



19th Annual Report
2012-2013

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.), and
M/s. Jagdish Rathi & Associates
Chittorgarh (Raj.)

COMPANY SECRETARY

Anil Jain

BANKERS

State bank of Bikaner & Jaipur
Chittorgarh (Raj.)

SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

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



NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Inani Marbles & Industries Ltd. will be held on Monday, 30th September, 2013 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, 2013 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, 2013.
3. To appoint a Director in place of Shri Nand Lal Inani who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Ravi Birla 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. 30.09.2013 until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.

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

Place : Chittorgarh
Date : 13th, August 2013

Anil Jain
(Company Secretary)

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE PROXY REPRESENTATION MUST BE REGISTERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of Member and Shares Transfer Books of the Company will remain close from 26th September, 2013 to 30th September, 2013 (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 Nand Lal Inani	79 years	Matriculate	30.09.2013	--
Shri Ravi Birla	39 years	B.A. & M.A	30.09.2013	--

* Excludes directorship held in Pvt. Ltd. Companies.

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

Place : Chittorgarh
Date : 13th, August 2013

Anil Jain
(Company Secretary)

**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting their **19th Annual Report** and the Audited Accounts for the Financial Year ended 31st March 2013.

FINANCIAL RESULTS :

	2012-2013	2011-2012
Sales & Income from operations	7733.81	5135.93
Profit from operations	1611.13	861.29
Other Income	113.44	107.08
Profit before Interest, Dep. & Taxes	1724.57	968.37
Interest	288.75	239.71
Depreciation	302.20	280.98
Profit Before Tax	1133.62	447.68
Provision for Taxation	325.83	131.23
Provision for Deferred Tax	86.39	11.16
Profit After Tax	721.40	305.29
Balance of Profit brought forward	1817.50	1562.26
Balance Available For Appropriations	2489.47	1817.50
Proposed Dividend on Equity Shares	32.53	32.53
Corporate Tax on Dividend Distribution	5.28	4.90
Amount Transferred to General Reserve	12.00	12.00
Balance carried forward to Balance Sheet	2439.67	1768.07

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, 2013, 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. 37.81 Lacs which includes dividend distribution tax of Rs. 5.28 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 50.58 % and profit before Tax Increased by 153.22% due to better capacity utilization & increased demand in international market.

DEPOSITS

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

**FINANCE**

The Company has taken Loan of Rs.137.95 Lacs from ICICI Bank Ltd, Rs 91.80 Lacs from HDFC Bank Ltd, Rs.150.44 Lacs from Tata Capital 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 Nand Lal Inani and Shri Ravi Birla 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 2012-13 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 : 30.05.2013

Capt. S.K.Inani
(Managing Director)

Nand Lal Inani
(Chairman)



**ANNEXURE- A TO DIRECTORS' REPORT
COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF
BOARD 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.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

<i>Foreign Exchange Inflow :</i>	
• Exports on FOB basis	Rs. 476807351
• Total	Rs. <u>476807351</u>
<i>Foreign Exchange Outgo :</i>	
• On Foreign Travel	Rs. 324288
• Fair & Exhibition	Rs. 1612853
• Purchase of Raw Materials	Rs. 50578024
• Purchase of Stores & Spares	Rs. 28002442
• Purchase of Machinery	Rs. 16229389
• Total	<u>96746996</u>



**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, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation there of, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders /Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

For: Jagdish Rathi & Associates
Chartered Accountants
(Reg.No. 004623C)

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

CA Jagdish Rathi
Proprietor
M.N. 039303

Place: Chittorgarh
Date: 30.05.2013

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 membership s/ chairmanships		
				Held	Attend ed	Direct or-ships *	Committee Memberh ips	Commit tee Chairm an-ships
1.	Shri Nand Lal Inani	Chairman	Non - Executive	7	6	--	--	--
2.	Capt Suresh Kumar Inani	Managing Director	Promoter - Executive	7	5	--	--	--
3.	Shri Dinesh Kumar Inani	Joint Managing Director	Promoter - Executive	7	5	1	--	--
4.	Shri Rajesh .Kumar Inani	Director	Non - Executive	7	4	--	--	--
5.	Shri Harish Kumar Inani	Director	Non - Executive	7	6	1	--	--
6.	Shri Prem Narayan. Sharma	Independent Director	Non - Executive	7	5	--	--	--
7.	Shri Ravi Birla	Independent Director	Non - Executive	7	3	--	--	--

*Excludes Directorships held in Private Limited Companies.

The meetings of the Board of Directors during the financial year 2012-2013 were held on 16th April, 2012, 30th May, 2012, 13th August, 2012, 25th August, 2012, 25th Sept, 2012, 10th Nov, 2012 and 14th Feb, 2013.

The gap between any two meetings did not exceed four month. The Previous Annual General Meeting of the Company was held on 29th September, 2012 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 24th May, 2012, 10th August, 2012, 08th Nov, 2012, and 07th Feb, 2013. 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	3
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 2012-13 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	3370000
2.	Dinesh Kumar Inani	Salary & Managerial Commission	1560000

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 2012-13 are as follows :



S.No.	Name of Director	Particulars	Amount Rs
1.	Nand Lal Inani	Sitting Fee	24000
2.	Rajesh Kumar Inani	Sitting Fee	16000
3.	Harish Kumar Inani	Sitting Fee	24000
4.	Prem Narayan Sharma	Sitting Fee	20000
5.	Ravi Birla	Sitting Fee	12000

5. Management

- The Management Discussion and Analysis Report is forming part of the Directors Report.
- Material related party transactions : During the financial year 2012-2013, 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 12 complain during the financial year 2012-2013 from the shareholders which were resolved well within stipulated time.

