2014	Oct-2014	Jan-2015
Rate of Interest	8.50%	9.87%	11.00%
Balance Number of Monthly Installments	22	31	34
Amount of each EMI	134700	138100	79800

(vi) Terms of Repayment

Tata Capital Ltd.

Sanctioned Loan	7095600	6556500	4117500	4575000	4575000	4575000
Date of Maturity	Aug-2012	Nov-2012	Jan-2013	Jul-2013	Sep-2013	Oct-2013
Rate of Interest	10.58%	9.50%	7.25%	7.50%	7.50%	7.50%
Balance Number of Monthly Installments	5	8	10	16	18	19
Amount of each EMI	236500	215200	130880	131350	131350	131350



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

PARTICULARS	AS ON 31.3.2012	AS ON 31.3.2011
NOTE 6: SHORT TERM BORROWINGS		
(a) Secured		
Cash Credit from SBBJ	87200223	89025414
Straight Line of Credit from SBBJ	13595947	13008961
Total	100796170	102034375

Secured by equitable mortgage on factory Land & Building situated at F-17 & 58, RIICO Industrial Area and Arajji 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.

NOTE 7: TRADE PAYABLES**Trade payables (Including acceptances)**

Due to Micro & Small enterprises*	6710658	1953023
Due to creditors other than Micro & Small enterprises	63920571	30403670
Total	70631229	32056693

*Considering the vendors are granting credit period upto 45 days and payments being released by the Company on a timely basis, there is no liability towards interest on delayed payments under "The Micro, Small & Medium Enterprises Development Act, 2006" during the year.

There is also no amount of outstanding interest in this regard, brought forward from previous years. The above information is on the basis of intimation received, on request made by the Company, with regards to vendors registration under the said act.

NOTE 8: OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt	33858997	37689323
(b) Unpaid dividends	513667	391469
(c) Other payables		
(i) Statutory remittances contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.	2411656	1072091
(ii) Payables on purchase of fixed assets	2430558	4155642
(iii) Advances from customers	21442450	9386759
(iv) Advances from Companies under same management	43350901	0
Total	104008229	52695284

NOTE 9: SHORT TERM PROVISIONS

(a) Provision for employee benefits:		
(i) salary & wages	5342507	2787512
(ii) bonus	4337714	2256887
	9680221	5044399
(b) Provision - Others:		
(i) for income tax (net of advance tax Rs.12452451 (As at 31.03.2012))	685069	117380
(ii) for proposed equity dividend	3252500	3252500
(iii) for tax on proposed dividends	527367	1105524
(iv) for expenses	2510062	2880723
	6974998	7356127
Total	16655219	12400526



NOTE 10: TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS ON 01.04.2011	ADDITION	DELETION	AS ON 31.03.2012	AS ON 01.04.2011	FOR THE YEAR	ON DELETION	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
LAND:											
Lease hold	4657273	0	0	4657273	--	0	0	0	4657273	4657273	
Free hold	4325430	145820	0	4471250	--	0	0	0	4471250	4325430	
Building	25286202	0	0	25286202	2623939	846072	0	3470011	21816191	22662263	
Plant & Machinery	132167812	32566631	0	164734443	22032552	7752291	0	29784843	134349500	110135160	
Mining Equipments	150115670	14682130	0	164797800	91455570	18870592	0	110326162	54471638	58660100	
Furniture & Fixtures	2999411	21900	0	3021311	1014991	191301		1206292	1815019	1984420	
Vehicles	6581704	936255	0	7517959	5327475	383431	0	5710906	1807053	1254229	
E.D.P. Equipments	840837	0	0	840837	714985	54230	0	769215	71622	125852	
Total	326974339	48352736	0	375327075	123169612	28097917	0	151267529	224059546	203804727	
Previous Year	309876644	24846651	7748956	326974339	102059341	28436056	7325787	123169612	203804727	207817303	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