7. General Body Meetings

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

Date of AGM	Relevant Financial Year	Venue /Location Where Held	Time of Meeting
30 th Sept., 2010	2009-2010	Hotel Padmini, Near Sainik School Chittorgarh (Raj.)	03.00 P.M.
30 th Sept., 2011	2010-2011	Hotel Padmini, Near Sainik School Chittorgarh (Raj.)	03.00 P.M.
29 th Sept., 2012	2011-2012	Hotel Padmini, Near Sainik School Chittorgarh (Raj.)	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 F.Y 2012-2013. 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 : Monday, Sept. 30th, 2013 at 3.00 P.M.
--- Venue : Hotel Padmini, River view, Near Sainik School
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

: 26.09.2013 to 30.09.2013

4. Dividend Payment Date

: With in 30 days from the date of AGM.

5. Listing of Share on Stock Exchange :-

- 1) The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Mumbai-400001
- 2) Jaipur Stock Exchange Limited, Stock Exchange Building, Jaipur-302017 and also on Indore, Ahmedabad and Rajkot Stock Exchanges. With very thin trading of company's shares on these four stock exchanges, it is proposed to de-list the shares of the company on these four stock exchanges keeping the listing only on Bombay Stock Exchange.

6. Stock Exchange, Mumbai

: 531129

ISIN

: INE635D01019

7. Stock Market Data

Market price data of the company's equity shares in Bombay Stock Exchange for the period from April 2012 to March 2013 is as below :-

Month	BSE Price	
	High	Low
April, 2012	264.95	159.00
May, 2012	244.00	147.70
June, 2012	209.80	167.55
July, 2012	237.85	183.05
August, 2012	396.00	200.00
September, 2012	527.30	375.05
October, 2012	579.50	448.75
November, 2012	630.35	453.50
December, 2012	630.00	418.10
January, 2013	502.10	377.35
February, 2013	510.70	342.10
March, 2013	430.00	275.00

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, 2013.

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	769	67.34	484770	1.49
1001 - 2000	84	7.36	148950	0.46
2001 - 3000	35	3.06	93700	0.29
3001 - 4000	26	2.28	95330	0.29
4001 - 5000	33	2.89	160980	0.49
5001 - 10000	46	4.03	339120	1.04
10001 - 20000	35	3.06	497030	1.53
20001 - 30000	23	2.01	578190	1.78
30001 - 40000	4	0.35	147650	0.45
40001 - 50000	23	2.01	1114530	3.43
50001 - 100000	25	2.19	1710540	5.26
100000 - ABOVE	39	3.42	27154210	83.49
	1142	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	272910	8.39
2. Indian Public	941217	28.94
3. NRIs/OCBs	14	0.00
4. Any other (please specify)	7309	0.22
Sub Total	1221450	37.55
Grand Total	3252500	100.00

11. Dematerialization of Share and liquidity

3000475 shares were dematerialized till 31.03.2013, which is 92.25% 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

The Management of Inani Marbles & Industries Limited is pleased to present the following Management Discussion and Analysis Report which contains a brief write-up on the industry structure, opportunities and concerns, performance of the company with respect to the operations other information. This chapter on Management Discussion and Analysis forms a part of the compliance report on Corporate Governance.

Indian Economy And Industry Overview

Recovering from the global meltdown effect of last two years, India is now poised and set to be the second fastest growing economy in the Asia Pacific Region. The productivity growth rate of Indian economy is estimated to be around 8% and it is expected to sustain until 2020. Infrastructure integrated with real estate development has been the backbone of such sustained growth and continue to be the focal point for our economy. High per Capita income resulting in high per capita spending is directly related to the demand of our products and we foresee a bright future ahead.

Economic Overview (2012-13)

The overall GDP forecast for 2013-14 is estimated at 6.5%. Soaring CPI due to increase in food prices, has undermined consumer spending. RBI has resorted to monetary tightening in an effort to curb inflationary pressure on the economy. Due to improvement in the investment scenario and FDI expected in great volumes in the year 2013-14, it can be assured that India has escaped the global crisis and confidence has been gained in the economic prospects.

Industry Structure and Development

Real Estate sector and consumer confidence witnessed a complete turnaround with signs of economic stabilization and moderate growth in global economic performance in second and third quarter of 2012. Property markets in India began to exhibit signs of revival during this time with the return of liquidity in the real estate sector and firm prices in the recent months, cash flows of realty players improved resulting in renewed construction of stalled projects and a few new launches as well. Clearly we believe that we are entering and exciting new phase of development. We are fully geared to take advantage of the buoyant real estate demand which will generate a huge demand for the company's products.

Emerging out of the world economic crisis with only minor bruises, the industry is poised to enter a growth phase and is on the threshold of a major transformation. In terms of demand, Marble, Granite, Tiles & Stones Industry is fortunately placed and this should spur its growth.

**Financial And Operational Performance**

The table below gives the Company's financial performance for 2012-13 compared with 2011-12.

The Financial Results of the company for the year under review are summarized below :

	Financial Results	For the Year Ended 31 -03- 2013 (Rs. In Lacs)	For the Year Ended 31 -03- 2012 (Rs. In Lacs)
I	<u>Income</u>		
	Revenue from operations	7733.80	5135.92
	Other Income	113.44	107.08
	Total	7847.24	5243.00
II	<u>Expenditure</u>		
	Cost of Raw material consumed	1359.83	631.51
	Purchase of traded goods	1332.27	1134.13
	Changes in inventories of finished goods, work -in-progress and Stock-in-Trade	54.03	(276.25)
	Employees Benefit Expenses	291.55	628.27
	Finance Cost	288.75	239.72
	Depreciation and amortization expense	302.19	280.98
	Manufacturing & direct expenses	2269.33	1597.53
	Other expenses	815.67	559.43
	Total	6713.62	4795.32
	Profit for the year before taxes	1133.62	447.68
	Tax expenses :		
	Current Tax	325.83	131.23
	Deferred Tax (Net)	86.39	11.16
	Previous Years Income Tax	0	0
	Profit for the Year after taxes	721.40	305.29
	Add : Profit brought forward	1768.07	1512.21
	Profit available for appropriation :	2489.47	1817.50
	Proposed Dividend	32.52	32.52
	Corporate Dividend Tax	5.28	4.90
	Transferred to General Reserve	12.00	12.00
	Total	49.80	49.42
	Surplus carried to balance sheet	2439.67	1768.08

**Segment-wise or product-wise performance :**

The company manufactures and deals in Marble/Granites/Stone Blocks, Slabs, Tiles and allied products. The segment results and other detail of Marbles and other segment are furnished in the Notes on Accounts.

Opportunities

There are excellent opportunities in Marble & Granite industry due to large scale investment in Infrastructure and construction activity. The constant growth in construction sector has escalated the demand for marbles and granites substantially both in domestic and international markets. Your company has capabilities to quickly adopt to the changing market condition and sustain the projected growth in sales and profits.

Business Outlook

The company is proactively responding to the changing business environment and is confident of sustaining its market share by improving competitive positioning in the market. The overall business outlook for the company is promising with improvement in overall economic environment. Efforts towards higher operational efficiencies shall continue. The company continues to examine the possibilities of expansion and shall make the necessary investments when attractive opportunities arise.

Threats and Risk Management

The nature of company's business is such that various risks have to be confronted with not only to successfully exist in the said business but even to grow at a respectable pace. However, these risks are no different than the ones faced by the industry as a whole. A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the company. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of the managers so that risks at the transactional level are identified and steps are taken towards mitigation in a decentralized fashion.

Internal Control Systems and their adequacy

The company strongly believes that Internal Control Systems are necessary for good Corporate Governance and that the freedom of management should be implemented through the framework of proper checks and balances.

The Company has in place an effective system of internal controls to ensure that all assets are properly safeguarded and protected and used optimally and financial transactions are reported accurately. The Audit committee and the Board of Directors review the adequacy and the effectiveness of the internal controls at periodic intervals. For better governance the company is in the process of introducing internal audit system.

Human Resources

The Company considers the quality of its human resources to be its most important asset and places great emphasis on training and development of employees at all levels. Communication exercises are treated as continues process to keep the employees informed of the challenges being faced by the Company and also motivate them to take up higher responsibilities, in tune with the requirements of the Company.

In order to sustain the competitive edge, the Company has been taking various initiatives for improving the human resources strength and creating a conducive work atmosphere.

Cautionary Statement

Statements in this management discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry - global or domestic or both, significant changes in political and economic environment in India, applicable statues, litigations, labour relations and interest costs.

**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 31.03.2013 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: 30.05.2013

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, 2013.

For : Inani Marbles & Industries Ltd.

Place: Chittorgarh

Date: 30.05.2013

Capt. S.K. Inani

Managing Director



INDEPENDENT AUDITOR'S REPORT

To,
The Members of
M/S INANI MARBLES & INDUSTRIES LIMITED
Chittorgarh

Report on the Financial Statements :

We have audited the accompanying financial statements of **M/S Inani Marbles & Industries Limited**, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit & Loss for the year the ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The company Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the Accounting Standard referred to in of section 211 (3C) of the Companies Act, 1956. and accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances but not for the purpose of expressing an the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion :

In our opinion and to the best of our information and according to explanations given to us, the financial statements 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 Balance Sheet of the state of affairs of the company as at March 31, 2013; and
- (ii) In the case of the Profit & Loss A/c of the profit for the year ended on that date

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Act, we give in the annexure a statement on matters specified in of paragraph 4 and 5 of the order.
2. As required by section 227(3) of the Act, 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 those books.
 - (c) The Balance sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of Accounts.
 - (d) In our opinion, the Balance sheet Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in the section 211 (3C) of the Companies Act, 1956.
 - (e) On the basis of written representation received from the directors as on March 31, 2013 and taken on record by the Board of Director, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of section 274 (1) (g) of companies Act, 1956.

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

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

For : Jagdish Rathi & Associates
Chartered Accountants
(Reg.No. 004623C)

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

Place : Chittorgarh
Date : 30.05.2013

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details & situations of the fixed assets. The situation of the moveable assets used in the mining activity keeps on changing from Mines sites depending upon requirements for a particular contract.
- (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company, the nature of its assets. According to the information given to us and to the best of our knowledge, no material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off a substantial part of the fixed assets during the year.
2. (a) As explained to us the inventory has been physically verified during the year by the management.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies noticed on physical verification between the physical stock and the book records.
3. (a) The Company has not granted nor taken any loans, secured or unsecured to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub clause (b), (c) and (d) are not applicable.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, Fixed Assets and with regards to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us such transactions made in pursuance of contracts or arrangements entered in registers maintained under section 301 of the Company Act, 1956 and exceeding value of Rs. 500000/- during the year in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public in terms of Section 58A and 58AA of the Act and the rules framed there under.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us, the Company is in the process of preparing cost records in respect of its products for which the maintenance of cost records has been prescribed under clause (d) of sub-section 1 of section 209 of the Act pursuant to The Companies (Cost Accounting Records) Rules, 2011 notified by the Central Government of India vide notification dated June 3, 2011.
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
Entry Tax	F.Y. 2002 -03	Rajasthan High Court Jodhpur	2.57

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

For : Jagdish Rathi & Associates
Chartered Accountants
(Reg.No. 004623C)