PARTICULARS	AS ON 31.3.2012	AS ON 31.3.2011
NOTE 11: NON CURRENT INVESTMENTS		
Unquoted Fully Paid up		
Action Marble & Granites Pvt. Ltd. 40000 (Previous year 60000) Equity Shares of Rs.10 each fully paid up	2000000	3000000
Aravali Associates Pvt. Ltd. 2000 (Previous year 2000) Equity Shares of Rs.100 each fully paid up	1000000	1000000
Total	3000000	4000000
NOTE 12: LONG TERM LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated.)		
(a) Security deposits	3357176	2697663
(b) Capital Advances	1739691	2202494
Total	5096867	4900157
NOTE 13: OTHER NON CURRENT ASSETS		
(i) Term Deposits with Banks (Pledged)	4272050	4833998
(ii) Interest accrued on deposits	1104253	902778
Total	5376303	5736776
NOTE 14: INVENTORIES		
(At lower of cost and net realisable value)		
(a) Raw materials	64076582	30131755
(a i) Raw materials in Transit	344567	0
(b) Stores, Spairs & Consumables	3585228	6443521
(c) Finished goods (other than those acquired for trading)	65541007	39171707
(d) Stock-in-trade (acquired for trading)	3186931	1930775
Total	136734315	77677758
NOTE 15: TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated.)		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	49416824	33479862
(b) Other Trade receivables	97486175	69741731
Total	146902999	103221593
NOTE 16: CASH & CASH EQUIVALENTS		
(a) Cash on hand	2229249	1212254
(b) Cheques, drafts on hand	1000000	100000
(c) Balances with banks		
(i) In current accounts	1720648	6757783
(ii) In unpaid dividend accounts	513667	391469
	2234315	7149252
Total	5463564	8461506
NOTE 17: SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated.)		
(a) Security deposits	3360220	3656009
(b) Prepaid expenses	1492622	1576845
(c) Balances with government authorities		
(i) CENVAT credit receivable	1727422	269703
(ii) VAT credit receivable	10451570	9639456
(iii) Service Tax credit receivable	1122140	858381
(iv) Excise Duty refundable	0	153326
(v) CST refundable	122648	73366
(vi) Advance Income Tax	2583805	1866262
	16007585	12860494
(d) Others*	14533715	15672556
Total	35394142	33765914



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

PARTICULARS	AS ON 31.3.2012	AS ON 31.3.2011
NOTE 18: REVENUE FROM OPERATIONS		
(a) Sale of products (Refer Note (i) below)	411970951	336128941
(b) Sale of services (Refer Note (ii) below)	101745109	118215447
(c) Other operating revenues (Refer Note (iii) below)	188020	274000
	<u>513904080</u>	<u>454618388</u>
Less:		
(d) Excise duty	1403478	809642
Total	<u>512500602</u>	<u>453808746</u>
Note:		
(i) Sale of products comprises:		
Marble Slabs	111228984	114208095
Sand Stone Slabs	48332025	66973377
Granite Slabs	161601277	92666465
Marble Blocks	36897273	40724715
Sand Stone Blocks	6659012	13256174
Granite Blocks	36396466	6025708
China Clay	540449	0
Red Ocher	10315465	2274407
Total - Sale of products	<u>411970951</u>	<u>336128941</u>
(ii) Sale of services comprises:		
Job work receipts	101745109	118215447
Total - Sale of services	<u>101745109</u>	<u>118215447</u>
(iii) Other operating revenues comprises:		
Transportation Charges	113000	63000
Sale of scrap	75020	211000
Total - Other operating revenues	<u>188020</u>	<u>274000</u>
NOTE 19: OTHER INCOME		
(a) Interest income	541431	610674
(b) Net gain on foreign currency transactions and translation	10001828	1723984
(c) Duty drawback and other export incentives	81086	0
(d) Refund of Service Tax	841592	116434
(e) Other non-operating income:		
Gain on sale of fixed assets	0	162831
Rebate & discount	250409	160146
Insurance charges	73892	12195
Miscellaneous Income	<u>9852</u>	<u>29</u>
Total	<u>11800090</u>	<u>2786293</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