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

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

Place : Chittorgarh
Date : 30.05.2013



Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	<u>3</u>	32525000	32525000
(b) Reserves and surplus	<u>4</u>	253167271	184807728
		<u>285692271</u>	<u>217332728</u>
2 Non-current liabilities			
(a) Long-term borrowings	<u>5</u>	60760663	63069030
(b) Deferred tax liabilities (Net)		6026161	(2613374)
(c) Other long-term liabilities		--	--
(d) Long-term provisions		--	--
		<u>66786824</u>	<u>60455656</u>
3 Current liabilities			
(a) Short-term borrowings	<u>6</u>	105455955	100796170
(b) Trade payables	<u>7</u>	77694380	70631229
(c) Other current liabilities	<u>8</u>	100294480	104008229
(d) Short-term provisions	<u>9</u>	25651598	16655219
		<u>309096413</u>	<u>292090847</u>
	TOTAL	<u>661575508</u>	<u>569879231</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	<u>10</u>	273726064	224059546
(ii) Capital work-in-progress		9942118	7851495
(b) Non-current investments	<u>11</u>	3000000	3000000
(c) Long-term loans and advances	<u>12</u>	15284718	7680672
(d) Other non-current assets	<u>13</u>	6018222	5376303
		<u>307971122</u>	<u>247968016</u>
2 Current assets			
(a) Current investments		--	--
(b) Inventories	<u>14</u>	146986086	136734315
(c) Trade receivables	<u>15</u>	165049011	146902999
(d) Cash and cash equivalents	<u>16</u>	3971589	5463564
(e) Short-term loans and advances	<u>17</u>	37597700	32810337
(f) Other current assets		--	--
		<u>353604386</u>	<u>321911215</u>
	TOTAL	<u>661575508</u>	<u>569879231</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 of Directors

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

CA Jagdish Rathi
Proprietor
(M.N. 039303)

Capt. S.K.Inani
Managing Director

H.K.Inani
Director

Anil Jain
Company Secretary
(M.N. A22464)

Place : Chittorgarh
Date : 30.05.2013



Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	Year Ended	Year Ended
		31 March, 2013	31 March, 2012
1 Revenue from operations	18	773380399	513592603
2 Other Income	19	11343624	10708089
3 Total Revenue (1+2)		<u>784724023</u>	<u>524300692</u>
4 Expenses:			
(a) Cost of materials consumed	20.A	135982951	63151485
(b) Purchases of traded goods	20.B	133226642	113413432
(c) Changes in inventories of finished goods, work-in-progress	20.C	5403026	(27625456)
(d) Employee benefits expense	21	29154696	62827464
(e) Finance costs	22	28875108	23971484
(f) Depreciation and amortisation expense	10	30219563	28097917
(g) Manufacturing & direct expenses	23	226932646	159753429
(h) Other expenses	24	<u>81567454</u>	<u>55942567</u>
Total Expenses		<u>671362086</u>	<u>479532322</u>
5 Profit before exceptional and extraordinary items and tax		113361937	44768370
6 Exceptional Items		--	--
7 Profit before extraordinary items and tax (5-6)		113361937	44768370
8 Extraordinary Items		--	--
9 Profit before tax (7-8)		<u>113361937</u>	<u>44768370</u>
10 Tax expense:			
(1) Current tax		32582804	13122615
(2) Deferred tax		<u>8639535</u>	<u>1116347</u>
		41222339	14238962
11 Profit(Loss) from the period from continuing operations		72139598	30529408
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>72139598</u>	<u>30529408</u>
16 Earning per equity share:(Face Value Rs. 10 each)			
(1) Basic		22.18	9.39
(2) Diluted		22.18	9.39

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

As per our report of even date attached

For: Nyati Mundra & Co.

For: Jagdish Rathi & Associates

For and on behalf of the Board of Directors

Chartered Accountants

Chartered Accountants

(Reg. No. 008153C)

(Reg. No. 004623C)

CA R.K.Nyati

CA Jagdish Rathi

Capt. S.K.Inani

H.K.Inani

Partner

Proprieter

Managing Director

Director

(M.N. 070692)

(M.N. 039303)

Anil Jain

Place : Chittorgarh

Company Secretary

Date : 30.05.2013

(M.N. A22464)



INANI MARBLES & INDUSTRIES LTD.
Cash Flow Statement For The Year Ended 31st March, 2013

Particulars	As at 31 March, 2013	As at 31 March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extra ordinary items	113361937	44768370
Adjustments for :		
Depreciation	30219563	28097917
Gain on Fixed Assets Sale	(347801)	---
Interest Expenses	28875108	23971484
Interest Income	<u>(726118)</u>	<u>(541431)</u>
Operating profit before working capital changes	171382689	96296340
Adjustment for changes in:		
Inventories	(10251771)	(43681406)
Sundry Debtors	(18146012)	(59056557)
Short Term Loans & Advances	(4458931)	(910685)
Trade and other payables	7063151	38574536
Short term Provisions	(3483917)	4265161
Other Current Liabilities	(4955994)	55143271
Cash generated from operations	137149215	90630660
Direct Taxes paid	(20958495)	(13272469)
NET CASH FLOW FROM OPERATING ACTIVITIES	116190720	77358191
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(82019448)	(31137221)
Sale of Fixed Assets	390545	---
Long Term Loans & Advances	(7604046)	(659513)
Interest Received	726118	541431
Investment	0	1000000
NET CASH USED IN INVESTING ACTIVITIES	(88506831)	(30255303)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds /Repayment of Long Term Borrowings	(2308367)	(17100950)
Net Proceeds /Repayment of Short Term Borrowings	5902030	(5068531)
Dividend paid including Tax thereon	(3252500)	(4320338)
Interest Paid	(28875108)	(23971484)
NET CASH USED IN FINANCING ACTIVITIES	(28533945)	(50461303)
Net increase/(decrease) in Cash and Cash equivalents	<u>(850056)</u>	<u>(3358415)</u>
CASH AND CASH EQUIVALENTS AS AT 01.04.2012	<u>10839867</u>	<u>14198282</u>
CASH AND CASH EQUIVALENTS AS AT 31.03.2013	<u>9989811</u>	<u>10839867</u>



INANI MARBLES & INDUSTRIES LTD.

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, 2013	As at 31 March, 2012
a) Cash & Cash equivalent disclosed under Current Assets (Note 16)	3971589	5463564
b) Cash & Cash equivalent disclosed under Non Current Assets (Note 13)	6018222	5376303
Statement	9989811	10839867

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 of Directors

CA R.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 : 30.05.2013

Anil Jain

Company Secretary

(M.N. A22464)

**NOTE FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2013****NOTE 1 : COMPANY OVERVIEW**

Inani Marbles & Industries Ltd. (The Company) is a public limited company and listed on Mumbai Stock Exchange Ltd. (BSEL). 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

(A) 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.

(B) HEDGING OF FOREIGN CURRENCY TRANSACTIONS

- i. Premium or discount on foreign exchange forward and currency option contracts are amortised and recognized in the statement of profit and loss over the period of the



contract. Foreign exchange forward and currency option contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are 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 CASSIFICATION 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 me 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

Particulars	As at	
	31 March, 2013	31 March, 2012

NOTE 3: SHARE CAPITAL

a) Authorised :		
1,00,00,000 Equity Shares of Rs. 10 each	100000000	100000000
	<u>100000000</u>	<u>100000000</u>
b) Issued, Subscribed and Paid up :		
32,52,500 Equity Shares of Rs. 10 each, fully paid up	32525000	32525000
(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 equityshareholders 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, 2013		As at 31st March, 2012	
	No. of Shares	% Holding	No. of Shares	% Holding
Inani Securities & Investments Ltd.	432500	13.30	432500	13.30
Suresh Kumar Inani	450100	13.83	450100	13.83
Dinesh Kumar Inani	201100	6.18	201100	6.18
Nishant Kirti Sanghvi	169500	5.21	--	--

NOTE 4: RESERVES & SURPLUS

(a) Capital reserve - State Subsidy		2000000		2000000
(b) General reserve				
Opening balance		6000000		4800000
Add: Transferred from surplus in Statement of Profit and Loss		<u>1200000</u>		<u>1200000</u>
		7200000		6000000
(c) Surplus / (Deficit) in Statement of Profit and Loss				
Opening balance		176807728		151220501
Add: Profit / (Loss) for the year		<u>72139598</u>		<u>30529408</u>
		248947326		181749909
Less: Dividends proposed to be distributed to equity shareholders (Rs.1.00 per share)	3252500		3252500	
Dividend Distribution Tax	527555		489681	
Transferred to General Reserve	<u>1200000</u>		<u>1200000</u>	
		4980055		4942181
Total		<u>243967271</u>		<u>176807728</u>
		<u>253167271</u>		<u>184807728</u>



Notes forming part of the financial statements

Particulars	As at	
	31 March, 2013	31 March, 2012

NOTE 5: LONG TERM BORROWINGS

(a) Secured			
Term Loan from S.B.B.J., Chittorgarh (Refer Note (i) & (ii) below.)	16674205		31406804
Term Loan from HDFC Bank Ltd (Refer Note (iii) & (iv) below.)	4957017		
Term Loan from ICICI Bank Ltd. (Refer Note (iii) & (v) below.)	10104315		6638979
Term Loan from Tata Capital Ltd. (Refer Note (iii) & (vi) below.)	9483072		2053040
		41218609	40098823
(b) Unsecured			
Inter Corporate Deposits		19542054	22970207
Total		<u>60760663</u>	<u>63069030</u>

(i) Secured by equitable mortgage on factory Land & Building situated at F-17 & 58, RIICO Industrial Area and Araj No.1312, Mataji Ki Pandoli, Chittorgarh and hypothecation of Plant & Machinery and floating charge on Stock of Raw Materials, Work in Progress, Finished Goods, Stores & Spares, Book Debts and further personally guaranteed by Directors.

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

Sanctioned Loan Amt/dnt	81000000	20000000
Date of Maturity	Jun-2015	Nov-2014
Rate of Interest	13.00%	13.75%
Balance No. of Quarterly Installments	9	5
Amount of each Quarterly Installment	3115000	1000000

(iii) Secured by way of Hypothecation of Assets

(iv) Terms of Repayment: HDFC Bank Ltd.

Sanctioned Loan	4590000	4590000
Date of Maturity	Sep-2015	Sep-2015
Rate of Interest	10.25%	10.25%
Balance Number of Monthly Installments	30	30
Amount of each EMI	145500	145500

(v) Terms of Repayment: ICICI Bank Ltd.

Sanctioned Loan	4625000	4625000	2380000	2168500	9180000	2655000	1960000
Date of Maturity	Jan-2014	Oct-2014	Jan-2015	Feb-2015	Aug-2015	Dec-2015	March-2015
Rate of Interest	8.50%	9.87%	11.00%	10.91%	7.44%	10.51%	9.75%
Balance Number of Monthly Installments	10	19	22	23	29	33	36
Amount of each EMI	134700	138100	79800	63500	292580	88400	63010

(vi) Terms of Repayment: Tata Capital Ltd.