PARTICULARS	AS ON 31.3.2012	AS ON 31.3.2011
NOTE 20.A: COST OF MATERIALS CONSUMED		
Opening stock	30131755	29242405
Add: Purchases (Refer note (i) below)*	<u>97096312</u>	<u>59651724</u>
	127228067	88894129
Less: Closing stock	<u>64076582</u>	<u>30131755</u>
Cost of material consumed** Total	<u>63151485</u>	<u>58762374</u>
* Excludes cost of Blocks excavated from own mines.		
** Includes cost of Marble & Stone Blocks sold.		
 (i) Material purchased comprises:		
Marble Block	62438878	31593040
Stone Block	3739185	9080932
Granite Block	<u>30918249</u>	<u>18977752</u>
Total	<u>97096312</u>	<u>59651724</u>
 NOTE 20.B: PURCHASE OF TRADED GOODS		
Granite Block	57910774	4373112
Granite Slabs	27608639	39357076
Marble Slabs & Tiles	24955162	24011618
Sand Stone Slabs	<u>2938857</u>	<u>2355732</u>
Total	<u>113413432</u>	<u>79097538</u>
 NOTE 20.C: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Finished goods	65541007	39171707
Stock-in-trade	<u>3186931</u>	<u>1930775</u>
	68727938	41102482
Inventories at the beginning of the year:		
Finished goods	39171707	27466458
Stock-in-trade	<u>1930775</u>	<u>1645724</u>
	41102482	29112182
Net (increase) / decrease	<u>(27625456)</u>	<u>(11990300)</u>
 NOTE 21: EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	53559189	46257796
Contributions to provident and other funds	6535649	5720807
Staff welfare expenses	<u>2732626</u>	<u>1936747</u>
Total	<u>62827464</u>	<u>53915350</u>
 NOTE 22: FINANCE COSTS		
Interest expense on:		
(i) Borrowings	23747597	18545547
(ii) Others:		
Dividend Distribution Tax.	96483	0
Income tax	127288	0
Others	<u>116</u>	<u>2105</u>
	223887	2105
Total	<u>23971484</u>	<u>18547652</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

PARTICULARS	AS ON 31.3.2012	AS ON 31.3.2011
NOTE 23: MANUFACTURING & DIRECT EXPENSES		
Consumption of stores and spare parts	72116186	60051950
Power and fuel	58898471	50351160
Freight Inward	5435796	3029520
Repairs and maintenance - Buildings	0	19966446
Repairs and maintenance - Machinery	8139601	4889782
Royalty	14224716	11457362
Equipment Hire Charges	938659	1126069
Total	<u>159753429</u>	<u>150874289</u>
NOTE 24: OTHER EXPENSES		
Repairs and maintenance - EDP	412748	282263
Repairs and maintenance - Others	20261	13098
Insurance	1442226	1218890
Rent Rates and taxes	2125909	1709212
Communication	328791	334276
Travelling and conveyance	1743587	1791204
Printing and stationery	397434	249182
Export Freight and Forwarding	40313777	20859804
Packing & Loading	117178	44443
Sales commission	1474710	125027
Rebates & discount	327806	2313267
Bank Charges	2230191	1678395
Business Promotion	2061466	1726789
Legal and professional	1478913	1007869
Auditors Remuneration for :		
Audit Fees	100000	100000
Other Matters	20000	20000
Postage & Courier Expenses	260095	332684
Advertisement & Publicity	214729	405616
Vehicle Running & Maintenance	527972	758047
Office Expenses	164458	209928
Secretarial Charges	78313	122395
Fees & Subscriptions	24251	37481
Loss on sale of fixed asset	0	211000
Miscellaneous expenses	77752	29224
Total	<u>55942567</u>	<u>35580094</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	(Amount in Rs.)	
	AS ON 31.3.2012	AS ON 31.3.2011
NOTE 25: CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF		(Rs. In Lacs)
(i) Guarantee Furnished to Banks and Govt. Dept including in respect of letter of credit.	110.00	141.28
(ii) Excise & Custom Duty forgone against bond	212.81	262.97
(iii) Excise & Custom Duty forgone under 100% EOU scheme.	110.47	93.94
NOTE 26: EARNING PER SHARE		
(i) Net profit for the year after tax	30529408	43955506
(ii) Weighted average number of Equity Shares outstanding	3252500	3252500
(iii) Nominal value of the shares (Rs.)	10.00	10.00
(iv) Basic & Diluted Earnings per share	9.39	13.51

NOTE 27: SEGMENT REPORTING

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, 2012 is as given below:

- (i) Primary Segment Reporting (By Business Segments):
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.
- (ii) 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.

		(Rs. In Lacs)
Sales to Domestic Market	2505.98	2535.20
Sales to Overseas Markets	2619.03	2002.88
Total	<u>5125.01</u>	<u>4538.08</u>

NOTE 28: RELATED PARTY DISCLOSURES

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, 2012 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 Lal 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.
 Inani Marmo & Granite Pvt. Ltd.
 Inani Bhanwari & Sons
 Nakoda Marble
 Action Marble, Katni
 Gareeb Nawaz Marble