Sanctioned Loan	4575000	7800000	7244000
Date of Maturity	Sep-2013	Dec-2015	Dec-2015
Rate of Interest	7.50%	11.50%	11.50%
Balance Number of Monthly Installments	6	33	33
Amount of each EMI	131350	263408	244630



Notes forming part of the financial statements

Particulars	As at 31 March, 2013	As at 31 March, 2012
NOTE 6: SHORT TERM BORROWINGS		
(a) Secured		
Cash Credit from SBBJ	92119347	87200223
Straight Line of Credit from SBBJ	<u>13336608</u>	<u>13595947</u>
Total	<u>105455955</u>	<u>100796170</u>
Secured by equitable mortgage on factory Land & Building situated at F-17 & 58, RICO 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*	8176478	6710658
Due to creditors other than Micro & Small enterprises	<u>69517902</u>	<u>63920571</u>
Total	<u>77694380</u>	<u>70631229</u>
*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	35101242	33858997
(b) Unpaid dividends	672343	513667
(c) Other payables		
(i) Statutory remittances contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.	1125289	2411656
(ii) Payables on purchase of fixed assets	2036808	2430558
(iii) Advances from customers	14382434	21442450
(iv) Advances from Companies under same management	<u>46976364</u>	<u>43350901</u>
Total	<u>64520895</u>	<u>69635565</u>
Total	<u>100294480</u>	<u>104008229</u>
NOTE 9: SHORT TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) salary & wages	2934155	5342507
(ii) bonus	<u>665344</u>	<u>4337714</u>
(b) Provision - Others:		
(i) for income tax	3599499	9680221
(Net of advance tax Rs 20958496 (PY. Rs.12452451)	12632819	685069
(ii) for Wealth Tax	4991	-
(iii) for proposed equity dividend	3252500	3252500
(iv) for tax on proposed dividends	1054922	527367
(v) for expenses	<u>5106867</u>	<u>2510062</u>
Total	<u>22052099</u>	<u>6974998</u>
Total	<u>25651598</u>	<u>16655219</u>

INANI MARBLES & INDUSTRIES LTD.

Notes forming part of the financial statements

NOTE 10: TANGIBLE ASSETS

Particulars	Gross Block				Depreciation			Net Block	
	As On	Addition	Deletion	As On	For The	On	As On	As On	
	01.04.2012			31.03.2013	Year	Deletion	31.03.2013	31.03.2012	
LAND:									
Lease hold	4657273	0	0	4657273	0	0	0	4657273	4657273
Free hold	4471250	995720	0	5466970	0	0	0	5466970	4471250
Building	25286202	23675831	0	48962033	3470011	885723	0	4355734	44606299
Plant & Machinery	164734443	22842860	0	187577303	29784943	8293623	0	38078566	149498737
Mining Equipments	164797800	28091738	490000	192399538	110326162	20292627	447256	130171533	62228005
Furniture & Fixtures	3021311	23055	0	3044366	1206292	191945	0	1398237	1646129
Vechiles	7517959	4266621	3175931	8608649	5710906	3175931	3069461	5539188	1807053
E.D.P. Equipments	840837	33000	0	873837	769215	21159	0	790374	83463
Total	375327075	79928825	3665931	451589969	151267529	30219563	3623187	177863905	273726064
Previous Year	326974339	48352736	0	375327075	123169612	28097917	0	151267529	224059546



Notes forming part of the financial statements

Particulars	As at	As at
	31 March, 2013	31 March, 2012
NOTE 11: NON CURRENT INVESTMENTS		
Unquoted Fully Paid up		
Action Marble & Granites Pvt. Ltd. 40000 (Previous year 40000) Equity Shares of Rs.10 each fully paid up	2000000	2000000
Aravali Associates Pvt. Ltd. 2000 (Previous year 2000) Equity Shares of Rs.100 each fully paid up	1000000	1000000
Total	<u>3000000</u>	<u>3000000</u>
NOTE 12: LONG TERM LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated.)		
(a) Security deposits	4430817	3357176
(b) Capital Advances	7941664	1739691
(b) Advances Income Tax	2912237	2583805
Total	<u>15284718</u>	<u>7580672</u>
NOTE 13: OTHER NON CURRENT ASSETS		
(i) Term Deposits with Banks (Pledged)	4504116	4272050
(ii) Interest accrued on deposits	1514106	1104253
Total	<u>6018222</u>	<u>5376303</u>
NOTE 14: INVENTORIES		
(At lower of cost and net realisable value)		
(a) Raw materials	70842531	64076582
(a.i) Raw materials in Transit	261035	344567
(b) Stores, Spairs & Consumables	12557608	3585228
(c) Finished goods (other than those acquired for trading)	59868913	65541007
(d) Stock-in-trade (acquired for trading)	3455999	3186931
Total	<u>146988086</u>	<u>136734315</u>
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	60773614	49416824
(b) Other Trade receivables	104275397	97486175
Total	<u>165049011</u>	<u>146902999</u>
NOTE 16: CASH & CASH EQUIVALENTS		
(a) Cash on hand	975922	2229249
(b) Cheques, drafts on hand	865675	1000000
(c) Balances with banks		
(i) In current accounts	1457649	1720648
(ii) In unpaid dividend accounts	672343	513667
Total	<u>2129992</u>	<u>2234315</u>
	<u>3971589</u>	<u>5463564</u>
NOTE 17: SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated.)		
(a) Security deposits	3360220	3360220
(b) Prepaid expenses	1720286	1492622
(c) Balances with government authorities		
(i) CENVAT credit receivable	3032568	1727422
(ii) VAT credit receivable	9244842	10451570
(iii) Service Tax credit receivable	1464263	1122140
(iv) Deferred Cenvat receivable	37433	-
(v) Focus product Scheme	210455	-
(vi) CST refundable	281749	122648
	14271310	13423780
(d) Others*	18245884	14533715
Total	<u>37597700</u>	<u>32810337</u>



Notes forming part of the financial statements

Particulars	As at 31 March, 2013	As at 31 March, 2012
NOTE 18: REVENUE FROM OPERATIONS		
(a) Sale of products (Refer Note (i) below)	741126598	411970951
(b) Sale of services (Refer Note (ii) below)	30195338	101745109
(c) Other operating revenues (Refer Note (iii) below)	<u>4358973</u>	<u>1280021</u>
	775680909	514996081
<u>Less:</u>		
(d) Excise duty	<u>2300510</u>	<u>1403478</u>
Total	<u><u>773380399</u></u>	<u><u>513592603</u></u>
Note:		
(i) Sale of products comprises:		
Marble Slabs	130878548	111228984
Sand Stone Slabs	48853354	48332025
Granite Slabs	219738449	102564718
Marble Blocks	154420132	36897273
Sand Stone Blocks	17599098	6659012
Marble Articles	71600	
Granite Blocks	98357737	95433025
China Clay	7168457	540449
Lime stone	458668	
Red Ocher	<u>63580555</u>	<u>10315465</u>
Total - Sale of products	<u><u>741126598</u></u>	<u><u>411970951</u></u>
(ii) Sale of services comprises:		
Job work receipts	<u>30195338</u>	<u>101745109</u>
Total - Sale of services	<u><u>30195338</u></u>	<u><u>101745109</u></u>
(iii) Other operating revenues comprises:		
Transportation Charges	2507405	113000
Sale of scrap	816255	75020
Rebate & discount	613983	250409
Refund of Service Tax	<u>421330</u>	<u>841592</u>
Total - Other operating revenues	<u><u>4358973</u></u>	<u><u>1280021</u></u>
NOTE 19: OTHER INCOME		
(a) Interest income	726118	541431
(b) Net gain on foreign currency transactions and translation	9595363	10001828
(c) Other non-operating income:		
Gain on sale of fixed assets	347801	
Insurance charges	94343	73892
Duty drawback and other export incentives	369544	81086
Miscellaneous Income	<u>210455</u>	<u>9852</u>
	<u>1022143</u>	<u>164830</u>
Total	<u><u>11343624</u></u>	<u><u>10708089</u></u>



Notes forming part of the financial statements

Particulars	As at 31 March, 2013	As at 31 March, 2012
NOTE 20.A: COST OF MATERIALS CONSUMED		
Opening stock	64076582	30131755
Add: Purchases (Refer note (i) below)*	142748900	97096312
	206825482	127228067
Less: Closing stock	70842531	64076582
Cost of material consumed**	135982951	63151485
Total	135982951	63151485
* Excludes cost of Blocks excavated from own mines.		
** Includes cost of Marble & Stone Blocks sold.		
(i) Material purchased comprises:		
Marble Block	86274174	62438878
Stone Block	7396691	3739185
Granite Block	49078035	30918249
Total	142748900	97096312
NOTE 20.B: PURCHASE OF TRADED GOODS		
Granite Block	42563035	57910774
Granite Slabs	64659034	27608639
Marble Slabs & Tiles	17934319	24955162
Sand Stone Slabs	7252988	2938857
Marble Strips	817266	
Total	133226642	113413432
NOTE 20.C: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Finished goods	59868913	65541007
Stock-in-trade	3455999	3186931
	63324912	68727938
Inventories at the beginning of the year:		
Finished goods	65541007	39171707
Stock-in-trade	3186931	1930775
	68727938	41102482
Net (increase) / decrease	5403026	(27625456)
NOTE 21: EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	25809637	53559189
Contributions to provident and other funds	1260580	6535649
Staff welfare expenses	2084479	2732626
Total	29154696	62827464
NOTE 22: FINANCE COSTS		
Interest expense on:		
(i) Borrowings	28867550	23747597
(ii) Others:		
Dividend Distribution Tax.	-	96483
Income tax	-	127288
Others	7558	116
	7558	223887
Total	28875108	23971484

**Notes forming part of the financial statements**

Particulars	As at 31 March, 2013	As at 31 March, 2012
NOTE 23: MANUFACTURING & DIRECT EXPENSES		
Consumption of stores and spare parts	106978955	72116186
Power and fuel	68168488	58898471
Freight Inward	18446986	5435796
Repairs and maintenance - Buildings	38600	0
Repairs and maintenance - Machinery	6662096	8139601
Royalty	26168705	14224716
Equipment Hire Charges	468816	938659
Total	<u>226932646</u>	<u>159753429</u>

NOTE 24: OTHER EXPENSES

Repairs and maintenance - EDP Equipment	208988	412748
Repairs and maintenance - Others	0	20261
Insurance	1397159	1442226
Rates and taxes	1197993	2125909
Communication	370255	328791
Travelling and conveyance	1959898	1743587
Printing and stationery	460451	397434
Export Freight and Forwarding	62297867	40313777
Packing & Loading	460036	117178
Sales commission	2918775	1474710
Rebates & discount	350923	327806
Bank Charges	4543990	2230191
Business Promotion	1612853	2061466
Legal and professional	1246342	1478913
Auditors Remuneration for :		
Audit Fees	100000	100000
Other Matters	20000	20000
Postage & Courier Expenses	275051	260095
Advertisement & Publicity	542625	214729
Vehicle Running & Maintenance	819528	527972
Office Expenses	383864	164458
Secretarial Charges	79778	78313
Fees & Subscriptions	67079	24251
Miscellaneous expenses	253999	77752
Total	<u>81567454</u>	<u>55942567</u>



Notes forming part of the financial statements

Particulars	As at	
	31 March, 2013	31 March, 2012

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.	20.00		110.00
(ii) Excise & Custom Duty forgone against bond	199.20		212.81
(iii) Excise & Custom Duty forgone under 100% EOU scheme.	110.09		110.47

NOTE 26: EARNING PER SHARE		
(i) Net profit for the year after tax	72139598	30529408
(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	22.18	9.39

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, 2013 is as given below:

- (i) Primary Segment Reporting (By Business Segments):
 The Company is engaged mainly in the business of Mining, manufacturing of Marble, Granite 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	2947.22	2505.98
Sales to Overseas Markets	4768.07	2619.03
(USA, Europe & Middle east.)		
Total	7715.29	5125.01

Geographical Location	Revenue from external customers for the year ended			
	Sales		Sales	
	%	March 31, 2013	%	March 31, 2012
Republic of China	26.17	1939.36	24.88	1025.17
Arbian Countries	17.44	1292.25	20.63	849.82
African Countries	13.69	1014.94	9.33	384.50
Europe & USA	4.35	322.17	4.50	185.33
Rest of world	2.69	199.35	4.23	174.21
Overses Market				
Domestic Market				
Total	64.34	4768.07	63.57	2619.03
Total	100.00	7411.27	100.00	4119.71
Sale of Services				
Overses Market	0	0	0	0
Domestic Market	100	301.95	100	1017.45
Total	100	301.95	100	1017.45

Segment assets, liabilities and fixed assets used in the Company's business have not been identified to any reportable geographical segments as the fixed assets are used interchangeably between segments and hence geographical segment disclosures related to the carrying amount of Segment assets, liabilities and addition to fixed assets made during the year have not been given.