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS			AS at 31.3.2012	AS at 31.3.2011
(ii) Transaction with related parties				
Sr. No	Name of the transacting related party	Nature of Transaction	Amount	Amount
1	Capt. Suresh Kumar Inani	Remuneration	2200000	1565000
2	Dinesh Inani	Remuneration	1790000	750000
3	Nand Lal Inani	Sitting Fees	16000	16000
4	Rajesh Kumar Inani	Sitting Fees	16000	16000
5	Harish Kumar Inani	Sitting Fees	12000	12000
6	Inani Marbles Pvt. Ltd.	Purchase	6944	---
		Sale	212100	1770300
7	Inani Tiles Pvt. Ltd.	Purchase	568385	908154
		Sale	705600	1736700
8	Inani Bhanwarlal & Sons	Purchase	18900	1127738
9	Action Marble & Granite Pvt. Ltd.	Purchase	1535000	21000
		Sale	2116800	1308300
10	Inani Infra Project Pvt. Ltd.	Purchase	14134336	2318640
11	Inani Marmo & Granite Pvt. Ltd.	Purchase	833645	---
		Sale	2785072	3672900
12	Action Marble, Katni	Purchase	3243028	1681925
13	Gareeb Nawaz Marble	Purchase	199196	1036702

NOTE 29: VALUE OF IMPORTS ON CIF BASIS

(i) Raw Material	41818708	13375425
(ii) Stores & Spares	17057141	11630870
(iii) Plant & Machinery (Capitalised & WIP)	12462960	17442232
Total	71338809	42448527

NOTE 30: EXPENDITURE IN FOREIGN CURRENCY

(i) Travelling	558978	1102553
(ii) Fair & Exhibition	1495365	1726789
Total	2054343	2829342

NOTE 31: EARNINGS IN FOREIGN CURRENCY

FOB value of goods exported	<u>261902454</u>	<u>200288044</u>
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NOTE 32: VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

		Percentage	Amount	Percentage	Amount
(i) Raw Material*	Imported	48.34%	30527657	31.80%	18684907
	Indigenous**	51.66%	32623828	68.20%	40077467
		100.00%	63151485	100.00%	58762374

*Includes cost of Blocks sold.

**Excludes cost of Blocks excavated from own mines.

(ii) Stores & Spares	Imported	27.13%	19566389	19.05%	11440164
	Indigenous	72.87%	52549797	80.95%	48611786
		100.00%	72116186	100.00%	60051950

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	AS at 31.3.2012	AS at 31.3.2011
NOTE 33 : DEFERRED TAX ASSET / LIABILITY (NET)		
In accordance with Accounting Standard-22, 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the Company has provided for deferred tax, on account of timing difference between book depreciation & tax depreciation, as under :		
Opening Balance	3729721	1708201
Add: Current Year Credit / (Charge)	<u>(1115647)</u>	<u>2021520</u>
Net Deferred Tax Asset/(Liability)	<u>2614074</u>	<u>3729721</u>

NOTE 34 :

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

NOTE 35 :

Promoters have authorized the Company without any consideration to develop and excavate the Marble Blocks, China Clay & Red Ocher from their Mines for a period up to March, 2013.

NOTE 36 :

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 37:

The financial statements for the year ended 31st march, 2011 had been prepared as per the, then applicable, pre revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st march, 2012 are prepared as per the Revised Schedule VI. Accordingly, the previous year figures have also been re-classified re-grouped to conform to this year's classification. the adoption of Revised Schedule VI for the previous year figure does not impact recognition and measurement principles followed for preparation of financial statements.

NOTE 38 :

Figures have been rounded off to nearest Rupees.

SIGNATURE TO THE NOTES '1' TO '38'

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

For: JAGDISH RATHI & ASSOCIATES
CHARTERED ACCOUNTANTS
(Reg.No. 004623C)

FOR AND ON BEHALF OF THE BOARD

CAR.K NYATI
(PARTNER)
M.N. 070692

CA JAGDISH RATHI
(PROPRIETOR)
M.N. 039303

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

Place : Chittorgarh
Date : 30.05.2012

ANIL KUMAR JAIN
(COMPANY SECRETARY)
M. N. A22464

RAVI BIRLA
(DIRECTOR)

INANI MARBLES & INDUSTRIES LTD.

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

ATTENDANCE SLIP

18th Annual General Meeting - 29th September, 2012

Regd. Folio No. _____ No. of Shares Held _____
DPID 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 18th Annuai General Meeting of the Company at Hotel Padmini, River View, Near Sainik School, Chittorgarh on Saturday, 29th September, 2012 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 Industiral 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 Saturday, 29th September, 2012 at 3.00 P.M. and at
any adourment thereof.

Signed this _____ day of _____ 2012

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.

If undelivered please return to :

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