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, 2013 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 Father of Joint Managing Director
 Rajesh Kumar Inani Director Brother of Joint Managing Director

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

Inani Marbles Pvt. Ltd.	Action Marble & Granite Pvt. Ltd.	Inani Bhanwarlal & Sons
Inani Tiles Pvt. Ltd.	Inani Infra Project Pvt. Ltd	Nakoda Marble
Inani Securities & Investments Ltd.	Inani Marmo & Granite Pvt. Ltd.	Action Marble, Katni
		Gareeb Nawaz Marble



Notes forming part of the financial statements

Particulars	As at	
	31 March, 2013	31 March, 2012

(ii) Transaction with related parties							
Sr. No	Nature of Transaction and Name of the transacting party	31.03.2013			31.03.2012		
		Entities over which key Managerial personnel or their relatives exercises significant influence	Key management Personnel	Relatives of Key management Personnel	Entities over which key Managerial personnel or their relatives exercises	Key Management Personnel	Relatives of Key management Personnel
1	Remuneration Capt. Suresh Kumar Inani Dinesh Inani	--	3370000 1560000	--	--	2200000 1790000	--
2	Sitting Fees Nand Lal Inani Rajesh Kumar Inani Harish Kumar Inani	--	--	24000 16000 24000	--	--	16000 16000 12000
3	Purchases Inani Marbles Pvt. Ltd. Inani Tiles Pvt. Ltd. Inani Bhanwarlal & Sons Action Marble & Granite Pvt. Ltd. Inani Infra Project Pvt. Ltd Inani Marmo & Granite Pvt. Ltd. Action Marble, Katni Gareeb Nawaz Marble	-- -- 1281781 2054685 12489903 62195 1061427 0	-- -- -- -- -- -- -- --	-- -- -- -- -- -- -- --	6944 568385 18900 1535000 14134336 833645 3243028 199196	-- -- -- -- -- -- -- --	-- -- -- -- -- -- -- --
4	Sales Inani Marbles Pvt. Ltd. Inani Tiles Pvt. Ltd. Action Marble & Granite Pvt. Ltd. Inani Marmo & Granite Pvt. Ltd. Action Marble, Katni	2881200 1558200 6027000 3087000 71578	-- -- -- -- --	-- -- -- -- --	212100 705600 2116800 2785072	-- -- -- -- --	-- -- -- -- --

NOTE 29: VALUE OF IMPORTS ON CIF BASIS

(i) Raw Material	50578024	41818708
(ii) Stores & Spares	28002442	17057141
(iii) Plant & Machinery (Capitalised & WIP)	16229389	12462960
Total	94809855	71338809

NOTE 30: EXPENDITURE IN FOREIGN CURRENCY

(i) Travelling	324228	558978
(ii) Fair & Exhibition	1612853	1495365
Total	1937081	2054343

NOTE 31: EARNINGS IN FOREIGN CURRENCY

FOB value of goods exported	476807351	261902454
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NOTE 32: VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

(i) Raw Material*		Percentage		Amount	
		Percentage	Amount	Percentage	Amount
(i) Raw Material*	Imported	34.27%	46401806	48.34%	30527657
	Indigenous**	65.73%	88981145	51.66%	32623828
		100.00%	135382951	100.00%	63151485
*Includes cost of Blocks sold.					
**Excludes cost of Blocks excavated from own mines.					
(ii) Stores & Spares	Imported	19.25%	20598154	27.13%	19566389
	Indigenous	80.75%	86380801	72.87%	52549797
		100.00%	106978955	100.00%	72116186



Notes forming part of the financial statements

Particulars	As at	As at
	31 March, 2013	31 March, 2012

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	2613374	3729721
Add: Current Year Credit / (Charge)	<u>(8639535)</u>	<u>(1116347)</u>
Net Deferred Tax Asset/(Liability)	<u>(6026161)</u>	<u>2613374</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, 2014.

NOTE 36:

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

NOTE 37:

The previous year figures have also been re-classified re-grouped to conform to this year's classification. 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.

For: Jagdish Rathi & Associates

For and on behalf of the Board of Directors

Chartered Accountants

Chartered Accountants

(Reg. No. 008153C)

(Reg. No. 004623C)

CA R.K.Nyati

CA Jagdish Rathi

Capt. S.K.Inani

H.K.Inani

Partner

Proprieter

Managing Director

Director

(M.N. 070692)

(M.N. 039303)

Anil Jain

Place : Chittorgarh

Company Secretary

Date : 30.05.2013

(M.N. A22464)



NOTES

INANI MARBLES & INDUSTRIES LTD.

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the 19th Annual General Meeting of the Company at Hotel Padmini, river View, Near Sainik School, Chittorgarh on Monday, 30 September, 2013 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.

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

PROXY FORM

I/Weof.....

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 19th Annual General Meeting of the Company to be held on Monday, 30 September, 2013 at 3.00 P.M. and at any adjournment thereof

Signed this _____ day of _____ 2013

Regd. Folio No. _____

DP ID No. _____ Client No. _____

No. of Shares held _____

Affix
Revenue
Stamp

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